



# Redefining Standards Delivering Value



Annual Report 2017-18



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**Disclaimer:** This document contains statements about expected future events and financials of Chalet Hotels Limited which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis Report of this annual report.







Excellence in building high-end hotels, creating luxury ambience and enhance customer experiences are synonymous with Chalet Hotels.

Located in key metro cities of India, the Company's hotels are branded with leading global brands of Marriott\*.

As a part of the K. Raheja Corp Group, we derive significant benefit from the confidence it has built over the years in the real estate space.

\*Marriott International Inc. and its affiliates (Collectively "Marriott")





# CHALET HOTELS, Redefining Hospitality Standards.



## Chalet Hotels Limited (alternatively referred as CHL or ‘the Company’) is an owner, developer and asset manager of high-end hotels across some of India’s key metro cities.

We have five operating hotels and a co-located serviced residence located in the Mumbai Metropolitan Region, Hyderabad and Bengaluru. Our hotels are branded with globally recognised hospitality brands – JW Marriott, Westin, Marriott, Marriott Executive Apartments, Renaissance and Four Points by Sheraton. These brands are held by Marriott International Inc. and its affiliates (Collectively “Marriott”), a global hotel chain, who has the largest inventory in luxury, upper upscale and upscale segments in India. Our relationship with such leading international hospitality brands along with premium locations and high quality of our hotel properties, enables us to attract our target customer base including large corporate key accounts, deliver enhanced customer experience, encourage repeat business and drive customer loyalty. In addition, we have developed commercial and retail spaces, in close proximity to our hotels as complementary assets.



### Competitiveness

- ✦ High-end branded hotels strategically located in key metro cities of India
- ✦ Active asset management model
- ✦ Well-positioned to benefit from the industry trends
- ✦ Experienced management team
- ✦ Backed by leading Indian real estate developer
- ✦ Robust financial and operating parameters

# 5

Operating hotels



# 2,328

Keys as on March 31, 2018



# 3

Cities





# BUSINESS Segments

## HOTELS

### Strategy:

Focused on developing high-end hotels and leveraging our experience to actively manage the property to drive hotel performance.

### USP:

- ✿ Strategically located at high density business districts with high barriers to entry

- ✿ Hotel operation and related agreements are executed with global brands
- ✿ Efficient gross built up area and development cost per key
- ✿ Large land parcels with mixed use developments
- ✿ All hotels in luxury, upper upscale and upscale segments



Properties	JW Marriott Mumbai Sahar	Bengaluru Marriott Hotel Whitefield	The Westin Hyderabad MindSpace
Opened	2015	2013	2009
Keys	585	391	427
Dining	<b>JW Café:</b> Multi-cuisine restaurant <b>Romano:</b> Italian specialty restaurant <b>JW Lounge:</b> Café by day and lounge in the evening	<b>M Café:</b> All day dining <b>Alto Vino:</b> Contemporary Italian specialty restaurant <b>Whitefield Bar and Grill:</b> Poolside eatery <b>M Bar</b> <b>Whitefield Baking Co:</b> Delicatessen and pastry shop	<b>Seasonal Tastes:</b> International cuisine all day dining <b>Casbah:</b> Mediterranean lounge <b>Daily Treat:</b> Delicatessen <b>Kangan:</b> Refined Peshwari fine dining restaurant <b>Prego:</b> Italian specialty restaurant <b>Mix Bar</b>

JW Marriott Mumbai Sahar



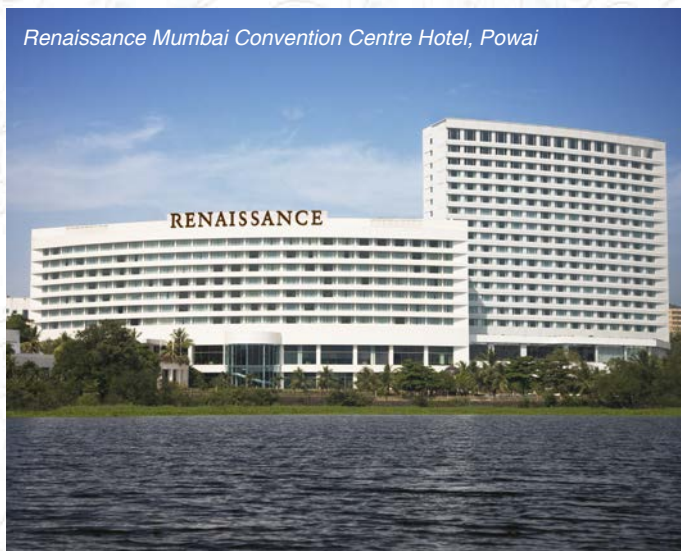
Bengaluru Marriott Hotel Whitefield



The Westin Hyderabad MindSpace



Properties	Four Points by Sheraton Navi Mumbai, Vashi	Renaissance Mumbai Convention Centre Hotel, Powai	Lakeside Chalet, Mumbai – Marriott Executive Apartments, Powai
Opened	2009	Renaissance-2001 <sup>1</sup>	2000
Keys	152	600	173
Dining	<b>Asian Kitchen:</b> All day dining multi-cuisine restaurant <b>Wrapped:</b> 24-hour coffee shop <b>Tipplers:</b> Café by day and evening lounge	<b>Emperor's Court:</b> Cantonese specialty <b>Lake View Café:</b> Coffee shop <b>Nawab Saheb:</b> Indian specialty <b>A Bar:</b> lobby level bar <b>Fratelli Fresh:</b> Contemporary Trattoria <sup>1</sup> Added 283 keys in 2001, 300 keys in 2008 and 17 keys in 2017	<b>Crimson:</b> 3-meal restaurant







## COMMERCIAL AND RETAIL BUSINESS

### Strategy:

These are part of the hotel-led mixed-use projects, located on the Company's freehold land, close to the hotels. We earn lease/license fee from these properties.

### USP:

- ✦ Long-standing relationships with several large corporate clients and domestic and global retail brands including food and beverage chains, departmental store, consulting and management companies, amongst others
- ✦ A strong track record and quality of our commercial and retail developments have led to maximisation of revenues from letout properties
- ✦ Secure retail clients for new developments

As of March 31, 2018, the Company has developed two projects over an area of 0.86 million square feet, adjacent to the hotel properties.

In Mumbai our projects were completed in 2018 and include the Business Centre & Office and The Orb (Retail) at Sahar. They are adjacent to our JW Marriott Mumbai Sahar and at a close proximity to the Mumbai International Airport (hotel complex).

In Bengaluru, our projects include the Corporate Tower and the Inorbit Mall at Whitefield. Both the projects are adjacent to our Bengaluru Marriott, Whitefield.

## OUR RESIDENTIAL PROJECTS

The Company has two residential projects one in Madhapur, Hyderabad and one in Koramangala, Bengaluru.



# Delivering FINANCIAL Acumen



## Hotel Segment

### Total Revenue

(₹ million)



### Operating Profit\*

(₹ million)



### ADR<sup>1</sup>

(₹)



### Occupancy

(%)

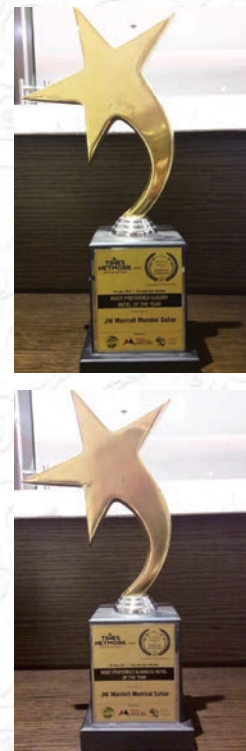




## Operating Profit Margin



<sup>2</sup>RevPAR - Revenue Per Room



## AWARDS AND RECOGNITIONS

Over the years our hotels have received several awards and accreditations, including the following:

### Calendar Year Awards and accreditations

#### 2018

- ✦ 'Certificate of Honour' awarded to our Company by IMP for 2018-2019

#### 2017

- ✦ 'Most Preferred Business Hotel of the Year' awarded to JW Marriott Mumbai Sahar by CMO Asia Awards, 2017
- ✦ 'Most Preferred Luxury Hotel of the Year' awarded to JW Marriott Mumbai Sahar by CMO Asia Awards, 2017

#### 2016

- ✦ 'HISCA 2016 Best New Hotel of the Year' awarded to JW Marriott Mumbai Sahar in recognition of an outstanding hotel development in the 'Luxury / Upper Upscale Hotel Segment'
- ✦ 'Best Business Hotel' of the year awarded to The Westin Hyderabad Mindspace, by CMO Asia Award, 2016



# From the desk of the **MANAGING DIRECTOR** and **CEO**



We strive to redefine standards and deliver value that positively impacts our shareholders, business partners, employees and customers.



## Dear Members,

The reputation our Company has built over the years is an important asset conveying confidence, solidity and solvency. We have steadily penetrated the depths and redefined standards by encompassing aesthetically crafted premium properties and have tie-ups with some of the best brands tailored to premium segments across some of India's key metropolitan markets. The resulting operating efficiencies help us deliver value through our robust asset management model allowing us to achieve industry leading growth on key parameters.

### Favourable macro environment

Today, India's macro-economic environment is conducive to the Indian Hospitality Industry. The country has once again regained its status as being the 'fastest growing economy in the world' with strong GDP numbers of 6.7% in 2017-18. It has overcome the temporary hiccups owing to demonetisation and Goods and Service Tax (GST) implementation. The Government continued to introduce newer reforms during the year to strengthen the economy's liquidity and accountability. The travel and tourism industry continues to witness a strong growth and is the 3rd largest foreign exchange earner for the country. Besides, there are several other interesting data, that will drive the hospitality market. These include:

- ✿ The GDP growth is expected to be between 7.4% and 8.1% over the next five years
- ✿ The demand for hotel rooms has increased from 26,300 rooms per day in 2008 to 84,100 rooms per day in 2017
- ✿ Passenger air-traffic movement at the key markets for the Company witnessed 9.2% CAGR between the financial years 2008 and 2018, while 10.3% CAGR was achieved on all-India basis
- ✿ Net absorption in the top 8 cities (Ahmedabad, Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune) for India's commercial real estate crossed the 30 million square feet (msf.) mark over the period 2014-2017. This can be credited to India's consistent and accelerated economic performance resulting from strong government spending, greater economic activity and improving investor environment.

✿ In the backdrop of improving economic performance and business confidence, the commercial office leasing activity sustained momentum from last year whilst the investment activity saw increasing interest resulting in some landmark deals.

✿ Growth in per-capita income, changing demographic dynamics, rising urbanisation and higher discretionary spending trends are expected to assist the growth of the hospitality industry in India.

At Chalet, given our presence in the key metro cities, we are expected to predominantly benefit from the above-mentioned growth parameters.

### Asset Ownership Model

We have branded our hotels with leading global hospitality brands, which we believe are well matched to the location, size, target customer base and intended hotel segment of our hotel properties. This allows us to save on the time and cost required to build, develop and maintain our 'own hotel brand'. The hotel operation and related agreements with Marriott, give us access to Marriott's management expertise, industry best practices, online reservation systems, marketing strategies, systems and processes, human resources and operational know-how.

However, a critical part of our growth strategy is to continue our focus on maximising the cost efficiency of our portfolio by following a disciplined approach to asset management. We have collaborative working arrangement with our hotel operators to drive strategic and tactical initiatives and drive profitability. Resultantly, we have industry leading operational and financial parameters such as ADR, occupancies, RevPAR and EBITDA margins in the space we operate.

### Early-mover advantage

We believe we have a competitive advantage in key metro cities due to the significant time outlay required for companies to build and establish a profitable hotel or commercial project. Our early mover advantage in large, mixed-use developments in specific micro-markets and availability of unutilised land at some of our hotel properties allowed us to successfully expand our operations. Further, the availability of land with our company





in proximity to our developments for further expansion and high entry costs to develop projects in metro cities where our developments and projects are located, provide us with an advantage in our relevant micro-markets.

### **MICE opportunity**

The luxury-upper upscale hotels are expected to witness a strong demand from the MICE (meetings, incentives, conferences and events) segment. We believe that given our presence in key metro cities and size of our hotels, including large sized banquet, outdoor and conferencing facilities, particularly at our hotel at Sahar Mumbai and at our hotel and convention centre at Powai, Mumbai, we are well-positioned to benefit from the growth potential in the MICE segment. It will facilitate both, domestic and international business meetings and conferences. We believe, the technology and facilities available at our properties in addition to their locational advantage will allow us to capture the expected growth in this segment.

### **Commercial and retail spaces**

We have strategically positioned ourselves in the commercial and retail space owing to our in-depth understanding of the commercial rental market and the needs and preferences of consumers. We believe that our clients have confidence in us, demonstrated by our relationships with several large corporate houses and domestic and global retail brands, including a long-term agreement with a leading global professional services company for 109,228 sq. ft. of commercial space at Whitefield,

Bengaluru. Such relationships will help us secure clients for large commercial or retail spaces at suitable model rates.

### **Future value drivers**

We have our strategies in place that will further strengthen our value-generating assets. These include:

- ✦ focus on maximising performance in existing portfolio through active asset management model
- ✦ disciplined development of assets in the current pipeline
- ✦ portfolio expansion through opportunistic and accretive acquisitions
- ✦ maintain sustainable capital structure and ensure prudent capital allocation
- ✦ re-negotiate better terms for hotel operation contracts and evaluate option of re-flagging hotels to include more international and well diversified brands

We are developing two additional hotel projects and two projects in commercial office space which are expected to be operational by 2021-22. We have traditionally acquired large parcels of land at competitive prices with the intention to develop hotel-led mixed-use projects. We seek to leverage unutilised FSI at some of our hotel locations which allows us to develop additional commercial or retail spaces.

Our total income was ₹ 8,512.78 million for the financial year 2017-18. Our EBITDA was ₹ 3,004.77 million for the financial





**We have traditionally acquired large parcels of land at competitive prices with the intention to develop hotel-led mixed-use projects.**



year 2017-18 and our EBITDA Margin was at 35.3%.

At our core, we are in a business of people serving people. We strive to provide exceptional experiences at every hotel, for every guest, every time. We are incredibly proud to have shared our unparalleled hospitality with all our guests across our properties till date. On behalf of team Chalet Hotels, I thank you for your continued support as we deliver on our commitment to be the most hospitable company in the world.

Best Wishes,

**Sanjay Sethi**

*Managing Director & CEO*







# Strategically located, efficiently designed properties. Capturing the RIGHT audiences.

## At Chalet, we have redefined the opportunity landscape. Delivering Value to the business.

Our strategically-located properties across Mumbai, Hyderabad and Bengaluru allow us to capture the right set of audiences that seek for premium properties for their stay. All our hotel assets are located in high density business districts in their respective metro cities. We have developed our hotels at strategic locations with high barriers-to-entry close to airports, major business centres or commercial districts and other convenient locations.

Our design and development team manages construction, design, approval and engineering for our projects and utilises modern technology for quicker and more efficient development of our properties. We generally develop our hotels on large land parcels, allowing us to build a greater number of rooms, as well as provide a wide variety of amenities such as fine dining and specialty restaurants, spacious banquet halls, ball rooms and executive lounges, larger swimming pools and outdoor spaces, spas and gymnasiums.

We believe the premium location and high quality of our hotel properties, together with our relationship with leading international hospitality brands, enables us to attract our target customer base. Also, we enjoy an early-mover advantage of marking our presence in the key metro cities, which otherwise is a key entry barrier for a new entrant. It allowed us to enjoy a dominant position in our space.



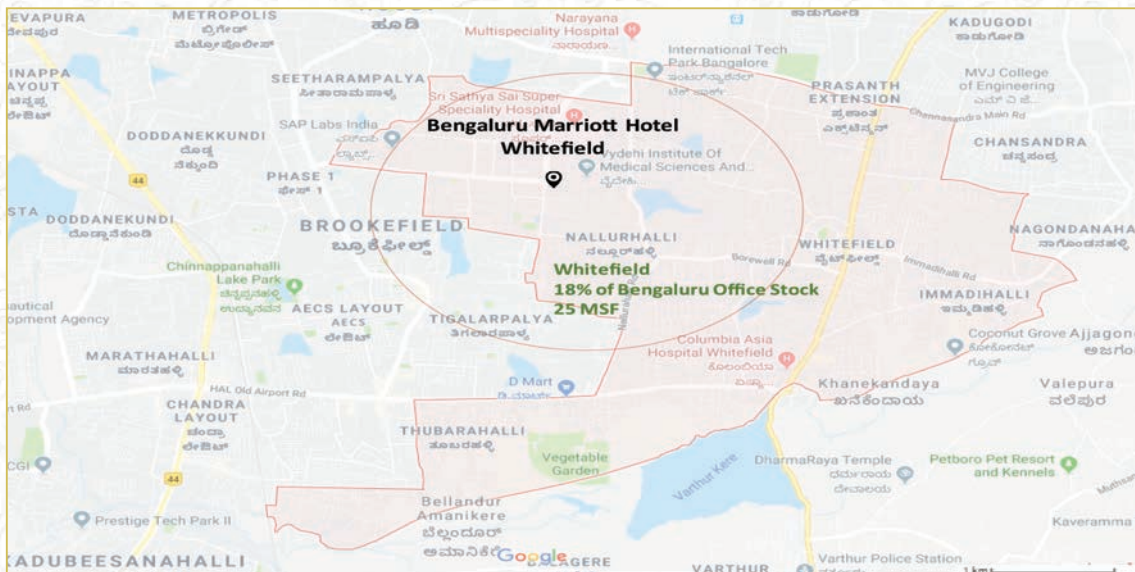
## Well positioned to benefit from industry trends

Prime locations enforcing high barriers-to-entry

### Mumbai



### Bengaluru



### Hyderabad







# Active ASSET MANAGEMENT Model. Delivering Efficiencies.

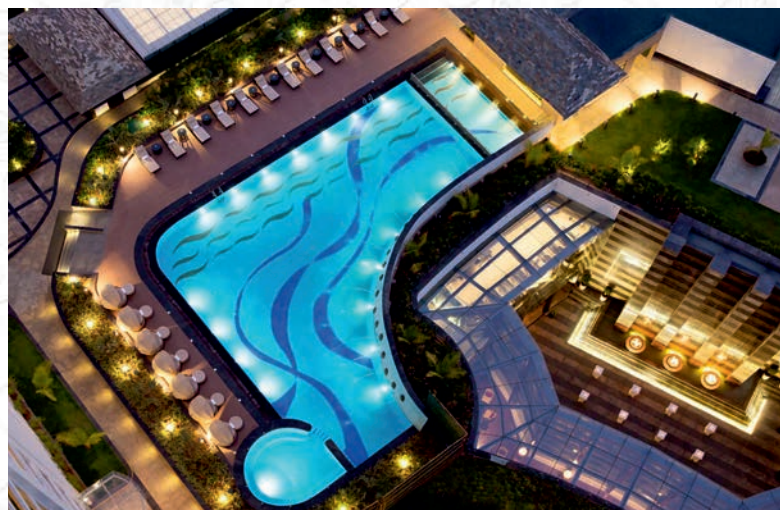


**At Chalet, we have redefined the asset management standards. Delivering operational efficiencies.**

We follow an active asset management model for our four hotels including a hotel with a co-located serviced residence which are operated by Marriott pursuant to hotel operations and related agreements. Our active asset management model entails that in addition to contractual obligations under agreements with Marriott, we closely monitor, exercise regular oversight and contribute to the performance of our hotel properties. As part of our active asset management model, we regularly:

- ✿ engage with the hotel management team periodically at each hotel in order to discuss and agree on budgeting, cost management initiatives and operational and financial targets for each of our hotel properties
- ✿ review performance reports generated by each hotel
- ✿ discuss and optimise pricing strategies to maximise room yield by active monitoring of key corporate accounts and provide inputs on promotional activities
- ✿ review furniture, fixtures, equipment deployment and replacement plans and assist with execution of these plans
- ✿ review competitor-set performance and penetration across relevant micro-markets on key parameters
- ✿ assist in renewing licenses and consents, as necessary

The resultant outcome is visible in the competitive operational and financial parameters such as industry-leading ADR, occupancies, RevPAR and EBITDA margins.







**Strong development  
pipeline. Geared up  
for a BRIGHT FUTURE.**





## HOTELS

We have proposed a development pipeline of 410 rooms across two hotels at Airoli (Navi Mumbai) and Powai (Mumbai).

### Details:

Location:

**AIROLI (NAVI MUMBAI)**

Keys:

**260**

Estimated Year of Completion:

**2021\***

Location:

**RENAISSANCE COMPLEX, POWAI (MUMBAI)**

Keys:

**150**

Estimated Year of Completion:

**2022\***

## COMMERCIAL AND RETAIL PROJECTS UNDER DEVELOPMENT

We have proposed a development pipeline for commercial projects of approximately 1.12 million square feet across two projects.

### Details:

**POWAI OFFICE BLOCK**

Location:

**RENAISSANCE COMPLEX, POWAI**

Total Built-up Area:

**688,896 SQUARE FEET**

Estimated Year of Completion:

**2021\***

**IT BUILDING PHASE II**

Location:

**BENGALURU, WHITEFIELD**

Total Built-up Area:

**432,332 SQUARE FEET**

Estimated Year of Completion:

**2021\***

\*Based on management estimates, subject to approvals





# Board of DIRECTORS



**Hetal Gandhi**

*Chairman and  
Independent Director*

Mr. Hetal Gandhi holds a Bachelor's degree in Commerce from the University of Mumbai and is a Chartered Accountant from the Institute of Chartered Accountants of India. He is the co-founder and Managing Director of Tano India Advisors Private Limited and was previously associated with IL&FS as its head - financial services as well as Chief Executive Officer of ORIX Auto and Business Solutions Limited. He has over 31 years of experience in the financial services industry.



**Ravi C. Raheja**

*Promoter and  
Non-Executive Director*

Mr. Ravi C. Raheja holds a Bachelor's degree in Commerce from the University of Mumbai and a Master's degree in Business Administration from the London Business School. He has been on our Board since September 4, 1995. He is the group president of K. Raheja Corp group. Mr. Ravi C. Raheja has 22 years of experience across the real estate, hotel and retail industry.



**Neel C. Raheja**

*Promoter and  
Non-Executive Director*

Mr. Neel C. Raheja holds a Bachelor's degree in Law and has a Master's degree in Commerce from Mumbai University. He has completed Owner/President Management Program from Harvard Business School. He is the group president of K. Raheja Corp group. He has been instrumental in the diversification of the K. Raheja Corp group's business to retail and hospitality for the last two decades. Mr. Neel C. Raheja is the co-chairman of the CII-National Committee on Real Estate and Housing, India chapter of Asia Pacific Real Estate Association Limited, and president of the NAREDCO Maharashtra, Management Committee. He has 20 years of experience across the real estate, hospitality and retail industry.



**Conrad D'Souza**

*Independent Director*

Mr. Conrad D'Souza holds a Master's degree in Commerce and a Diploma in Financial Management from the University of Mumbai. He also has a Master's degree in Business Administration from South Gujarat University. He is a graduate of the Senior Executive Program from the London Business School. He has been associated with HDFC Limited since 1984 and is currently a member of executive management & Chief Investor Relations Officer and his responsibilities include corporate planning and budgeting, corporate finance and investor relations.





**Arthur William  
De Haast**

*Independent Director*

Mr. Arthur William De Haast holds a Bachelor's degree in Hotel and Catering management from the University of Strathclyde. He has also been elected as a Life Fellow of the Institute of Hospitality. He has been associated with JLL since 1987 in variety of senior roles including Global CEO and then Chairman of its Hotels and Hospitality Group. Currently, he is an International Director and Chairman of its Global Markets Board. He has over 34 years of experience in the hospitality sector and has led many transactional and advisory assignments.



**Radhika Piramal**

*Independent Director*

Ms. Radhika Piramal holds a Bachelor's degree in Arts from Brasenose College, University of Oxford and a Master's in Business Administration from Harvard Business School. She has 9 years of experience in managing, strategizing and carrying on the business of luggage, bags and other travel accessories. She has been associated with VIP Industries Limited since 2009 and was previously associated with Bain and Company, and Carlton Travel Goods Limited.



**Sanjay Sethi**

*Managing Director and  
Chief Executive Officer*

Mr. Sanjay Sethi holds a Diploma in Hotel Management, Catering and Nutrition from IHM Pusa. Prior to joining our Company, he worked with ITC Limited as the chief operating officer for their hotels division, Bergguren Hotels Private Limited as the Managing Director and Chief Executive Officer, and with The Indian Hotels Company Limited as a General Manager to their hotel properties. He has 30 years of experience in the hospitality industry.



**Rajeev Newar**

*Executive Director and  
Chief Financial Officer*

Mr. Rajeev Newar holds a B.Com Honours degree from the University of Calcutta. He is a qualified Chartered Accountant and Company Secretary. Prior to joining our Company, he has led various transformational initiatives with companies like The Indian Hotels Company Limited. He has over 26 years of experience in the field of finance and management. During the course of his career, he has held leadership roles in finance and management.



## COMPANY INFORMATION

### BOARD OF DIRECTORS

Hetal Gandhi

Ravi C. Raheja

Neel C. Raheja

Conrad D'Souza

Arthur William De Haast

Radhika Piramal

Sanjay Sethi

Rajeev Newar

Chairman and Independent Director

Non – Executive Director

Non – Executive Director

Independent Director

Independent Director

Independent Director

Managing Director and Chief Executive Officer

Executive Director and Chief Financial Officer

### COMPANY SECRETARY & COMPLIANCE OFFICER

Dhanraj Mulki

Christabelle Baptista

Compliance Officer

Company Secretary

### AUDITORS

BSR & Co. LLP – Statutory Auditors

Pricewaterhouse Coopers Private Limited - Internal Auditors

### REGISTERED OFFICE

Raheja Tower, 4th Floor, Plot No. C-30, Block G,  
Bandra Kurla Complex, Bandra East, Mumbai 400 051

Tel: 022 2656 4000

CIN: U55101MH1986PLC038538

Email: [investorrelations@chalethotels.com](mailto:investorrelations@chalethotels.com)

Website: [www.chalethotels.com](http://www.chalethotels.com)



# DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 33<sup>rd</sup> Annual Report together with its Audited Financial Statements for the Financial Year ended March 31, 2018.

The Financial Statements for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards (Ind AS) as per The Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of The Companies Act, 2013 ('the Act') and other relevant provisions and amendments as applicable. The financial statements for the year ended March 31, 2017 have been restated to conform with Ind AS.

## FINANCIAL RESULTS

(₹ in million)

Particulars	Consolidated For the year ended		Standalone For the year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue from Operations	8,155.80	7,118.05	8,155.80	7,118.04
Other Income	356.98	1,871.83	247.11	1,871.86
<b>TOTAL INCOME</b>	<b>8,512.78</b>	<b>8,989.88</b>	<b>8,402.91</b>	<b>8,989.90</b>
<b>TOTAL EXPENSES</b>	<b>5,508.01</b>	<b>4,907.36</b>	<b>5,504.65</b>	<b>4,906.28</b>
<b>EBITDA before exceptional items</b>	<b>3,004.77</b>	<b>4,082.52</b>	<b>2,898.26</b>	<b>4,083.62</b>
<b>(Loss)/Profit before Exceptional items and Tax</b>	<b>(230.77)</b>	<b>633.18</b>	<b>(310.67)</b>	<b>660.21</b>
<b>Exceptional items</b>	<b>(1,217.52)</b>	<b>-</b>	<b>(1,217.52)</b>	<b>-</b>
<b>(Loss)/Profit before income tax</b>	<b>(1,448.29)</b>	<b>633.18</b>	<b>(1,528.19)</b>	<b>660.21</b>
Tax Expense	(519.54)	(757.92)	(519.54)	(757.92)
<b>(Loss)/Profit for the year</b>	<b>(928.75)</b>	<b>1,391.10</b>	<b>(1,008.65)</b>	<b>1,418.13</b>

## PERFORMANCE REVIEW :

The results of operations for the financial year 2018 compared to the financial year 2017 were particularly affected by the following factors:

- the completion of the demerger/merger and transfer of hotel, retail and commercial project at Whitefield, Bengaluru into your Company, effective November 1, 2016, as an entire business undertaking. Pursuant to the transfer, the Company recognized revenues and expenses in relation to hotel operations and 324 keys at our hotel at Whitefield, Bengaluru and lease income and expenses for the retail operations at Whitefield, Bengaluru, for five months in the financial year 2017 as compared to the full year in the financial year 2018;
- an increase in ADR and occupancy levels for our hotels from ₹ 7,821.71 and 67.46%, respectively, for the financial year 2017 to ₹ 7,857.55 and 72.76%, respectively, for the financial year 2018;
- an increase in your total number of keys from 2,259 as of March 31, 2017 to 2,328 as of March 31, 2018; and
- decrease in profit on sale of investments to ₹ 114.57 million for the financial year 2018 from ₹ 1,301.24 million for the financial year 2017 was due to sale of equity in Associates held for sale, in the financial year 2017.

## TOTAL INCOME

Total income was ₹ 8,512.78 million for the financial year 2018 against ₹ 8,989.88 million for the financial year 2017 due to lower other income

## REVENUE FROM OPERATIONS

Revenue from operations increased by 14.58% to ₹ 8,155.80 million for the financial year 2018 from ₹ 7,118.05 million for the financial year 2017, primarily due to:

- an increase in hospitality revenue from room income by 22.59% to ₹ 4,855.89 million for the financial year 2018 from ₹ 3,961.01 million for the financial year 2017 due to recognition of room revenues in relation to hotel operations at Whitefield, Bengaluru and improvement in operating revenues from the existing keys in line with an increase in ADR and occupancy levels, together with an increase in the total number of keys;
- an increase in hospitality revenue from sale of food, beverages by 21.25% to ₹ 2,821.93 million for the financial year 2018 from ₹ 2,327.42 million for the financial year 2017
- an increase in other hospitality revenue by 38.33% to ₹ 717.11 million for the financial year 2018 from ₹ 518.42 million for the financial year 2017
- an increase in revenue from retail and commercial operations by 71.35% to ₹ 240.77 million for the financial year 2018 from ₹ 140.51 million for the financial year 2017



**DIRECTORS' REPORT TO THE MEMBERS (Contd.)**

- a decrease in other hospitality revenue in export benefits and entitlements by 36.35% to ₹ 200.33 million for the financial year 2018 from ₹ 314.74 million for the financial year 2017 as per entitlements and availment; and
- reversal in revenues booked in real estate operations of ₹ 680.23 million for the financial year 2018 and ₹ 144.05 million for the financial year 2017.

**Other income** decreased by 80.93% to ₹ 356.98 million for the financial year 2018 from ₹ 1,871.83 million for the financial year 2017, primarily due to decrease in profit on sale of investments.

**TOTAL EXPENSES:**

Total expenses increased by 12.24% to ₹ 5,508.01 million for the financial year 2018 from ₹ 4,907.36 million for the financial year 2017, primarily due to an increase in food and beverages consumed, operating supplies consumed, employee benefits expense and other expenses, partially offset by a decrease in real estate development costs, including due to recognition of expenses in relation to hotel operations at our hotel at Whitefield, Bengaluru and lease income and expenses for the retail operations at Whitefield, Bengaluru, for five months in the financial year 2017 as compared to the full year in the financial year 2018 and in line with a general growth in our business.

**Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items** stood at ₹ 3,004.77 million in the financial year 2018 as compared to ₹ 4,082.52 million in financial year 2017.

**(Loss)/Profit before exceptional items and tax** stood at ₹ (230.77) million in the financial year 2018 as against ₹ 633.18 million in the financial year 2017.

**Tax expenses** Credit of ₹ (519.54) million for the financial year 2018 as compared to Credit of ₹ (757.92) million for the financial year 2017, due to higher deferred tax credit in the financial year 2017.

**STANDALONE PERFORMANCE:**

Total Income was at ₹ 8,402.91 million for the financial year 2018 as compared to ₹ 8,989.90 million for the financial year 2017. Loss for the year was at ₹ 1,008.65 million for the financial year 2018 as compared to profit of ₹ 1,418.13 million for the financial year 2017.

**EXCEPTIONAL ITEMS:**

During the year 2013-14, Hindustan Aeronautics Limited (HAL) had raised an objection with regard to the permissible height of buildings of the Company's Bengaluru Residential Project ("Project"). Pursuant to an interim order passed by the Karnataka High Court, in the petition filed by the Company, the Company had suspended construction activity at the Project and sale of flats.

Pending the outcome of the proceedings and a final closure of the matter, your Company suspended revenue recognition based on the percentage completion method after financial year ended March 31, 2014. Further, in case of cancellations subsequent to March 31, 2014, your Company reversed the revenue and derecognised margins in the respective year of cancellation. Your Company also recompensed flat owners, in accordance with mitigation plans framed by the Company on account of the delay in completion of the Project.

During the year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Company, decided that the Company should evaluate options that would allow re-commencement of construction. Accordingly, your Company has reassessed the cost implications and the impact thereof up to March 31, 2018 have been provided for in the financial statements. Please refer Note No. 37 of the Notes to Accounts of the Standalone and Consolidated Ind AS Financial Statement.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

Subsequent to the Balance Sheet date, the Promoter-Directors of the Company have entered into an agreement to provide funds to the Company either by themselves or through their Nominees, to meet its cash flow requirements for the Project to the extent of ₹ 2000 million by way of subscription to '0'% Non-Cumulative Non-convertible Redeemable Preference Shares of the Company, for which a Subscription Agreement has been executed by them.

The proceeds of issue of Preference Shares will be deposited in a separate Designated Bank Account of the Company and will be utilised for meeting future cash outflows of the Project. The redemption of Preference Shares shall be at the end of 20 years from the date of issue, or earlier, out of surplus from the Project, subject to applicable law/s.

**(LOSS)/PROFIT FOR THE YEAR**

The Consolidated loss for the year was ₹ (928.75) million, as compared to profit of ₹ 1,391.10 million for the previous year. This was largely due to profit on sale of investments in the previous year.

**BORROWINGS**

The aggregate borrowings of the Company stood at ₹ 27,253.09 million as on March 31, 2018 as compared to ₹ 26,358.73 million in the Previous Year ended March 31, 2017.

The foreign currency borrowings stood at US\$ 75.85 Million as of March 31, 2018 (US\$ 87.05 Million as at March 31, 2017).



**DIRECTORS' REPORT TO THE MEMBERS (Contd.)****DEPOSITS**

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

**LOAN FROM DIRECTORS**

During the year under review, the Company has not accepted loans from any of its Directors.

**LOANS, GUARANTEES OR INVESTMENTS**

Your Company is exempt from the provisions of Section 186 of the Companies Act, 2013 ("Act") with regard to Loans and Guarantees.

Details of Investments made by the Company are given in the notes to the Financial Statements.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review, the Company earned foreign exchange of ₹ 461 crores from services to hotel guests. The total foreign exchange outgo during the year was ₹ 89.80 crores towards import of capital goods, payment towards technical and consultation fees, design services, travelling expenses and reimbursements of costs and other expenses.

**CONVERSION INTO A PUBLIC LIMITED COMPANY**

Pursuant to receipt of necessary approvals from the Registrar of Companies, Mumbai, Maharashtra, your Company was converted into a Public Limited Company with effect from June 6, 2018.

**CAPITAL RAISE**

Your Company is proposing a capital raise through an Initial Public Offering. The Company is in the process of seeking relevant approvals for the same.

**SUBSIDIARIES AND ASSOCIATE COMPANIES**

Magna Warehousing & Distribution Pvt. Ltd., Chalet Hotels & Properties (Kerala) Pvt. Ltd. and Grandwell Properties & Leasing Pvt. Ltd. were the subsidiaries of your company during the year under review.

Magna Warehousing & Distribution Pvt. Ltd. has been amalgamated with your Company on March 31, 2018 and has ceased to exist from that date. The Financial Statements of the Company have been drawn, as per Ind AS, taking into consideration the financials from November 01, 2016, i.e. the Appointed Date for the amalgamation.

Your Company has transferred its entire investment in Grandwell Properties & Leasing Pvt. Ltd. (Grandwell) during the year and therefore Grandwell ceased to be its subsidiary w.e.f. March 31, 2018.

Chalet Hotels & Properties (Kerala) Pvt. Ltd., and Grandwell Properties & Leasing Pvt. Ltd. had insignificant or no operations during the year under review.

The Consolidated Financial Statements of your Company and its Subsidiaries, prepared in accordance with the relevant Accounting Standards, duly audited by the Statutory Auditors, form a part of the Annual Report and are reflected in the Consolidated Accounts.

The statement under Rule 8 of the Companies (Accounts) Rules, 2014 relating to Subsidiaries is annexed as an **Annexure I** to this report.

**MERGERS AND AMALGAMATIONS**

Your Company has filed two schemes of Arrangement with the National Company Law Tribunal (NCLT), one for amalgamation of its fully owned subsidiary Magna Warehousing & Distribution Private Limited (Magna) and the other for demerging the Hotel and Retail undertakings at Bengaluru of Genext Hardware & Parks Private Limited (Genext) with it.

The Appointed Date for amalgamation of Magna was November 1, 2016. The Company has received the order of the NCLT approving the Scheme of Arrangement during the year under review, by virtue of which all the Assets and Liabilities of Magna stand transferred to and vested in your Company with effect from March 31, 2018, the Effective Date of the Scheme.

The Appointed Date for demerger by Genext was November 1, 2016. The Company has received the order of the NCLT approving the Scheme of Arrangement during the year under review, by virtue of which the Hotel Undertaking and the Mall Undertaking at Whitefield, Bengaluru stand transferred to and vested in the Company with effect from October 1, 2017, the Effective Date of the Scheme.

**DIRECTORS**

During the year, Mr. Sanjay Sethi, Managing Director & CEO ceased to be in the employment and accordingly ceased to be the Managing Director & CEO from October 1, 2017.

Mr. Sethi rejoined the Company on February 05, 2018 as a CEO and was subsequently appointed as an Additional Director on the Board of Directors and as Managing Director & CEO of the Company w.e.f. February 09, 2018.

He holds office up to the date of the forthcoming Annual General Meeting ("AGM") of the Company. The Board recommends his reappointment for which the approval of the shareholders will be sought at the ensuing Annual General Meeting of your Company.

During the course of the financial year under review, Mr. Rajeev Chopra, Mr. Arthur De Haast and Mr. Rajeev Newar joined the Board of Directors of the Company.



## **DIRECTORS' REPORT TO THE MEMBERS (Contd.)**

Mr. Rajeev Newar was appointed as Executive Director w.e.f. August 03, 2017 and Chief Financial Officer of the Company w.e.f. May 1, 2018. Mr. Ramesh M. Valecha has ceased to be an Executive Director w.e.f. August 1, 2017.

Mr. Chandru L. Raheja has resigned from the Board of Directors of the Company with effect from April 26, 2018. Further, Mr. Ramesh M. Valecha and Mr. Rajeev Chopra have resigned from the Board of Directors of the Company with effect from May 2, 2018.

Mr. Hetal Gandhi, Mr. Conrad D'Souza and Mr. Arthur De Haast who have been associated with the Company, as Non-Executive Directors have been formally appointed as Non-Executive & Independent Directors for a period of 5 years with effect from June 12, 2018. Ms. Radhika Piramal has been inducted into the Board of Directors as Non-Executive & Independent Director for a period of 5 years with effect from June 12, 2018. The Board of Directors of the Company have appointed Mr. Hetal Gandhi as Chairman of the Board of Directors of the Company with effect from June 12, 2018.

### **NUMBER OF BOARD MEETINGS**

During the year 2017-2018, the Board of Directors met six times.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

On the basis of internal financial control framework and compliance systems in place and the work carried out by the Internal and Statutory Auditors, including audit of internal financial controls over financial reporting and internal reviews performed by the Management and the Audit Committee, the Board is of the opinion that your Company's internal financial controls were reasonable and adequate for the Financial Year 2017-18.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) In the preparation of the accounts for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent in order to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;

- (iii) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the Financial Statements for the financial year ended March 31, 2018 on a 'going concern' basis;
- (v) The Directors have laid down internal financial controls for the company which are adequate and are operating effectively;
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

### **AUDIT COMMITTEE**

Mr. Conrad D'Souza, Mr. Hetal Gandhi and Mr. Neel C. Raheja are members of the Audit Committee of the Company. The Audit Committee met five times during the year under review.

The Company's standalone and consolidated financial statements for the year were reviewed by the Audit Committee at its meeting held on June 12, 2018 and recommended the same for approval by the Board of Directors.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, a CSR Committee has been duly constituted. The Committee has recommended to the Board of Directors a CSR Policy indicating the broad philosophy, and objectives.

As per Section 135 of the Companies Act, 2013, a Company is required to spend 2% of the Average Net Profits made by the Company in the immediately preceding three financial years for CSR activities. In the case of the Company, average net profits are negative and therefore there was no obligation towards CSR for the Financial Year under review. Details with regard to CSR have been annexed as Annexure II.

### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, REMUNERATION AND DISCHARGE OF DUTIES**

The provisions of Section 178 of the Companies Act, 2013 were not applicable to the Company. However, the Company has a Remuneration Committee which approves the remuneration payable to Directors.



**DIRECTORS' REPORT TO THE MEMBERS (Contd.)****STATUTORY AUDITORS**

At the Annual General Meeting of the Company held on September 22, 2017, M/s B S R & Co., LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), were appointed as the Statutory Auditors for a term of five consecutive years.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS, ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS**

There are no qualifications, reservations or adverse remarks or disclaimers made by statutory auditors in their report on the financial statements for the year 2017-2018. However, the statutory auditor has drawn attention i.e. an Emphasis of Matter with regard to Note No 43(c) and Note No 42(b) of the Standalone Financial Statements, in their report, details of which are as follows:

- (1) Note 43 (c) in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the standalone Ind AS financial statements as at and for the year ended 31 March 2018 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to ₹ 506 million, ₹ 535 million and ₹ 574 million as at 31 March 2018, 31 March 2017 and 1 April, 2016 respectively; and
- (2) Note 42 (b) in respect of the Scheme of Arrangement ('the Scheme') between Genext Hardware & Parks Private Limited ('Genext') and the Company for demerger of the Hotel undertaking and Retail undertaking ('demerged undertaking') of Genext which has been approved by the National Company Law Tribunal ('NCLT') at Mumbai and Bengaluru and other regulatory authorities on 11 September 2017, with effect from the Appointed date specified in the Scheme i.e. 1 November 2016. The Scheme has been accounted in the manner prescribed by the NCLT order i.e. the book values of the assets, liabilities and reserves of the demerged undertaking of Genext as of 1 November 2016 have been recorded by the Company and the identity of the reserves have

been maintained. The excess of the book value of the net assets and reserves of the demerged undertaking of Genext acquired over the face value of the shares issued by the Company amounting to ₹ 189.53 million has been debited to Goodwill in accordance with the Scheme. This accounting treatment is different from that prescribed under Ind AS 103 on Business Combination.

The auditor has clarified that their opinion is not qualified in respect of these matters.

Secretarial Audit in terms of Section 204 of the Companies Act, 2013 is not applicable to the Company for the year under review.

**INTERNAL AUDITORS**

Pricewaterhouse Coopers Private Limited have been appointed as the Internal Auditors of the Company for the year 2017-18.

**EXTRACT OF THE ANNUAL RETURN**

The extract of the Annual Return for the Financial Year 2017-2018 is annexed hereto as an Annexure III to the Report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

In line with the requirements of the Act, your Company has formulated a policy on dealing with Related Party Transactions ('RPTs') The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. RPTs are placed before the Audit Committee and the Board for review on a quarterly basis.

The transactions / arrangements with Related Parties were in accordance with the Related Party Framework approved by the Board and on Arm Lengths basis as well as in the ordinary course of the Company's business as defined therein. These transactions have been reviewed by the Audit Committee and the Auditors.

The particulars of contracts and / or transactions with Related Parties required to be reported as per Section 188 is furnished as an Annexure IV to this Report.

**RISK MANAGEMENT POLICY**

Your Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act, to identify and evaluate business risks and opportunities for mitigation of the same on a continual basis. This framework seeks to create transparency, minimize adverse impact on business objective and enhance your Company's competitive advantage.

The Risk Management framework defines the risk management approach across the enterprise. Your Company is faced with risks of different types, each of which need varying approaches for mitigation. Details of various risks faced by your Company are provided in the Management Discussion and Analysis.



**DIRECTORS' REPORT TO THE MEMBERS (Contd.)**

**VIGIL MECHANISM POLICY**

Your Company has, in accordance with Section 177 of the Companies Act, 2013, drawn a Vigil Mechanism Policy for its Directors and Employees, to enable reporting of any wrongdoing within the company/branches/hotels that falls short of the Company's business principles on ethics and good business practices.

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place an adequate system of internal control covering all corporate functions and franchise hotels. The Internal control systems provide assurance regarding the effectiveness and efficiency of operations, safeguard of assets, reliability of financial control and compliance with applicable laws. The operations of the hotel are largely managed through globally reputed hospitality company which have their internal control systems in place.

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

- K Raheja Corp Pvt Limited (KRC) was allotted the land by CIDCO. The Hotel & Apartments at Vashi, Navi Mumbai were subsequently acquired by your company from K Raheja Corp Pvt Limited.

Hon'ble Bombay High Court had cancelled the allotment of land by CIDCO to KRC and instructed vacation of premises, inter-alia, comprising the Hotel & Apartments at Vashi Navi Mumbai. Upon a Special Leave Petition being preferred before the Hon'ble Supreme Court, the Court had ordered maintaining status quo in the matter. The case is yet to be disposed-off and hence sub-judice.

CIDCO had also passed an Order in December 2014 directing vacation of the open space used as entry and exit points to the hotel on the same property. A Writ petition against the Order is pending before the Hon'ble Bombay High Court which has also ordered that status quo is to be maintained.

- With regard to the Company's residential development project at Bengaluru, the same is on hold as the matter is subjudice before the Hon'ble Karnataka High Court on account of a dispute on the permissible height of the structure. Your company as well as Hindustan Aeronautics Ltd. (HAL) have filed their respective objections/ cross objections. An order of the court is awaited.

Your company has received legal advice based on which the management expects a favourable outcome.

**SHARE CAPITAL**

During the year under review your Company had issued 18,953,040 Equity Shares of ₹ 10/- each and 1,600 Non-Cumulative Redeemable Preference Shares of ₹ 100,000/- each, to the shareholders of Genext Hardware & Parks Pvt. Ltd. as consideration for the Hotel Undertaking and Retail Undertaking which were acquired pursuant to the Scheme of Arrangement. With this issue, the paid-up Equity Share Capital has gone up from ₹ 1,521,422,530 /- to ₹ 1,710,952,930 /-. The Preference Share Capital of the Company is ₹ 160,000,000/-.

**THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

During the year under review, your Company received 3 complaints on sexual harassment, all of which have been resolved and appropriate action taken, wherever necessary. There are no pending cases. Workshops have been conducted to promote awareness on the issue.

**HUMAN CAPITAL INITIATIVES & PARTICULARS OF EMPLOYEES**

Your Company focuses on building on the capability of its employees, through training and development and work life balance. During the year under review your Company has undertaken various training initiatives for nurturing and developing talent.

A statement containing information relating to employees as required by Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as an Annexure V to this report.



# MANAGEMENT DISCUSSION AND ANALYSIS

## INDIAN ECONOMIC ENVIRONMENT AND OUTLOOK

The World Output for Advanced Economies is expected to grow at below 3%, whereas India is expected to grow over 7.4% and 7.8% in 2018 and 2019 respectively, which is higher than 6.7% for 2017.

(Source: IMF: World Economic Outlook Update, January 2018)

## OVERVIEW OF THE GLOBAL AND INDIAN TOURISM INDUSTRY

As one of the world's largest economic sectors, Travel & Tourism creates jobs, drives exports and generates prosperity across the world. This sector contributed to 10.4% of global GDP and 313 million jobs, or 9.9% of total employment, in 2017.

(Source: World Travel & Tourism Council: Travel & Tourism - Economic Impact 2018 India)

The world is witnessing improved economic activity across countries and regions especially in the areas of investments, manufacturing and trade. Global trade is showing signs of recovery and is expected to continue the upward trajectory. This growth could be marginally impacted due to certain countries moving to inward looking policies that might give preference to home grown products and services over global trade.

## INDIA

The direct contribution of Travel & Tourism to GDP in 2017 was INR5,943.3bn (3.7% of GDP). This has been forecasted to grow by 7.6% to INR6,392.7bn in 2018. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services).

(Source: World Travel & Tourism Council: Travel & Tourism - Economic Impact 2018 India)

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. India's Foreign Exchange Earnings (FEEs) increased 20.4% year-on-year between January-November 2017 to US\$ 24.655 billion.

(Source: India Brand Equity Foundation)

The past year saw the start of an uptrend in the hospitality sector, but was also marked by multiple challenges like curbs on liquor sale and the GST rollout. With these issues behind them, hotel operators expect business growth to pick up momentum in 2018.

According to sector experts, India finally surpassed the 65% occupancy rates threshold in F.Y. 2018, with revenue per available room growth of 4.4%.

(Source: Horwath HTL)

## STRATEGY & GROWTH

Your Company's objective is to stand out amongst its peers in terms of a quality of its product offering, being business hotels with a holiday ambience. Your company's portfolio comprises of hotels most of which are performing well in their respective competitive sets.

Your Company plans to continue to grow through a mix of both organic and inorganic means. Your Company's established and durable brand associations will facilitate growth for the future.

## RISKS & CONCERNS

### Competition

Your Company operates in a highly competitive industry and success is dependent on our ability to compete on various factors such as attractiveness and quality of our offerings, quality of accommodation, food and beverage, location, service levels, and amenities, together with the brand reputation of our brand licensors. Your Company may also have to compete with any new hotel properties that commence operation in the markets in which it operates or intend to commence operations.

### Seasonality and Cyclicity of Business

The hospitality industry is seasonal in nature. The period during which our properties experience higher revenues vary from property to property, depending principally upon location and the guest base served. Our revenues are higher during the second half of each financial year as compared to first half of the financial year. Seasonality affects leisure travel and the MICE segment (meetings, incentives, conferences and events); however, business travel is generally more consistent throughout the year. Seasonality can be expected to cause quarterly fluctuations in our revenue, profit margins and earnings.

### Consumer Demand and General Economic Conditions

Economic growth drives business and leisure travel as well as conferences, banquets and events which impact the success of our operations. In addition, the hotel industry and the demand for rooms is also affected by travel advisories, worldwide health concerns, geo-political developments, natural disasters in the region and inflation. Declines in consumer demand due to adverse general economic conditions, risks affecting or reducing travel patterns, lower consumer confidence and adverse political conditions can lower the revenues and profitability of our hotels. Further, adverse general economic



## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

conditions may negatively impact the demand for, and occupancies in, our commercial and retail projects. As a result, changes in consumer demand can subject and have subjected our revenues to significant volatility.

### Relationship with Hotel Operators and Leading Hospitality Brands

Your Company utilizes the brands of the hotel operators and brand licensor to operate and market the hotels. Our hotels are generally obliged to pay periodic management fees, royalty fees, fees for technical services and reimbursements for advertising, marketing, promotion, sales and software, among others. These payments to hotel operators and our brand licensor are based on a fixed percentage of the gross revenue of the hotel, as well as a portion of gross operational profits, subject to certain exclusions and adjustments including periodic increments, together with reimbursements for costs incurred and certain per-transaction service charges. In aggregate, payments including reimbursements, made to Marriott ranged from 8% to 12% of each of our hotel's total operating revenue, for the financial years 2018 and 2017.

Further, the hotel operation contracts for our hotel, including our serviced residence, at Powai, Mumbai will be due for renewal in March 2020, and for our hotel at Mindspace, Hyderabad will be due for renewal in December 2021. Your Company may seek to rebrand or reflag the properties by using alternate brands at our hotels or renegotiate terms with our existing hotel operation contracts.

### Cost of land, third party contractors and construction materials

Your Company is developing two additional hotel projects and two retail and office projects. Your Company intends to grow our portfolio through both organic and inorganic means. In our efforts to grow organically the Company faces risks with regards to acquisition of the appropriate land and the development costs.

The growth of our business is dependent on the availability of vacant land in areas where we intend to develop projects and cost thereof. Your Company utilizes third parties for the design, construction and periodic maintenance and repairs of our hotel properties and projects. The progress and quality of construction of the hotel properties and projects the Company develops depends on the availability and skill of our contractors and consultants, as well as contingencies affecting them, including labour and industrial actions. Any unreasonable cost escalation either on availability or shortage, supply limitations or circumstances beyond our control could adversely impact the cost and time taken for development and resultantly the return on investment thereon.

### Government Regulations and Policies

Your Company's business is subject to significant governmental regulation, particularly in relation to the development of the projects. Further, government regulations and policies of India, can also impact the demand for, expenses related to and availability of our hotel services and rooms. Your Company is also subject to regulations, which are periodically amended, including relating to the sale and service of food, alcoholic and non-alcoholic beverages and hosting of events and weddings at our hotel properties. These regulations and policies can be extensive and any amendments thereto would require adequate time for implementation.

### Environmental Initiatives and Energy Management

As a part of efforts to ensure a constant focus on sustainability and to support the deployment of this promise, objectives have been articulated for the year that lay out improvement targets that have led to conservation of energy.

As required by Section 134 of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 the information relating to conservation of energy is annexed as an **Annexure VI** to this report.

Technology absorption: Not applicable to the Company.

### Fire and Life Safety

Safety of guests, employees and assets is of utmost priority and your Company is committed to providing a safe environment for all its stakeholders.

Your Company employs various policies, processes and methods to counter these risks effectively.

### Acknowledgements

Your Directors express their sincere appreciation for the assistance and co-operation received from the regulatory and statutory authorities, government and its agencies, banks & financial institutions, vendors and service providers. Your Directors place on record their gratitude to the employees at all levels.

For and on behalf of the Board of Directors of Chalet Hotels Limited

#### SANJAY SETHI

Managing Director & CEO  
DIN: 00641243

#### RAJEEV NEWAR

Executive Director & CFO  
DIN: 00468125

Place: Mumbai

Date: June 12, 2018



STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

(Information in respect of each subsidiary to be presented with amounts in ₹)

Notes:

1. Names of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or shares sold during the year –
  - Grandwell Properties & Leasing Private Limited – 31.03.2018
  - Magna Warehousing & Distribution Private Limited – 31.03.2018 (From the appointed date of November 1, 2016)



**ANNEXURE 'I'**
**FORM AOC-I (Contd.)**
**Part "B": Associates and Joint Ventures**
**(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)**

Name of Associates	Latest audited Balance Sheet Date	Shares of Associate held by the company on the year end			Description of how there is significant influence	Reason why the associate is not consolidated	Net-worth attributable to Shareholding as per latest audited Balance Sheet	Net Profit or Loss for the year after tax	
		No.	Amount of Investment in Associates	Extent of Holding %				Considered in Consolidation	Not Considered in Consolidation
			(₹)				(₹)	(₹)	(₹)
NIL									

Notes:

- Names of associates which are yet to commence operations - NIL
- Names of associate which have been liquidated or shares sold during the year - NIL

For and on behalf of the Board of Directors of Chalet Hotels Limited

Place: Mumbai

Date: June 12, 2018

**SANJAY SETHI**

Managing Director &amp; CEO

DIN: 00641243

**RAJEEV NEWAR**

Executive Director &amp; CFO

DIN: 00468125



**ANNEXURE 'II'****ANNUAL REPORT ON CSR ACTIVITIES**

**Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and project or programs**

**INDICATIVE LIST FOR CSR EXPENDITURE:**

- (i) eradication of hunger, poverty and malnutrition, promotion of preventive healthcare measures, sanitation and making available safe drinking water;
- (ii) promotion of education, including special education, employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) promotion of gender equality, empowerment of women, setting-up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects.

**COMPOSITION OF THE CSR COMMITTEE:**

- (i) Mr. Hetal Gandhi – Chairman
- (ii) Mr. Neel C. Raheja
- (iii) Mr. Sanjay Sethi

**AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:**

Financial Year	2017-18	2016-17	2015-16
Average Net Profit/(Loss)	(571,822,487)	(628,552,996)	(1,207,742,122)

1. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): N.A.
2. Details of CSR spent during the financial year: N.A.

**ANNEXURE 'II'**
**ANNUAL REPORT ON CSR ACTIVITIES (Contd.)**

Total amount to be spent for the financial year: NA

Amount unspent, if any: NA

Manner in which the amount spent during the financial year is detailed below: NA

Sl. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs: (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1							
2							
	<b>TOTAL</b>						

\*Give details of implementing agency:

1. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report. - N.A.
2. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company. – N.A.

For and on behalf of the Board of Directors of Chalet Hotels Limited

Place: Mumbai

Date: June 12, 2018

**SANJAY SETHI**

Managing Director & CEO

DIN: 00641243

**HETAL GANDHI**

Chairman - CSR Committee

DIN: 00106895



## ANNEXURE 'III'

## ANNUAL RETURN

As on the financial year ended on March 31, 2018

## CHALET HOTELS LIMITED

CIN: U55101MH1986PLC038538

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 11(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U55101MH1986PLC038538
	Registration Date	:	06.01.1986
ii)	Category of the Company	:	Public Company
	Name of the Company	:	Chalet Hotels Limited
iii)	Sub Category of the Company	:	Limited by shares and having share capital
iv)	Whether shares listed on recognised Stock Exchange(s)	:	No
v)	Registered Office of the Company	:	Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (E), Mumbai - 400051
vi)	Name and Address of Registrar & Transfer Agents (RTA)	:	Karvy Computershare Pvt. Ltd. Karvy House No. 46, 8-2-609/ K Avenue 4, Street No. 01, Banjara Hills, Hyderabad.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Accommodation services provided by Hotel, Inns, Resorts, holiday homes, hostel, etc.	55101 (I1)	100
2	Real estate activities with own or leased property	70109 (L1)	0

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Magna Warehousing & Distribution Pvt. Ltd. No. 75, EPIP Area Next to Satya Sai Hospital, Whitefield, Bengaluru - 560 066	U60232KA2005PTC054207	Subsidiary	100	2(87)
2	Grandwell Properties & Leasing Pvt. Ltd. Plot No. C-30, Block 'G', Opp. SIDBI, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	U70101MH2004PTC146226	Subsidiary	100	2(87)
3	Chalet Hotels & Properties (Kerala) Pvt. Ltd. 'ICCC' Near NISH School, Village Cheruvaikkal & Village Attipra, Akkulam, Thiruvananthapuram, Kerala - 695017	U55101KL2006PTC020125	Subsidiary	90	2(87)

\* Magna Warehousing &amp; Distribution Pvt. Ltd. has ceased to be a subsidiary company w.e.f. March 31, 2018.

\*\* Grandwell Properties &amp; Leasing Pvt. Ltd. has ceased to be a subsidiary company w.e.f. March 31, 2018.

**ANNEXURE 'III'**
**ANNUAL RETURN (Contd.)**
**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**
**A) Category wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/HUF	19980000	600,000	20580000	13.52	38933040	600000	39533040	23.11	9.59
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	131562253	-	131562253	86.48	131562253	-	131562253	76.89	(9.59)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>151542253</b>	<b>600000</b>	<b>152142253</b>	<b>100.00</b>	<b>170495293</b>	<b>600000</b>	<b>171095293</b>	<b>100.00</b>	<b>0</b>
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of promoter (A) = (A)(1) + (A)(2)</b>	<b>151542253</b>	<b>600000</b>	<b>152142253</b>	<b>100.00</b>	<b>170495293</b>	<b>600000</b>	<b>171095293</b>	<b>100.00</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B) (1) :-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
<b>Sub Total (B) (2) :-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2) :-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A) + (B) + (C)</b>	<b>151542253</b>	<b>600000</b>	<b>152142253</b>	<b>100.00</b>	<b>170495293</b>	<b>600000</b>	<b>171095293</b>	<b>100.00</b>	<b>0</b>



## ANNEXURE 'III'

## ANNUAL RETURN (Contd.)

## B) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Chandru Lachmandas Raheja jointly with Mrs. Jyoti Chandru Raheja	2213088	1.45%	0	2213088	1.29%	0	(0.16)
2.	Mrs. Jyoti Chandru Raheja jointly with Mr. Chandru Lachmandas Raheja	2220000	1.46%	0	2220000	1.30%	0	(0.16)
3.	Mr. Neel Chandru Raheja jointly with Mr. Chandru Lachmandas. Raheja and Mrs. Jyoti Chandru Raheja	7768056	5.11%	0	13354374	7.81%	0	2.70
4.	Raghukool Estate Development LLP	16495680	10.84%	100	16495680	9.64%	100	(1.20)
5.	Capstan Trading LLP	16495680	10.84%	100	16495680	9.64%	100	(1.20)
6.	Casa Maria Properties LLP	16496280	10.84%	100	16496280	9.64%	100	(1.20)
7.	Anbee Constructions LLP	13116180	8.62%	100	13116180	7.67%	100	(0.95)
8.	Cape Trading LLP	13116180	8.62%	100	13116180	7.67%	100	(0.95)
9.	Mr. Chandru L. Raheja, Karta of Chandru Lachmandas HUF jointly with Mrs. Jyoti C. Raheja	600000	0.39%	0	600000	0.35%	0	(0.04)
10.	Mr. Ravi Chandru Raheja jointly with Mr. Chandru Lachmandas Raheja and Mrs. Jyoti Chandru Raheja	7768056	5.10%	0	13354374	7.81%	0	2.70
11.	K. Raheja Pvt. Limited	12400000	8.15%	0	12400000	7.25%	0	(0.90)
12.	Touchstone Prop. & Hotels Pvt. Ltd.	14500000	9.53%	99.31	14500000	8.47%	99.31	(1.06)
13.	K. Raheja Corp. Pvt. Ltd.	14570000	9.58%	0	14570000	8.52%	0	(1.06)
14.	Ivory Properties and Hotels Pvt. Ltd.	5572253	3.66%	0	5572253	3.26%	0	(0.41)
15.	Palm Shelter Estate Development LLP	800000	0.53%	0	800000	0.47%	0	(0.06)
16.	Mr. Chandru Lachmandas Raheja	6912	0.0045%	0	6912	0.0040%	0	(0.0005)
17.	Mr. Ravi Chandru Raheja	1944	0.0013%	0	1944	0.0011%	0	(0.0001)
18.	Mr. Neel Chandru Raheja	1944	0.0013%	0	1944	0.0011%	0	(0.0001)
19.	Genext Hardware & Parks Pvt. Ltd.	8000000	5.26%	0	8000000	4.68%	0	(0.58)
20.	*Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja	0	0	0	7780404	4.55%	0	4.55

- Equity shares held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust
- Note: Where the same set of shareholders are holding shares under different Client Ids, the holding has been clubbed together
- The following shareholders have transferred their holding in the Company, post the close of the Financial Year:
  - Chandru L. Raheja, Karta of Chandru Lachmandas HUF jointly with Mrs. Jyoti C. Raheja
  - Chandru Lachmandas Raheja
  - Chandru Lachmandas Raheja & Jyoti Chandru Raheja
  - Jyoti Chandru Raheja & Chandru Lachmandas Raheja

**ANNEXURE 'III'**
**ANNUAL RETURN (Contd.)**
**C) Change in Promoters' Shareholding:**

SI No.	Date	Remarks	No. of Shares	Cumulative shareholding during the year	
				Total no. of Shares	% of total shares of Company

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

SI No.	Date	Remarks	No. of Shares	Cumulative shareholding during the year	
				Total no. of Shares	% of total shares of Company

**E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Directors and Key Managerial Personnel Name	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease	Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
1	Mr. Chandru L. Raheja jointly with Mrs. Jyoti C. Raheja	2,213,088	1.45%	-	2,213,088	1.29%
2	Mrs. Jyoti C. Raheja jointly with Mr. Chandru L. Raheja	2,220,000	1.46%	-	2,220,000	1.30%
3	Mr. Neel C. Raheja jointly with Mr. Chandru L. Raheja and Mrs. Jyoti C. Raheja	7,768,056	5.11%	08.12.2017 Equity Shares 5,586,318	13,354,374	7.81%
4	Mr. Chandru L. Raheja, Karta of Chandru Lachmandas HUF jointly with Mrs. Jyoti C. Raheja	600,000	0.39%	-	600,000	0.35%
5	Mr. Ravi C. Raheja jointly with Mr. Chandru L. Raheja and Mrs. Jyoti C. Raheja	7,768,056	5.10%	08.12.2017 Equity Shares 5,586,318	13,354,374	7.81%
6	Mr. Chandru L. Raheja	6,912	0.0045%	-	6,912	0.0040%
7	Mr. Ravi C. Raheja	1,944	0.0013%	-	1,944	0.0011%
8	Mr. Neel C. Raheja	1,944	0.0013%	-	1,944	0.0011%
9	*Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja	0	0	08.12.2017 Equity Shares 7,780,404	77,80,404	4.55%
		<b>20,580,000</b>	<b>13.52%</b>		<b>39,533,040</b>	<b>23.11%</b>

- Equity shares held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust
- Though, there may not have been an increase in the number of shares, for all the shareholders, the percentages of holding have varied due to an increase in the paid up share capital, post the allotment of Equity Shares on 08.12..2018



## ANNEXURE 'III'

## ANNUAL RETURN (Contd.)

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	22,991,661,615	2,878,243,277	-	25,869,904,892
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	68,105,206	18,948,413	-	87,053,620
<b>Total (i + ii + iii)</b>	<b>23,059,766,821</b>	<b>2,897,191,690</b>	<b>-</b>	<b>25,956,958,511</b>
<b>Change in Indebtedness during the financial year (net)</b>	2,832,358,834	(1,952,605,996)	-	879,752,838
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	25,816,925,576	879,558,497	-	26,696,484,073
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	75,200,079	65,027,197	-	140,227,276
<b>Total (i + ii + iii)</b>	<b>25,892,125,655</b>	<b>94,458,694</b>	<b>-</b>	<b>26,836,711,349</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Mr. Ramesh Valecha	Mr. Sanjay Sethi	Mr. Rajeev Newar	
1.	Gross Salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7,762,564	26,316,701	11,389,236	45,468,501
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>7,762,564</b>	<b>26,316,701</b>	<b>11,389,236</b>	<b>45,468,501</b>
	Ceiling as per the Act	Not Applicable			

**ANNEXURE 'III'**
**ANNUAL RETURN (Contd.)**
**B) Remuneration to other Directors:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		Mr. Hetal Gandhi	Mr. Joseph Conrad D'Souza	Mr. Arthur William De Haast	Mr. Rajeev Chopra	
1.	- Fee for attending Board / Committee meetings	90,000	110,000	982,932	50,000	1,232,932
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>90,000</b>	<b>110,000</b>	<b>982,932</b>	<b>50,000</b>	<b>1,232,932</b>
2.	Other Non-Executive Directors	<b>Mr. Chandru L. Raheja</b>	<b>Mr. Ravi C. Raheja</b>	<b>Mr. Neel C. Raheja</b>		
	- Fee for attending Board / Committee meetings	60,000	60,000	110,000		230,000
	- Commission	-	-	-		-
	- Others, please specify	-	-	-		-
	Total (2)	60,000	60,000	110,000		230,000
	Total (B)=(1+2)					1,462,932
	<b>Total Managerial Remuneration</b>					<b>46,931,433</b>
	Overall Ceiling as per the Act	Not Applicable				

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross Salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	2,008,793	-	2,008,793
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission (as % of prof-it/other)	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>2,008,793</b>	<b>-</b>	<b>2,008,793</b>



## ANNEXURE 'III'

**ANNUAL RETURN** (Contd.)**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors of Chalet Hotels Limited

Place: Mumbai

Date: June 12, 2018

**SANJAY SETHI**

Managing Director &amp; CEO

DIN: 00641243

**RAJEEV NEWAR**

Executive Director &amp; CFO

DIN: 00468125

## ANNEXURE 'IV'

### FORM AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

#### FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO

##### 1. Details of contracts or arrangements or transactions not at arm's length basis: None

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)

##### 2. Details of material contracts or arrangement or transactions at arm's length basis: None

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances if any:
(a)	(b)	(c)	(d)	(f)	(g)

For and on behalf of the Board of Directors of Chalet Hotels Limited

Place: Mumbai

Date: June 12, 2018

**SANJAY SETHI**

Managing Director & CEO

DIN: 00641243

**RAJEEV NEWAR**

Executive Director & CFO

DIN: 00468125



## ANNEXURE TO DIRECTORS' REPORT 2017 - 18

**STATEMENT UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND EMPLOYEES DRAWING REMUNERATION OF ₹ 850,000/- OR MORE PER MONTH AND ₹ 10,200,000/- OR MORE PER ANNUM**

Sr No	Name of the Employee	Designation	Age as on 31/03/18	Gross Remuneration (₹)	Qualification	Experience (Years)	Previous Employment & Designation	Date of Commencement of Employment
1	Ramesh Valecha	Executive Director	63	7762564	B.Com, ACA	37	K.Raheja Sales, Sr. Accounts Executive	27.11.1980 to 31.07.2017
2	Sanjay Sethi	Managing Director & Chief Executive Officer	53	21371251	Diploma - Hotel Management	29	Berggruen Hotels Pvt. Ltd. - Managing Director & CEO	02.01.2015 to 30.09.2017
3	Sanjay Sethi	Managing Director & Chief Executive Officer	53	4945450	Diploma - Hotel Management	29	ITC Limited – Chief Operating Officer – Hotels Division	05.02.2018
4	Rajeev Newar	Executive Director & Chief Financial Officer	50	11389236	Bcom, CA, CS	25	The Indian Hotels Company Ltd. – V.P. Finance	03.08.2017
5	Dharmender Singh Yadav	Vice President - Projects	42	7135640	B-Tech	17	Stay well- Director - Technical Services & Projects	10.12.2015 to 24.11.2017
6	Milind Wadekar	Vice President - Accounts & Finance	49	5512202	B.Com, CA	26	Hotel Leela Venture Limited - Financial Controller	24.08.2009
7	Pragnesh Doctoria	General Manager - Engineering	44	5062099	ITI Mech, Dipl. Mech.	19	Berggruen Hotels Pvt. Ltd. - Corporate Chief Engineer	02.12.2008
8	Karuna Nasta	AVP - Corporate MIS & Coordination	43	4536726	B.Com, CA	20	Radio Trunking Services - Trainee	12.04.1999
9	Murali Krishna P	General Manager - Accounts	51	4232201	Bcom, CA	26	Nitesh Estates Limited- AGM - Taxation	15.09.2011
10	Rajesh Shinde	General Manager - Engineering	47	1417652	Dipl. Civil, AMIE- Civil	27	Raksha Construction Co. – General Manager	07.01.2008 to 30.04.2017

For and on behalf of the Board of Directors of Chalet Hotels Limited

**SANJAY SETHI**

Managing Director & CEO  
DIN: 00641243

**RAJEEV NEWAR**

Executive Director & CFO  
DIN: 00468125

Place: Mumbai  
Date: June 12, 2018

## ANNEXURE 'VI'

### ENERGY CONSERVATION MEASURES UNDERTAKEN BY THE COMPANY IN THE YEAR 2017-18 AT VARIOUS PROPERTIES

#### RENAISSANCE

- ❖ Conventional lamps & CFLs replaced with energy efficient LEDs in guest rooms, public area & BOH area without compromising on ambience lighting & guest comfort.
- ❖ Occupancy sensors & timers are installed in all staff lockers, public area lockers, staircases & other low occupancy areas to help minimize the wastage of energy. Entire external lighting, staircases & building signage is equipped with timers to avoid the wastage of energy.

#### J W MARRIOTT SAHAR

- ❖ Replacement of the Aerator in the guest rooms
- ❖ Replacement of fluorescent tube lights with LED's

#### FOUR POINTS BY SHERATON VASHI

- ❖ Public areas and corridor lamps replacement with LED lamps is ongoing
- ❖ Timers for lighting fixtures, enabling use as per schedule
- ❖ All signages for the hotel are LED lit
- ❖ Kitchen waste oil sold to Biodiesel manufacturer
- ❖ New Screw with VFD has been installed alongwith low approach cooling tower and VFD has been installed for all the HVAC pumps

#### WESTIN

- ❖ Cooling tower fan Blade and hub upgradation
- ❖ Conversion of split AC to FCU for back of the house areas
- ❖ Replacement of ballroom MH lamps, Guest Corridor tube lights, Guest room halogen lights and display shelf halogen lights at restaurant with LED's
- ❖ Pressure reducing valve for heart of the house cold & hot water

#### THE BANGALORE MARRIOTT WHITEFIELD

- ❖ Use of LED lamps in place of Halogen.
- ❖ Return Condensate from Laundry used for pre heating the hot water supply.
- ❖ Roof top Solar power
- ❖ Use of Biodiesel for Steam boiler
- ❖ Kitchen waste oil sold to Biodiesel manufacturer

The company has set a standard in adopting sustainable practices in it's business and one such practice is using Wind energy for the Bengaluru Marriott Whitefield and Four Points By Sheraton and Hydropower for Renaissance Mumbai.

We are making use of natural Organic Waste Composters for converting food and garden waste into compost, thereby achieving zero wet waste discharge.

Heat pumps for heating Domestic hot water are being used at all our properties. These also generate cold water as a byproduct, which is utilised by the chillers.

For and on behalf of the Board of Directors of Chalet Hotels Limited

**SANJAY SETHI**  
Managing Director  
DIN: 00641243

**RAJEEV NEWAR**  
Executive Director  
DIN: 00468125

Place: Mumbai  
Date: June 12, 2018



**INDEPENDENT****AUDITORS' REPORT**

To the Members of **Chalet Hotels Limited**  
(formerly known as *Chalet Hotels Private Limited*)

### **REPORT ON THE AUDIT OF STANDALONE IND AS FINANCIAL STATEMENTS**

We have audited the accompanying standalone Ind AS financial statements of Chalet Hotels Limited (*formerly known as Chalet Hotels Private Limited*) ("the Company"), which comprise the standalone balance sheet as at March 31, 2018, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and summary of the significant accounting policies and other explanatory information (collectively referred to as 'standalone Ind AS financial statements').

### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **AUDITORS' RESPONSIBILITY**

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

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

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

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

**INDEPENDENT**

**AUDITORS' REPORT (Contd.)**

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**EMPHASIS OF MATTER**

We draw attention to the following notes to the standalone Ind AS financial statements:

- Note 43 (c) in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the standalone Ind AS financial statements as at and for the year ended March 31, 2018 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to ₹ 506 million, ₹ 535 million and ₹ 574 million as at March 31, 2018, March 31, 2017 and April 1, 2016 respectively; and
- Note 42 (b) in respect of the Scheme of Arrangement ('the Scheme') between Genext Hardware & Parks Private Limited ('Genext') and the Company for demerger of the Hotel undertaking and Retail undertaking ('demerged undertaking') of Genext which has been approved by the National Company Law Tribunal ('NCLT') at Mumbai and Bengaluru and other regulatory authorities on September 11, 2017, with effect from the Appointed date specified in the Scheme i.e. November 1, 2016. The Scheme has been accounted in the manner prescribed by the NCLT order i.e. the book values of the assets, liabilities and reserves of the demerged undertaking of Genext as of November 1, 2016 have been recorded by the Company and the identity of the reserves have been maintained. The excess of the book value of the net assets and reserves of the demerged undertaking of Genext acquired over the face value of the shares issued by the Company amounting

to ₹ 189.53 million has been debited to Goodwill in accordance with the Scheme. This accounting treatment is different from that prescribed under Ind AS 103 on Business Combination.

Our opinion is not qualified in respect of these matters.

**OTHER MATTERS**

The comparative standalone financial statements of the Company as at and for the year ended March 31, 2017 and the transition date standalone balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued standalone financial statements prepared in accordance with Section 133 of the Act and audited by Deloitte Haskins & Sells LLP, Chartered accountants, for the years ended March 31, 2017 and March 31, 2016 whose reports dated July 27, 2017 and August 3, 2016 respectively, expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
- As required by Section 143(3) of the Act, we report that:
  - we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - the standalone balance sheet, the standalone statement of profit and loss, the standalone cash flow statement and the standalone statement of changes in equity dealt with by this report are in agreement with the books of account;
  - in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;



**INDEPENDENT****AUDITORS' REPORT** (Contd.)

- (e) on the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - refer notes 37 and 43 to the standalone Ind AS financial statements;
  - ii. the Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses on long-term contracts and derivative contracts - refer notes 12, 28 and 30 to the standalone Ind AS financial statements;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv. the disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However, amounts as appearing in the audited standalone financial statements as at and for the year ended March 31, 2017 have been disclosed.

For **B S R & Co. LLP***Chartered Accountants*

Firm's Registration No : 101248W/W-100022

**Aniruddha Godbole***Partner*Mumbai  
June 12, 2018

Membership No: 105149

**INDEPENDENT**
**AUDITORS' REPORT** (Contd.)

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – MARCH 31, 2018**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2018, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets and investment property.
- (b) The Company has a regular programme of physical verification of its fixed assets and investment property, by which all fixed assets and investment property are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the above programme, the Company has verified certain fixed assets and investment property during the year and no discrepancies were noticed in respect of assets verified during the year.
- (c) According to the information and explanations given to us and based on the examination of the registered transfer deeds provided to us and based on confirmations directly received by us from the lenders where the title deeds have been mortgaged as security for loans taken from Banks and financial institutions, we report that, the title deeds, of immovable properties comprising of freehold land and buildings as listed in Notes 2 and 4 of the standalone Ind AS financial statements, are held in the name of the Company, except as stated in the table below:

Land / building	Number of cases	Freehold	Notes in the standalone Ind AS financial statements	Gross block (₹ in million)	Net block (₹ in million)	Remarks
Building	1	Freehold	2	958.78	449.27	Refer note 43 (c) in the standalone Ind AS financial statements in respect of the matter which is presently under litigation
Land	1	Freehold	2	286.64	286.64	
Building	1	Freehold	2	1,978.10	1,500.45	Acquired as part of Scheme of arrangement (Refer note 42 (b) to the standalone Ind AS financial statements), pending to be transferred in the name of the Company.
Land	1	Freehold	4	337.12	337.12	
Building	1	Freehold	4	1,779	1,328.98	
Land	1	Freehold	4	80.01	80.01	Acquired as part of Scheme of arrangement (Refer note 42 (a) to the standalone Ind AS financial statements), pending to be transferred in the name of the Company.
Building	1	Freehold	4	893.38	842.22	

Further in respect of the leasehold land acquired by the Company, attention is invited to the table below:

Land	Number of cases	Leasehold	Note in standalone Ind financial statements	Gross block (₹ in million)	Net block (₹ in million)	Remarks
Land	1	Leasehold	11	65.06	54.52	Refer note 43 (c) in the standalone Ind AS financial statements in respect of the matter which is presently under litigation

- (ii) As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of accounts.
- (iii) The Company has granted unsecured loans to four companies and one body corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to limited liability partnerships, firms or other parties covered in the register required to be maintained under Section 189 of the Act.



**INDEPENDENT****AUDITORS' REPORT (Contd.)**

- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans granted by the Company to companies and a body corporate covered in the register required to be maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, the unsecured loan granted to companies and a body corporate and interest thereon are repayable on demand. The borrowers have been regular in payment of principal and interest as demanded.
- (c) There are no overdue amounts of more than 90 days in respect of the unsecured loans granted by the Company.
- (iv) In our opinion and according to the information and explanation given to us and based on the legal opinion obtained by the Company and the resolution passed by the Board of directors of the Company, the unsecured loans granted by the Company are in compliance with the provisions of Section 185 of the Act. The Company has not provided any guarantees or security to the parties covered under Section 185 of the Act. According to the information and explanations given to us, the provisions of Section 186 of the Act in respect of the loans given are not applicable to the Company, since it is covered as a company engaged in business of providing infrastructural facilities. The Company has complied with the provisions of Section 186 of the Act in respect of investments made during the year. The Company has not provided any guarantee or security during the year. Accordingly, compliance under Section 186 of the Act in respect of providing guarantees and securities are not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Duty of customs, Value added tax, Goods and Service tax, Luxury tax, Property tax, Professional tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Employees' State Insurance, Income-tax, Sales tax, Service tax and Duty of excise dues have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Goods and Service tax, Property tax, Luxury tax, Professional tax, Cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Duty of excise and Goods and Service tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Service tax, Duty of customs and Value added tax have not been deposited as on March 31, 2018 by the Company on account of disputes:

**INDEPENDENT**
**AUDITORS' REPORT** (Contd.)

Name of the statute	Nature of the dues	Demand Rupees in million	Amount deposited on account of demand Rupees in million	Financial year (F.Y.) to which the amount relates	Forum where dispute is pending
Finance Act 1994 (Service Tax)	Denial of CENVAT credit of service tax paid for Marriott Executive Apartment.	53.62	-	FY 2004-05 to FY 2010-11	Order-in-Appeal awaited from the CESTAT, Mumbai
Finance Act 1994 (Service Tax)	Demand for service tax under reverse charge mechanism on Expenditure in Foreign currency.	17.70	-	April 2006 to March 2008	Order-in-Appeal awaited from the CESTAT, Mumbai
Finance Act 1994 (Service Tax)	Service tax demand on treating In-room dining and Mini-bar services as 'Accommodation' instead of 'Restaurant Services' by Service tax Department.	6.53	-	FY 2012-13 to FY 2014-15	Order-in-Appeal awaited from the Commissioner (Appeals- Hyderabad)
Finance Act 1994 (Service Tax)	Denial of input credit on services relating to rent a cab service	4.73	-	FY 2012-13 to FY 2014-15	Commissioner (Appeals), Mumbai
Finance Act 1994 (Service Tax)	Demand for service tax on Telephone services and Laundry wet cleaning service treated as accommodation services	3.89	-	May 2011 to June 2012	Commissioner (Appeals), Hyderabad
Finance Act 1994 (Service Tax)	Letter demanding Interest on Cenvat credit availed not utilised raised by the service tax department	3.20	-	October 2006 to April 2008	Assistant Commissioner of Service Tax, Hyderabad
Finance Act 1994 (Service Tax)	Show cause letter on treating In-room dining and Mini-bar services as 'Accommodation' instead of 'Restaurant Services' by Service tax Department	3.07	-	October 2014 to June 2017	Commissioner CGST, Bangalore
Finance Act 1994 (Service Tax)	Show cause notice on denial of cenvat credit on garden maintenance	1.98	-	FY 2012-13 to FY 2015-16	Commissioner CGST, Mumbai
Finance Act 1994 (Service Tax)	Audit query letter received treating In-room dining and Mini-bar services as 'Accommodation' instead of 'Restaurant Services' by Service tax Department	1.44	-	February 2013 to September 2014	Commissioner CGST, Bangalore
Finance Act 1994 (Service Tax)	Demand of penalty for non-payment of service tax on reimbursement of Travel Agent's Commission	0.41	-	FY 2012-13 to FY 2014-15	Commissioner (Appeals), Hyderabad
Foreign Trade Policy (Duty of customs)	Recovery of SFIS benefits granted to foreign brands	5.74	-	FY 2016-17	Karnataka High Court
Maharashtra VAT Act, 2002	Joint Commissioner has included Service Tax in the Gross Turnover and charged VAT on the same. However, the same demand is not included in the Demand Notice as the same is covered under Section 23(8) of MVAT Act.	9.35	-	FY 2012-13	Joint Commissioner Appeals LTU-2
Andhra Pradesh VAT	Demanding VAT on sale of cocktail	1.76	0.22	FY 2013-14 to 2015-16	Assistant Commissioner (CT) LTU
Andhra Pradesh VAT	Demanding VAT on sale of cocktail	1.59	0.40	FY 2010-11 to 2012-13	Deputy Commissioner, Hyderabad



## INDEPENDENT

## AUDITORS' REPORT (Contd.)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution and banks. The Company did not have any outstanding loans or borrowings to government and dues to debenture holders during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) The Company is a private limited company as at and for the year ended March 31, 2018 and thus the provisions of Section 197 of the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as specified in Nidhi Rules, 2014. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards. In our opinion and according to the information and explanations given to us, the Company is not a public company as at and for the year ended March 31, 2018 and hence provisions with respect to Section 177 are not applicable.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No : 101248W/W-100022

**Aniruddha Godbole**

Partner

Mumbai

June 12, 2018

Membership No: 105149

INDEPENDENT

AUDITORS' REPORT (Contd.)

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – MARCH 31, 2018**

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of Chalet Hotels Limited (*formerly known as Chalet Hotels Private Limited*) ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



INDEPENDENT

**AUDITORS' REPORT** (Contd.)**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B S R & Co. LLP***Chartered Accountants*

Firm's Registration No : 101248W/W-100022

**Aniruddha Godbole***Partner*

Mumbai

June 12, 2018

Membership No: 105149

# STANDALONE BALANCE SHEET

## AS AT MARCH 31, 2018

(₹ in million)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	21,210.47	21,803.82	19,411.89
Capital work-in-progress	3	219.15	223.59	316.11
Investment property	4	6,736.65	6,424.19	4,525.03
Goodwill	5	226.11	226.11	36.58
Other intangible assets	6	18.53	29.78	37.92
<b>Financial assets</b>				
(i) Investment in subsidiaries	7	-	0.10	0.10
(ii) Other investments	8	43.17	3.08	474.24
(iii) Loans	9	110.65	105.48	117.17
(iv) Others	10	50.00	14.02	-
Deferred tax assets (net)	24	947.77	517.51	92.35
Other non-current assets	11	71.96	91.99	96.66
Non-current tax assets (net)		461.79	337.80	215.27
<b>Total non current assets</b>		<b>30,096.25</b>	<b>29,777.47</b>	<b>25,323.32</b>
<b>Current assets</b>				
Inventories	12	3,115.80	3,207.03	3,140.58
<b>Financial assets</b>				
(i) Trade receivables	13	551.70	404.67	289.84
(ii) Cash and cash equivalents	14a	294.27	224.26	210.02
(iii) Bank balances other than (ii) above	14b	21.50	103.44	131.82
(iv) Loans	15	2,364.90	1,793.47	1,378.12
(v) Others	16	402.56	131.47	103.53
Other current assets	17	322.73	311.37	269.27
<b>Total current assets</b>		<b>7,073.46</b>	<b>6,175.71</b>	<b>5,523.18</b>
<b>Assets classified as held for sale</b>	18	-	-	2,870.27
<b>TOTAL ASSETS</b>		<b>37,169.71</b>	<b>35,953.18</b>	<b>33,716.77</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	19	1,710.95	1,521.42	1,521.42
Other equity	20	3,512.05	4,709.89	5,066.51
<b>Total equity</b>		<b>5,223.00</b>	<b>6,231.31</b>	<b>6,587.93</b>
<b>Non current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	21	22,151.53	20,505.76	19,022.83
(ii) Others	22	151.77	32.46	53.03
Provisions	23	38.11	57.62	55.74
Deferred tax liabilities (net)	24	636.01	703.09	1,082.56
Other non-current liabilities	25	28.08	21.15	-
<b>Total non current liabilities</b>		<b>23,005.50</b>	<b>21,320.08</b>	<b>20,214.16</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	26	1,377.77	3,005.67	2,388.29
(ii) Trade payables	27	859.00	846.69	651.89
(iii) Other financial liabilities	28	3,761.57	3,124.62	2,318.74
Other current liabilities	29	1,984.25	1,150.46	1,334.66
Provisions	30	958.62	274.35	221.10
<b>Total current liabilities</b>		<b>8,941.21</b>	<b>8,401.79</b>	<b>6,914.68</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37,169.71</b>	<b>35,953.18</b>	<b>33,716.77</b>
Significant Accounting Policies	1			
Notes to the Standalone Ind AS Financial Statements	2-55			

The notes referred to above form an integral part of the Standalone Ind AS financial statements.

As per our audit report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

Partner

Membership No: 105149

Mumbai

June 12, 2018

For and on behalf of the Board of Directors

**Chalet Hotels Limited**

(formerly known as Chalet Hotels Private Limited)

(CIN No. U55101MH1986PLC038538)

**Sanjay Sethi**

Managing Director &amp; CEO

(DIN 00641243)

Mumbai

June 12, 2018

**Rajeev Newar**

Executive Director &amp; CFO

(DIN 00468125)

**Christabelle Baptista**

Company Secretary

Membership No. A17817



# STANDALONE STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MARCH 31, 2018

(₹ in million)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	31	8,155.80	7,118.04
Other income	32	247.11	1,871.86
<b>Total income (A)</b>		<b>8,402.91</b>	<b>8,989.90</b>
<b>Expenses</b>			
Real estate development cost	33(a)	(78.27)	178.29
Food and beverages consumed	33(b)	822.20	667.35
Operating supplies consumed	33(c)	256.17	218.40
Employee benefits expense	34	1,295.59	1,188.25
Other expenses	36	3,208.96	2,653.99
<b>Total expenses (B)</b>		<b>5,504.65</b>	<b>4,906.28</b>
<b>Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items (C) (A-B)</b>		<b>2,898.26</b>	<b>4,083.62</b>
Depreciation and amortisation expenses	2,4,6	1,116.33	1,269.80
Finance costs	35	2,092.60	2,153.61
<b>(Loss)/profit before exceptional items and tax (D)</b>		<b>(310.67)</b>	<b>660.21</b>
<b>Exceptional items (E)</b>	37	<b>(1,217.52)</b>	-
<b>(Loss)/profit before tax (F) (D+E)</b>		<b>(1,528.19)</b>	<b>660.21</b>
<b>Tax expense (G)</b>		<b>(519.54)</b>	<b>(757.92)</b>
Current Tax	24	-	-
Deferred tax credit	24	(519.54)	(760.77)
Short term provision for the earlier years		-	2.85
<b>(Loss)/profit for the year (H) (F-G)</b>		<b>(1,008.65)</b>	<b>1,418.13</b>
<b>Other comprehensive income/(expense)</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		22.54	0.20
Income tax on above		(7.88)	(0.07)
<b>Other comprehensive income for the year, net of tax (I)</b>		<b>14.66</b>	<b>0.13</b>
<b>Total comprehensive (expense)/income for the year (J) (H+I)</b>		<b>(993.99)</b>	<b>1,418.26</b>
<b>Earnings per equity share</b>			
Basic and diluted earnings per share	38	(5.90)	8.87
<b>Significant Accounting Policies</b>	1		
<b>Notes to the Standalone Ind AS Financial Statements</b>	2-55		

The notes referred to above form an integral part of the Standalone Ind AS financial statements.

As per our audit report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

Partner

Membership No: 105149

Mumbai

June 12, 2018

For and on behalf of the Board of Directors

**Chalet Hotels Limited**

(formerly known as Chalet Hotels Private Limited)

(CIN No. U55101MH1986PLC038538)

**Sanjay Sethi**

Managing Director & CEO

(DIN 00641243)

Mumbai

June 12, 2018

**Rajeev Newar**

Executive Director & CFO

(DIN 00468125)

**Christabelle Baptista**

Company Secretary

Membership No. A17817

# STANDALONE STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED MARCH 31, 2018

		(₹ in million)
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>(Loss)/profit before tax</b>	<b>(1,528.19)</b>	660.21
Adjustments for :		
Interest income from instruments measured at amortised cost	(197.63)	(228.71)
Interest income from amortised cost measurement of preference shares	-	(17.29)
Depreciation and amortisation	1,116.33	1,269.80
Finance costs	2,092.60	2,153.61
Profit on sale of fixed assets(net)	(1.23)	(3.85)
Profit on sale of investments	(4.63)	(1,301.24)
Provision for doubtful debts	7.85	1.38
Fixed assets written off	-	29.96
Bad debts written off (net)	0.52	0.48
Export benefits and entitlements	(10.00)	(314.74)
Provision for impairment on export benefits and entitlements	-	0.96
Provision for mark to market on derivative contract	(72.39)	(11.31)
Provision for estimated/actual cancellation and alteration cost	1,217.52	-
Unrealised exchange (gain)/ loss	16.33	(129.59)
Fair value change on instruments measured at FVTPL	-	(10.82)
Others	(4.39)	6.71
<b>Total</b>	<b>4,160.88</b>	<b>1,445.35</b>
<b>Adjustments:</b>		
Decrease in trade receivables and loans and advances	(548.08)	(33.64)
Decrease in inventories : hospitality	13.49	7.45
(Increase) / decrease in inventories : property developments	(798.33)	78.24
Increase in liabilities and provisions	1,012.24	165.80
(Decrease) / increase in advances received from customers - towards sale of residential flats	64.20	(227.15)
<b>Total</b>	<b>(256.48)</b>	<b>(9.30)</b>
Direct taxes paid (net)	123.99	(67.11)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>2,500.20</b>	<b>2,029.15</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets (including capital work in progress, capital creditors and capital advances)	(415.46)	(1,144.73)
Proceeds from sale of fixed assets	17.96	6.91
Purchase of investments	(482.63)	(89.71)
Proceeds from sale of investments	4.63	4,675.40
Loans given	(7,170.20)	(8,373.10)
Loans repaid	6,602.03	7,997.36
Interest income received	197.63	141.70
Fixed deposits (placed) / matured	(35.98)	6.61
Margin money placed (net)	81.94	76.49
<b>NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES (B)</b>	<b>(1,200.08)</b>	<b>3,296.93</b>



**STANDALONE STATEMENT OF CASH FLOWS** (Contd.)  
**FOR THE YEAR ENDED MARCH 31, 2018**

	(₹ in million)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from long-term borrowings	5,200.00	2,557.66
Repayment of long-term borrowings	(2,725.19)	(4,410.32)
Short term borrowings (net)	(1,953.35)	(609.42)
Interest and finance charges paid	(2,076.28)	(2,235.37)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(1,554.82)</b>	<b>(4,697.45)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)</b>	<b>(254.70)</b>	<b>628.63</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>115.78</b>	(553.22)
<b>On account of merger (refer note 42(b))</b>	<b>-</b>	40.37
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>(138.92)</b>	<b>115.78</b>
Notes:		
1 Cash and cash equivalents and bank balances includes balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.		
2 Reconciliation of cash and cash equivalents with the standalone balance sheet		
Cash and cash equivalents (refer note 14a)	294.27	224.26
less : Cash credit / over draft accounts from banks (refer note 26)	(433.19)	(108.48)
Cash and cash equivalents as per standalone statement of cash flows	<b>(138.92)</b>	115.78
3 The movement of borrowings as per Ind AS 7 is as follows:		
Opening borrowings	23,111.28	20,923.22
Proceeds from long-term borrowings	5,200.00	2,557.66
Repayment of long-term borrowings	(2,725.19)	(4,410.32)
Non-cash adjustments	32.84	(24.21)
Adjustment on account of mergers (refer note 42)	-	4,064.93
<b>Closing borrowings</b>	<b>25,618.93</b>	<b>23,111.28</b>

The notes referred to above form an integral part of the Standalone Ind AS financial statements.

As per our audit report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

Partner

Membership No: 105149

Mumbai

June 12, 2018

For and on behalf of the Board of Directors

**Chalet Hotels Limited**

(formerly known as Chalet Hotels Private Limited)

(CIN No. U55101MH1986PLC038538)

**Sanjay Sethi**

Managing Director & CEO

(DIN 00641243)

Mumbai

June 12, 2018

**Rajeev Newar**

Executive Director & CFO

(DIN 00468125)

**Christabelle Baptista**

Company Secretary

Membership No. A17817

# STANDALONE STATEMENT OF CHANGES IN EQUITY

(₹ in million)

**(a) Equity share capital**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the reporting year	1,521.42	1,521.42	1,521.42
Changes in equity share capital during the year	189.53	-	-
<b>Balance at the end of the reporting year</b>	<b>1,710.95</b>	<b>1,521.42</b>	<b>1,521.42</b>

**(b) Other equity**

	Share pending allotment	Capital Reserve	Securities Premium Account	General reserve	Retained earnings*	Total
<b>Balance at March 31, 2017</b>	<b>189.53</b>	<b>0.05</b>	<b>1,418.13</b>	<b>1,071.96</b>	<b>2,030.22</b>	<b>4,709.89</b>
<b>Total comprehensive income for the year</b>						
(Loss) for the year	-	-	-	-	(1,008.65)	(1,008.65)
Remeasurements of defined benefits plan (net of tax)	-	-	-	-	14.66	14.66
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(993.99)</b>	<b>(993.99)</b>
<b>Others</b>						
Impact of change in tax rate on fair valuation of land	-	-	-	-	(14.32)	(14.32)
Shares issued during the year	(189.53)	-	-	-	-	(189.53)
<b>Balance at March 31, 2018</b>	<b>-</b>	<b>0.05</b>	<b>1,418.13</b>	<b>1,071.96</b>	<b>1,021.91</b>	<b>3,512.05</b>
<b>Balance at April 1, 2016</b>	<b>-</b>	<b>0.05</b>	<b>992.60</b>	<b>1,036.19</b>	<b>3,037.67</b>	<b>5,066.51</b>
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	1,418.13	1,418.13
Remeasurements of defined benefits plan (net of tax)	-	-	-	-	0.13	0.13
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,418.26</b>	<b>1,418.26</b>
<b>Others</b>						
Acquired in business combination (refer note 42)	-	-	425.53	35.77	(2,425.71)	(1,964.41)
Share pending allotment (refer note 42)	189.53	-	-	-	-	189.53
<b>Balance at March 31, 2017</b>	<b>189.53</b>	<b>0.05</b>	<b>1,418.13</b>	<b>1,071.96</b>	<b>2,030.22</b>	<b>4,709.89</b>

\* Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact) - ₹ 3,710.05 million (March 31, 2017 - ₹ 3,724.37 million; April 1, 2016 - ₹ 3,724.37 million).

The notes referred to above form an integral part of the Standalone Ind AS financial statements.

As per our audit report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

Partner

Membership No: 105149

Mumbai

June 12, 2018

For and on behalf of the Board of Directors

**Chalet Hotels Limited**

(formerly known as Chalet Hotels Private Limited)

(CIN No. U55101MH1986PLC038538)

**Sanjay Sethi**

Managing Director & CEO

(DIN 00641243)

Mumbai

June 12, 2018

**Rajeev Newar**

Executive Director & CFO

(DIN 00468125)

**Christabelle Baptista**

Company Secretary

Membership No. A17817



# NOTES

## TO THE STANDALONE IND AS FINANCIAL STATEMENTS

### 1.1 REPORTING ENTITY

Chalet Hotels Limited ('the Company') is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at Raheja Tower, Plot No. C-30, Block 'G', Opp. SIDBI, Bandra Kurla Complex, Bandra East, MUMBAI 400 051. The Company was incorporated under the Companies Act, 1956 on January 6, 1986 and has been converted into a public company with effect from June 6, 2018.

The Company is engaged in the business of hospitality (hotels), commercial and retail operations and real estate development. As at March 31, 2018, the Company has, (a) five hotels (and one service apartment building) operating at Powai and Sahar (Mumbai), Vashi (Navi Mumbai), Bengaluru and Hyderabad, (b) developed residential property at Hyderabad (c) Retail block at Sahar, Mumbai and at Bengaluru, (d) commercial property at Bengaluru and (e) is engaged in construction and development of a residential property at Bengaluru and the balance of the Hotel Complex at Sahar (Mumbai) covering Business Centre and Administrative offices.

### 1.2 SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of preparation and presentation

The Standalone Ind AS Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act. The Standalone Ind AS Financial Statements upto year ended March 31, 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules 2006 and other relevant provisions of the Act, considered as the "Previous GAAP".

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Company's equity financial position, financial performance and its cash flows is provided in Note 54.

#### i. Basis of measurement

The Standalone Ind AS Financial Statements has been prepared on a historical cost basis, except for

the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer- Accounting policy regarding financials instruments);
- assets held for sale – measured at lower of cost or fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value less present value of defined benefit obligation; and
- land at fair value on transition date

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### ii. Functional and presentation currency

The Standalone Ind AS Financial Statements is presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest million with two decimals, unless otherwise indicated.

#### iii. Use of estimates and judgements

While preparing the Standalone Ind AS Financial Statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the Balance Sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgement, estimates and assumptions are required in particular for:

- *Evaluation of percentage completion for the purpose of revenue recognition*

Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a

## NOTES

### TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the Standalone Ind AS Financial Statements for the period in which such changes are determined.

- ***Determination of the estimated useful lives***

Useful lives of property, plant and equipment and investment property are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- ***Recognition and measurement of defined benefit obligations***

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- ***Recognition of deferred tax assets***

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and

depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

- ***Recognition and measurement of other provisions***

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

- ***Discounting of long-term financial assets / liabilities***

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

- ***Determining whether an arrangement contains a lease***

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. And in case of operating lease, treat all payments under the arrangement as lease payments.



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**- *Fair value of financial instruments*

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note M – impairment test of non-financial assets: key assumptions underlying recoverable amounts; and
- Note O – determining the fair value less costs to sell of the assets classified as held for sale on the basis of significant unobservable inputs.

iv. **Measurement of fair values**

The Company's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.

- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – Investment property
- Note 18 – Assets classified as held for sale
- Note 48 – Financial instruments
- Note 2 – Property, plant and equipment (Freehold land)

**B. Current and non-current classification**

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the Balance Sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;

## NOTES

### TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

- (c) it is due to be settled within twelve months after the Balance Sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

All other liabilities are classified as non-current.

#### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

#### C. Standards issued but not yet effective

Ind AS 115 - Revenue from Contracts with Customer (the new revenue recognition standard) has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and will be effective from April 01, 2018. Hence, from April 1, 2018, revenue recognition of the Company shall be driven by this standard. IND AS 115 provides guidance on how the entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This accounting change will bring about significant changes in the way companies recognise, present and disclose their revenue. The Company is currently evaluating the effect of this standard.

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company does not expect any material impact on account of this change.

#### D. Business combination

As part of its transition to Ind AS, the Company has elected to apply the relevant Ind AS, viz. Ind AS 103, Business combinations, to only those business combinations that occurred on or after the transition date i.e. April 1, 2016.

The Company has accounted merger schemes in a manner prescribed by the High Court orders. The book values of the assets, liabilities and reserves of the Transferor Company have been recorded and the identity of the reserves has been maintained. The excess of book value of the net assets and reserves of the Transferor Company taken over, over the face value of the shares issued by the transferee Company has been debited to the Goodwill as per the Scheme. Any goodwill that arises is tested annually for impairment.

Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognised in the Statement of Profit and Loss.

#### Common control

Business combinations involving entities that are ultimately controlled by the same parties before and after the business combination are considered as Common control entities. Common control transactions are accounted using pooling of interest method. The Standalone Ind AS Financial Statements in respect of prior periods have been restated from the period that the Transferor Company became a subsidiary of the Transferee Company where the assets and liabilities of the transferee are recorded at their existing carrying values, the identity of reserves of the transferee company is preserved.

#### E. Revenue

##### a. Real estate development and sale

Revenue from real estate activity is recognised to the extent that it is probable that the economic benefits will flow to the Company, all significant risks and rewards of ownership are transferred to the customers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

Revenue from real estate development activity where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, is recognised on the 'Percentage of Completion Method'. Revenue is recognised in relation to the sold areas, on the basis of percentage of actual cost incurred, including land, development and construction costs as against the total estimated cost of project. The Company recognises revenue in accordance with the Guidance Note on Accounting



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the institute of Chartered Accountants of India.

Cost of Construction / Development (including cost of land) incurred is charged to the Statement of Profit and Loss proportionate to area sold and the balance cost is carried over under Inventory as part of Property under development. Cost of construction / development includes all costs directly related to the Project and other expenditure as identified by the management which are reasonably allocable to the project.

Unbilled revenue from Real Estate represents revenue recognised over and above amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognised profits to date on projects under construction are disclosed as advance received from customers under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables.

The estimates of saleable area and cost of construction are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. The estimated cost of construction as determined is based on management's estimate of the cost expected to be incurred till the final completion and includes cost of materials, service and other related overheads. Unbilled costs are carried as property under development.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion.

Further, in accordance with the said Guidance Note, revenues will be recognised from these real estate projects only when:

- All critical approvals necessary for commencement of the project have been obtained;
- the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost);

- when at least 10% of the sales consideration is realised; and
- Where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

**b. Hospitality business**

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food, beverages, smokes and allied services relating to hotel operations. Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain.

Revenue recognised is net of indirect taxes, returns and discounts.

**c. Rental income**

Revenues from property leased out under an operating lease are recognised over the tenure of the lease / service agreement on a straight line basis over the term of the lease, except where the rentals are structured to increase in line with expected general inflation, and except where there is uncertainty of ultimate collection.

**d. Income from other services**

Maintenance income is recognised as and when related expenses are incurred.

Income from ancillary services are recognised as and when the services are rendered.

**e. Dividend income**

Dividend income is recognised only when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

**f. Interest income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets on initial recognition. Interest income is included in other income in the statement of profit or loss.

## NOTES

### TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

#### F. Foreign currency

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

#### G. Employee benefits

##### i. Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term benefits such as salaries, wages, short-term compensation absences, etc., are determined on an undiscounted basis and recognised in the period in which the employee renders the related service.

##### ii. Post-employment benefits

###### *Defined contribution plans*

Obligations for contributions to defined contribution plans such as Provident Fund and Family pension maintained with Regional Provident Fund Office are expensed as the related service is provided.

##### *Defined benefit plans*

The following post – employment benefit plans are covered under the defined benefit plans:

- **Gratuity Fund**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus the Company's defined benefit plans. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in The Balance Sheet.

##### iii. Terminal Benefits:

All terminal benefits are recognised as an expense in the period in which they are incurred.

#### H. Income-tax

Income-tax expense comprises current and deferred tax. It is recognised in net profit in the statement of profit or loss except to the extent that it relates to items recognised directly in equity or in the OCI.

##### i. Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Company does not have any intentions to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year

when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

## I. Inventories

### Hospitality

Stocks of stores, food and beverages and operating supplies (viz. crockery, cutlery, glassware and linen) are carried at the lower of cost and net realisable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is arrived at by the weighted average cost method.

Stocks of stores and spares and operating supplies (viz. crockery, cutlery, glassware and linen) once issued to the operating departments are considered as consumed and expensed to the Statement of Profit and Loss.

### Real Estate Development (Residential Flats)

Property is valued at lower of cost and net realisable value. Cost comprises of land, development rights, materials, services, and other expenses attributable to the projects. Costs of construction / development (including cost of land) incurred is charged to the Statement of Profit and Loss proportionate to area sold and the balance cost is carried over under inventories as part of property under development.

Cost of construction material (including unutilised project materials) at site is computed by the weighted moving average method and carried at lower of cost and Net Realisable value.

**NOTES**
**TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**
**J. Property, plant and equipment**
**i. Recognition and measurement**

Property, plant and equipment are stated at cost less accumulated depreciation / amortisation and impairment losses, if any except for freehold land which is not depreciated. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

Properties in the course of construction for production, supply or administration purposes are carried at cost, less any impairment loss recognised. Cost includes professional fees and, for qualifying assets borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of Property, Plant & Equipment when completed and are ready for intended use. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iii. Transition to Ind AS**

For transition to Ind AS, the Company has elected to apply Ind AS 16 retrospectively to its property, plant and equipment along with selective fair valuation of few assets (Freehold land at Powai and Sahar in Mumbai and Westin at Hyderabad are measured at fair value as deemed cost) and use that carrying value as its deemed cost. While measuring the property, plant and equipment in accordance with Ind AS, the Company has elected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and use that fair values as their deemed cost.

**iv. Depreciation**

Depreciation is provided using the Straight line method (SLM) as per the useful life of the assets estimated by the management.

Depreciation on addition/deletion of fixed asset made during the year is provided on pro-rata basis from / upto the date of each addition / deletion. The useful lives of assets estimated by management is same as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life is different than that of Schedule II to the Act.

Asset Type	Useful Life		
	FY 2016-17	F.Y. 2017-18	Schedule II
Buildings (Interior and Accessories)	10 Years	14 Years	NA
Plant and Machinery			
- Food and beverages and Kitchen equipment	8 Years	8 Years	
- Audio video equipment	5 Years	5 Years	15 Years
- Laundry equipment	5 Years	15 Years	
- Others	10 Years	14 Years	
Electrical installations	10 Years	14 Years	10 Years
Office Equipments			
- Mobile phones	2 Years	2 Years	5 Years
- Others	4 Years	4 Years	
Data Processing Equipments	4 Years	3 Years	3 Years
Vehicles	5 Years	5 Years	6 Years
Furniture and Fixtures	10 Years	10 Years	10 Years

Building interiors and accessories comprise of the interiors of the Hotel building which will undergo renovation, are depreciated on a SLM basis over a period of 10 years, which in management's view, represents the useful life of such assets.

Building constructed on leasehold land are amortised from the date of commencement of commercial operations over the balance lease period.

Leasehold Improvements are depreciated over the primary period of lease.

Temporary structures and assets costing ₹ 5,000/- or less are depreciated at 100% in the year of capitalisation.



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

Freehold land is measured at fair value as per Ind AS 113 with the resultant impact being accounted for in the reserves. The fair value of the Company's freehold land parcels as at April 1, 2016 have been arrived at on the basis of a valuation carried out by an independent registered appraiser not related to the Company with appropriate qualifications and relevant experience in the valuation of properties at relevant locations. The fair value was determined based on a combination of Discounted Cash Flow method and Residual method.

**K. Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**L. Segment reporting**

As per Ind AS 108 Operating Segments, if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS 108 as well as the parent's standalone financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 Operating Segments has been given in the consolidated financial statements.

**M. Intangible assets****Recognition and measurement**

Intangible assets comprises of trademarks and computer software and are measured at cost less any accumulated amortisation and accumulated impairment loss, if any.

**Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

**Transition to Ind AS**

On transition of Ind AS, the Company has elected to continue with the carrying value of all of its intangible

assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

**Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the Statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Intangible assets are amortised on straight-line method over estimated useful life of 3 years, which in management's view represents the economic useful life of these assets.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate prospectively.

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

Goodwill on business combination is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment

**NOTES**
**TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

**N. Investment property and investment property under construction**
**(a) Recognition and measurement**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

Investment property and investment property under construction represents the cost incurred in respect of areas retail block and commercial office space. Property under construction is accounted for as investment property under construction until construction or development is complete.

Direct expenses like cost of land, including related transaction costs, site labour cost, material used for project construction, project management consultancy, costs for moving the plant and machinery to the site and general expenses incurred specifically for the respective project like insurance, design and technical assistance, and construction overheads are taken as the cost of the project.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties under construction are carried individually at cost less impairment, if any. Impairment of investment property is determined in accordance with the policy stated for impairment of assets.

**(b) Depreciation**

Depreciation on investment property has been provided pro rata for the period of use by the Straight Line Method. The useful lives of Investment

Property is estimated by management and the same is as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life of these assets differs from Schedule II.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property are disclosed in the notes. Fair values are determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

<b>Asset Type</b>	<b>FY 2016-17</b>	<b>F.Y. 2017-18</b>	<b>Schedule II</b>
Buildings (Interior and Accessories)	10 Years	14 Years	NA
Plant and Machinery	10 Years	14 Years	15 Years
Plant and Machinery – Others	15 Years	15 years	
Electrical installations	10 Years	14 Years	10 Years
Office Equipments	4 Years	4 Years	5 Years
Data Processing Equipments	3 Years	3 Years	3 Years
Furniture and Fixtures	10 Years	10 Years	10 Years

**O. Assets held for sale**

Non-current assets are classified as held for sale if it is highly probable that their carrying amount will be recovered primarily through sale rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Company discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. The Company discontinues the use of the equity method at the time



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

of disposal when the disposal results in the Company losing Significant influence over the associate or joint venture.

After the disposal takes place, the Company accounts for any retained interest in the associate in accordance with Ind AS 109 unless the retained interest continues to be an associate, in which case the Company uses the equity method (see the accounting policy regarding investments in associates above).

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised profit or loss. Refer Note 18.

**P. Investments in subsidiaries and associates**

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**Q. Financial Instruments****1. Financial assets****(a) Recognition and initial measurement**

Trade receivable are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value plus, for an item not at Fair Value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**(b) Classification and subsequent measurement**

The Company classifies its financial assets into a) financial assets measured at amortised cost, and b) financial assets measured at fair value through profit or loss (FVTPL). Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification.

- (i) Financial assets measured at amortised costs

A financial asset is classified at amortised costs if it is held within a business model whose objective is to a) hold financial asset in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortisation of such interests forms part of finance income in the Statement of Profit and Loss. Any impairment loss arising from these assets are recognised in the Statement of Profit and Loss.

- (ii) Financial assets measured at fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which do not meet the criteria for classification as at amortised cost, is classified as FVTPL. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the statement of profit or loss.

- (iii) Financial assets measured at fair value through other comprehensive income (FVOCI)

- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**NOTES**

**TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

**(c) Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset and associated liability for any amounts it may have to pay.

**(d) Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables- The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**2. Financial liabilities**

**(a) Recognition, measurement and classification**

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at

amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities at amortised cost includes loan and borrowings, interest free security deposit, interest accrued but not due on borrowings, Retention money payable, trade and other payables. Such financial liabilities are recognised initially at fair value minus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The Company's financial liabilities at fair value through profit or loss includes derivative financial instruments.

**(b) Financial guarantee contracts**

The Company on a case to case basis elects to account for financial guarantee contracts as a financial instruments or as an insurance contracts as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance contracts. The Company has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period, the Company performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognised in Statement of Profit and Loss.

**(c) Derecognition**

The Company derecognises financial liabilities when its contractual obligations are discharged or cancelled or have expired.

**3. Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**4. Derivative financial instruments**

The Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured to their fair value. The resulting gain/loss is recognised in Statement of Profit and Loss immediately at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Company does not designate the derivative instrument as a hedging instrument.

**R. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

**S. Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

**i. Lease payments**

Payments made under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease unless

such payments are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the years in which such benefits accrue.

**ii. Lease assets**

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's Standalone Ind AS Financial Statements.

**T. Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**U. Government Grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

**V. Earnings Per Share ("EPS")**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

**NOTES**
**TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**W. Earnings before interest and depreciation and amortisation ("EBITDA")**

The Company presents EBITDA in the Statement of Profit and Loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Standalone Ind AS Financial Statements when such presentation is relevant

to an understanding of the Company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

**Measurement of EBITDA**

Accordingly, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) before exceptional items as a separate line item on the face of the Standalone Statement of Profit and Loss. The Company measures EBITDA before exceptional items on the basis of profit/(loss) from continuing operations including other income. In its measurement, the Company does not include exceptional items, depreciation and amortisation expense, finance costs, share of profit from associate and tax expense.

**2. PROPERTY, PLANT AND EQUIPMENT**
**Reconciliation of carrying amount**

Year ended March 31, 2018

Particulars	Gross Block				Accumulated Depreciation				(₹ in million)
	Opening balance as at April 1, 2017	Additions	Deductions	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	For the year	Deductions	Closing balance as at March 31, 2018	Net Block As At March 31, 2018
<b>Tangible assets</b>									
Freehold land	7,782.13	176.63	-	7,958.76	-	-	-	-	7,958.76
Buildings	12,411.58	96.36	-	12,507.94	2,375.98	389.45	-	2,765.43	9,742.51
Leasehold improvements	6.92	-	-	6.92	6.92	-	-	6.92	-
Plant and machinery	4,144.42	50.33	2.59	4,192.16	1,963.59	272.12	2.22	2,233.49	1,958.67
Data processing equipments	185.96	18.42	3.04	201.34	148.58	28.69	3.04	174.23	27.11
Electrical installations	1,577.34	13.68	0.02	1,591.00	826.13	78.55	0.04	904.64	686.36
Furniture and fixtures	1,982.98	32.30	6.85	2,008.43	1,091.66	154.13	5.97	1,239.82	768.61
Vehicles	311.64	-	34.42	277.22	195.62	44.34	25.61	214.35	62.87
Office equipments	92.48	5.29	0.40	97.37	83.15	9.01	0.37	91.79	5.58
<b>Total</b>	<b>28,495.45</b>	<b>393.01</b>	<b>47.32</b>	<b>28,841.14</b>	<b>6,691.63</b>	<b>976.29</b>	<b>37.25</b>	<b>7,630.67</b>	<b>21,210.47</b>



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****2. PROPERTY, PLANT AND EQUIPMENT (CONTD.)**

(₹ in million)

**Year ended March 31, 2017**

Particulars	Gross Block					Accumulated Depreciation					Net Block
	Opening balance as at April 1, 2016	On account of Merger (Refer note 42)	Additions/ Transfer in from Investment property	Deductions	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	On account of Merger (Refer note 42)/ Transfer in from Investment property	For the year	Deductions	Closing balance as at March 31, 2017	As At March 31, 2017
<b>Tangible assets</b>											
Freehold land	7,495.49	286.64	-	-	7,782.13	-	-	-	-	-	7,782.13
Buildings	10,025.55	1,963.46	563.09	140.52	12,411.58	1,611.18	390.58	514.75	140.53	2,375.98	10,035.60
Leasehold improvements	6.92	-	-	-	6.92	6.92	-	-	-	6.92	-
Plant and machinery	3,225.34	687.21	262.02	30.15	4,144.42	1,454.84	258.31	279.45	29.01	1,963.59	2,180.83
Data processing equipments	172.04	23.82	5.35	15.25	185.96	113.83	21.21	28.78	15.24	148.58	37.38
Electrical installations	1,271.16	245.71	60.96	0.49	1,577.34	567.19	122.92	136.44	0.42	826.13	751.21
Furniture and fixtures	1,699.49	178.91	130.17	25.59	1,982.98	889.39	80.47	144.82	23.02	1,091.66	891.32
Vehicles	268.50	41.65	3.24	1.75	311.64	124.15	27.58	45.65	1.76	195.62	116.02
Office equipments	79.32	7.59	7.93	2.36	92.48	64.42	6.85	14.08	2.20	83.15	9.33
<b>Total</b>	<b>24,243.81</b>	<b>3,434.99</b>	<b>1,032.76</b>	<b>216.11</b>	<b>28,495.45</b>	<b>4,831.92</b>	<b>907.92</b>	<b>1,163.97</b>	<b>212.18</b>	<b>6,691.63</b>	<b>21,803.82</b>

**Notes**

- 1) The Company has considered fair value for freehold land as of April 1, 2016 with impact of ₹ 5,887.72 million (related tax: ₹ 2163.35 million) based on the deemed cost exemption available under Ind AS 101 with the resultant impact being accounted for in the reserves (refer note 54).
- 2) The Company has reviewed and revised the estimated economic useful lives of its property, plant and equipment in accordance with the useful lives specified in Schedule II of the Companies Act, 2013 in accordance with an internal evaluation which is more representative of the useful lives of its property, plant and equipment during the year ended March 31, 2018. Consequently, the depreciation expense for the year ended March 31, 2018 is lower by ₹ 295.10 million. The change in estimated useful lives has effect of reduction in depreciation charge in future periods.
- 3) Refer note 21 & 26 for information on property, plant and equipment pledged as security by the Company.
- 4) Refer note 43 for contractual commitments with respect to property plant and equipments.
- 5) In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected in the schedule above). The Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on January 22, 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the financial information. The carrying value of property, plant and equipment in respect of the aforementioned hotel as at March 31, 2018 is ₹ 449.27 million (March 31, 2017: ₹ 474.47 million, April 1, 2016: ₹ 510.23 million).

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**3 CAPITAL WORK IN PROGRESS**

Particulars	(₹ in million)		
	March 31, 2018	March 31, 2017	April 1, 2016
Opening balance	223.59	316.11	487.62
Add: Additions during the year	388.57	940.24	749.13
Less: Capitalised during the year	(393.01)	(1,032.76)	(920.64)
<b>Closing balance</b>	<b>219.15</b>	<b>223.59</b>	<b>316.11</b>

Expenses (net) capitalised to cost of property, plant and equipment, during the year(s).

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Legal and professional charges	12.02	3.12
Employee costs	72.52	49.35
Rates, taxes and license fees	6.75	0.41
Repairs and maintenance	0.21	-
Interest and other finance cost	-	3.08
Miscellaneous expenses	4.31	1.00
Other income / sale of scrap	(1.13)	(0.11)
<b>Total</b>	<b>94.68</b>	<b>56.85</b>

**4 INVESTMENT PROPERTY**
**A. Reconciliation of carrying amount**

(₹ in million)									
Year ended March 31, 2018									
Particulars	Gross Block			Accumulated Depreciation/ amortisation				Net Block	
	Opening balance as at April 1, 2017	Additions	Deductions	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	For the year	Deductions	Closing balance as at March 31, 2018	As At March 31, 2018
Commercial complex, Bengaluru -I	897.92	4.91	9.48	893.35	27.95	25.85	2.64	51.16	842.19
Retail block, Sahar, Mumbai	1,090.55	44.67	-	1,135.22	14.86	35.58	-	50.44	1,084.78
Retail block, Bengaluru	1,776.87	2.13	-	1,779.00	386.89	63.13	-	450.02	1,328.98
Hyderabad flats	15.27	-	-	15.27	0.26	0.26	-	0.52	14.75
<b>Total (A)</b>	<b>3,780.61</b>	<b>51.71</b>	<b>9.48</b>	<b>3,822.84</b>	<b>429.96</b>	<b>124.82</b>	<b>2.64</b>	<b>552.14</b>	<b>3,270.70</b>
<b>Investment property under construction</b>									
Business center and offices, Sahar, Mumbai									3,124.74
Commercial complex, Bengaluru -II									311.20
Retail block, Sahar, Mumbai									30.01
<b>Total (B)</b>									<b>3,465.95</b>
<b>Total (A+B)</b>									<b>6,736.65</b>



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**4 INVESTMENT PROPERTY (CONTD.)**

(₹ in million)

Year ended March 31, 2017

Particulars	Gross Block					Accumulated Depreciation/ amortisation					Net Block
	Opening balance as at April 1, 2016	On account of Merger (Refer note 42)	Additions	Deduc- tions/ Transfer out	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	On account of Merger (Refer note 42)	For the year	Deduc- tions/ Transfer out	Closing balance as at March 31, 2017	As At March 31, 2017
Commercial complex, Bengaluru -I	53.85	-	1,116.30	272.23	897.92	-	-	30.95	3.00	27.95	869.97
Retail block, Sahar, Mumbai	-	-	1,090.55	-	1,090.55	-	-	14.86	-	14.86	1,075.69
Retail block, Bengaluru	-	1,776.87	-	-	1,776.87	-	343.32	43.64	0.07	386.89	1,389.98
Hyderabad flats	15.27	-	-	-	15.27	-	-	0.26	-	0.26	15.01
<b>Total (A)</b>	<b>69.12</b>	<b>1,776.87</b>	<b>2,206.85</b>	<b>272.23</b>	<b>3,780.61</b>	<b>-</b>	<b>343.32</b>	<b>89.71</b>	<b>3.07</b>	<b>429.96</b>	<b>3,350.65</b>
<b>Investment property under construction</b>											
Business center and offices, Sahar, Mumbai											2,768.37
Commercial complex, Bengaluru -II											305.17
<b>Total (B)</b>											3,073.54
<b>Total (A+B)</b>											<b>6,424.19</b>

**Deemed cost exemption**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the investment properties.

**Deemed cost as at April 1, 2016**

	Gross Block as on April 1, 2016	Accumulated amortisation till April 1, 2016	Net Block treated as Deemed cost upon transition
<b>Investment property</b>			
Commercial complex, Bengaluru -I	62.17	8.32	53.85
Hyderabad residency	16.05	0.78	15.27
<b>Total</b>	<b>78.22</b>	<b>9.10</b>	<b>69.12</b>

**Notes:**

- Pursuant to the Companies Act, 2013 being effective from April 1, 2014, the Company has revised the depreciation rates on investment property based on the management estimate of the useful lives of the assets, which are lower than or in accordance with Part 'C' of Schedule II of the Act. Consequently, the depreciation expense for the year ended March 31, 2018 is lower by ₹ 52.14 million. The change in estimated useful lives has effect of reduction in depreciation charge in future periods.
- Refer note 21 & 26 for information on investment property pledged as security by the Company.

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**4 INVESTMENT PROPERTY (CONTD.)**

(₹ in million)

## 3. Details of investment property under construction.

	March 31, 2018	March 31, 2017
Opening balance	3,073.54	4,455.91
Add: Additions during the year	444.12	824.48
Less: Capitalised during the year	(51.71)	(2,206.85)
<b>Closing balance</b>	<b>3,465.95</b>	<b>3,073.54</b>

## 4. Expenses (net) capitalised to investment property under construction, during the year(s).

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Legal and professional charges	7.41	2.35
Employee costs	1.25	19.99
Rates, taxes and license fees	3.89	-
Repairs and maintenance	0.96	-
Interest and other finance cost	221.41	266.57
Miscellaneous expenses	3.92	10.94
Other income / sale of scrap	(0.10)	(2.55)
<b>Total</b>	<b>238.74</b>	<b>297.30</b>

## 5) Refer note 21 &amp; 26 for information on investment property pledged as security by the Company.

**B. Fair value measurement**
**i. Fair value hierarchy**

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualification and experience.

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Investment Properties	Fair Value as on		
	March 31, 2018	March 31, 2017	April 1, 2016
Commercial complex, Bengaluru -I	905.00	870.00	-
Retail block, Sahar, Mumbai	2,688.00	2,394.00	-
Retail block, Bengaluru	1,554.00	1,414.00	-
Hyderabad flats	23.00	23.00	22.00

**ii. Valuation technique and significant unobservable inputs**
**Valuation technique**

The fair value of investment property has been determined by external, independent property valuers / management, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The Company follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. The land of Commercial complex, Bengaluru - I is valued by residual method.



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**4 INVESTMENT PROPERTY (CONTD.)**

(₹ in million)

**C. Information regarding income and expenditure of investment property**

Particulars	March 31, 2018	March 31, 2017
Rental income derived from investment properties	166.37	114.23
Direct operating expenditure (including repairs and maintenance) generating rental income	54.14	28.30
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>112.23</b>	<b>85.93</b>
Depreciation	124.82	89.71
<b>Profit / (loss) arising from investment properties before indirect expenses</b>	<b>(12.59)</b>	<b>(3.78)</b>

**D. The company has no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.**

**E. Asset wise breakup of investment property is as follows:**

Year ended March 31, 2018

(₹ in million)

Particulars	Gross Block			Accumulated Depreciation				Net Block
	Opening balance as at April 1, 2017	Additions	Deductions	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	For the year	Deductions	As At March 31, 2018
<b>Tangible assets</b>								
Freehold land	367.70	43.86	-	411.56	-	-	-	411.56
Buildings	2,499.60	1.62	-	2,501.22	218.17	63.58	-	2,219.47
Plant and machinery	594.69	3.56	7.67	590.58	117.11	36.55	1.67	438.59
Computers	2.15	0.28	1.02	1.41	1.42	0.22	0.75	0.52
Electrical installations	247.50	1.27	-	248.77	65.43	14.50	-	168.84
Furniture and fixtures	68.08	0.76	0.79	68.05	27.11	9.68	0.22	31.48
Office equipments	0.58	0.13	-	0.71	0.43	0.06	-	0.22
	<b>3780.30</b>	<b>51.48</b>	<b>9.48</b>	<b>3822.30</b>	<b>429.67</b>	<b>124.59</b>	<b>2.64</b>	<b>3270.68</b>
<b>Intangible assets</b>								
Software	0.31	0.23	-	0.54	0.29	0.23	-	0.02
	<b>0.31</b>	<b>0.23</b>	<b>-</b>	<b>0.54</b>	<b>0.29</b>	<b>0.23</b>	<b>-</b>	<b>0.02</b>
<b>Total</b>	<b>3,780.61</b>	<b>51.71</b>	<b>9.48</b>	<b>3,822.84</b>	<b>429.96</b>	<b>124.82</b>	<b>2.64</b>	<b>3,270.70</b>

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**4 INVESTMENT PROPERTY (CONTD.)**

Year ended March 31, 2017

Particulars	Gross Block					Accumulated Depreciation/ amortisation					(₹ in million) Net Block
	Opening balance as at April 1, 2016	On account of Merger (Refer note 42)	Additions	Deductions/ Transfer out	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	On account of Merger (Refer note 42)	For the year	Deductions/ Transfer out	Closing balance as at March 31, 2017	As At March 31, 2017
<b>Tangible assets</b>											
Freehold land	-	157.44	210.26	-	367.70	-	-	-	-	-	367.70
Buildings	56.22	1,146.08	1,567.54	270.24	2,499.60	-	168.01	53.16	3.00	218.17	2,281.43
Plant and machinery	8.44	294.46	291.79	-	594.69	-	97.84	19.27	-	117.11	477.58
Computers	0.52	1.34	0.29	-	2.15	-	1.03	0.39	-	1.42	0.73
Electrical installations	1.99	118.08	129.42	1.99	247.50	-	53.32	12.11	-	65.43	182.07
Furniture and fixtures	1.92	58.74	7.42	-	68.08	-	22.42	4.76	0.07	27.11	40.97
Office equipments	-	0.45	0.13	-	0.58	-	0.42	0.01	-	0.43	0.15
	<b>69.09</b>	<b>1,776.59</b>	<b>2,206.85</b>	<b>272.23</b>	<b>3,780.30</b>	<b>-</b>	<b>343.04</b>	<b>89.70</b>	<b>3.07</b>	<b>429.67</b>	<b>3,350.63</b>
<b>Intangible assets</b>											
Software	0.03	0.28	-	-	0.31	-	0.28	0.01	-	0.29	0.02
	0.03	0.28	-	-	0.31	-	0.28	0.01	-	0.29	0.02
<b>Total</b>	<b>69.12</b>	<b>1,776.87</b>	<b>2,206.85</b>	<b>272.23</b>	<b>3,780.61</b>	<b>-</b>	<b>343.32</b>	<b>89.71</b>	<b>3.07</b>	<b>429.96</b>	<b>3,350.65</b>

**5 GOODWILL**
**Impairment testing for cash generating unit (CGU) containing goodwill**

For the purpose of impairment testing, goodwill is allocated to the Company's operating segments which represent the lowest level within the Company at which goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each cash generating unit are as follows:

Particulars	March 31, 2018	March 31, 2017	(₹ in million) April 1, 2016
Hotel	164.04	164.04	-
Retail	25.49	25.49	-
ALC	36.58	36.58	36.58
	<b>226.11</b>	<b>226.11</b>	<b>36.58</b>

The recoverable amount is based on a value-in-use calculation using the discounted cash flow method.

Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit. The calculation of the value in use is based on the following key assumptions:

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****5 GOODWILL (CONTD.)**

The table below shows the key assumptions used in the value in use calculations of :

(₹ in million)

**A. Hotel Division**

Particulars (in %)	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	9.59%	9.13%	-
Terminal value growth rate	6.50%	6.50%	-

**B. Retail**

Discount rate	9.59%	9.13%	-
Terminal value growth rate	8.50%	8.50%	-

**C. ALC**

Discount rate	9.59%	9.13%	9.55%
Terminal value growth rate	8.50%	8.50%	8.50%

**Discount rate**

The discount rate is a pre tax measure based on the rate of 10 year government bonds issued by the Government of India, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

**Terminal value growth rate**

Terminal value growth rate used for the purpose of calculation of terminal value has been determined based on the long-term compound annual growth rate in EBITDA.

The above assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

Based on the above assumptions and analysis, no impairment was identified for any of the CGU as at March 31, 2018, March 31, 2017 and April 1, 2016 as the recoverable value of the CGU exceeded the carrying value.

With regard to the assessment of value in use, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGUs to exceed their recoverable amount.



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**6 OTHER INTANGIBLE ASSETS**
**Reconciliation of carrying amount**

(₹ in million)

**Year ended March 31, 2018**

Particulars	Gross Block			Accumulated Amortisation				Net Block	
	Opening balance as at April 1, 2017	Additions	Deductions	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	Charged for the year	Deductions	Closing balance as at March 31, 2018	As At March 31, 2018
Trade marks	-	-	-	-	-	-	-	-	-
Computer software	63.08	3.97	-	67.05	33.30	15.22	-	48.52	18.53
<b>Total</b>	<b>63.08</b>	<b>3.97</b>	<b>-</b>	<b>67.05</b>	<b>33.30</b>	<b>15.22</b>	<b>-</b>	<b>48.52</b>	<b>18.53</b>

**Year ended March 31, 2017**

(₹ in million)

Particulars	Gross Block				Accumulated Amortisation					Net Block	
	Opening balance as at April 1, 2016	On account of Merger (Refer note 42)	Additions	Deductions	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	On account of Merger (Refer note 42)	Charged for the year	Deductions	Closing balance as at March 31, 2017	As At March 31, 2017
Trade marks	-	-	-	-	-	-	-	-	-	-	-
Computer software	37.92	19.74	5.60	0.18	63.08	-	17.36	16.12	0.18	33.30	29.78
<b>Total</b>	<b>37.92</b>	<b>19.74</b>	<b>5.60</b>	<b>0.18</b>	<b>63.08</b>	<b>-</b>	<b>17.36</b>	<b>16.12</b>	<b>0.18</b>	<b>33.30</b>	<b>29.78</b>

**Deemed cost exemption**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible asset recognised as at April 1, 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

**Deemed cost as at April 1, 2016**

Particulars	Gross Block as on April 1, 2016	Accumulated amortisation till April 1, 2016	Net Block treated as deemed cost upon transition
Trade marks	0.04	0.04	-
Computer software	122.29	84.38	37.92
<b>Total</b>	<b>122.34</b>	<b>84.42</b>	<b>37.92</b>

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****7 INVESTMENT IN SUBSIDIARIES**

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Investments in equity shares (non-trade, unquoted)</b>			
<b>In subsidiary companies (equity shares of ₹ 10/- each fully paid)</b>			
Nil (March 31, 2017: 10,000, April 1, 2016: 10,000) shares of Grandwell Properties and Leasing Private Limited	-	0.10	0.10
9,000 (March 31, 2017: 9,000, April 1, 2016: 9,000) shares of Chalet Hotels and Properties (Kerala) Private Limited	0.09	0.09	0.09
Less: Provision for impairment	(0.09)	(0.09)	(0.09)
	-	0.10	0.10
Aggregate amount of unquoted securities	0.09	0.19	0.19
Aggregate amount of quoted securities	-	-	-
Market value of quoted securities	-	-	-
Aggregate amount of impairment in the value of investments	0.09	0.09	0.09

**8 OTHER INVESTMENTS**

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Measured at fair value through profit and loss</b>			
<b>Investments in equity shares (non-trade, unquoted)</b>			
<b>In other companies (equity shares of ₹ 10/- each fully paid)</b>			
1,000 (March 31, 2017: 1,000, April 1, 2016: 1,000) shares of Stargaze Properties Private Limited	0.01	0.01	0.01
423 (March 31, 2017: 423, April 1, 2016: 203,181) shares of Intime Properties Limited	1.94	1.94	331.39
428,285 (March 31, 2017: Nil, April 1, 2016: Nil) shares of Krishna Valley Power Private Limited	8.64	-	-
1,044,500 (March 31, 2017: Nil, April 1, 2016: Nil) shares of Sahyadri Renewable Energy Private Limited	31.45	-	-
10,000 (March 31, 2017: 10,000, April 1, 2016: Nil) shares of Renew Wind Power Energy (AP) Limited	1.00	1.00	-
<b>Measured at amortised cost</b>			
<b>Investments in preference shares (non-trade, unquoted)</b>			
<b>In associate company (0.001% non-cumulative redeemable preference shares of ₹ 100,000/- each fully paid)</b>			
Nil (March 31, 2017: Nil, April 1, 2016: 1,600) shares of Genext Hardware & Parks Private Limited	-	-	142.71
<b>Other investments</b>			
National Saving Certificates	0.13	0.13	0.13
	43.17	3.08	474.24
Aggregate amount of unquoted securities	43.17	3.08	474.24
Aggregate amount of quoted securities	-	-	-
Market value of quoted securities	-	-	-
Aggregate amount of impairment in the value of investments	-	-	-

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**9 LOANS**

			(₹ in million)
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(Unsecured, considered good)</b>			
Security deposit			
- Related parties	26.98	26.98	26.98
- Others	78.67	73.50	90.19
Option deposit others	5.00	5.00	-
	<b>110.65</b>	<b>105.48</b>	<b>117.17</b>

**10 OTHER NON-CURRENT FINANCIAL ASSETS**

			(₹ in million)
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits with banks with more than 12 months maturity	50.00	14.02	-
	<b>50.00</b>	<b>14.02</b>	<b>-</b>

**11 OTHER NON-CURRENT ASSETS**

			(₹ in million)
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(Unsecured)</b>			
Prepayment (refer footnote)	70.02	74.10	61.61
Capital advances	1.94	17.89	25.59
Capital advances (secured, considered good)	-	-	9.46
	<b>71.96</b>	<b>91.99</b>	<b>96.66</b>

In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected under prepayment and others above). The Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on January 22, 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the financial information. The balance of prepaid lease rental in relation to such leasehold land as of March 31, 2018 is ₹ 54.52 million (March 31, 2017: ₹ 55.71 million, April 1, 2016: ₹ 56.91 million).

**12 INVENTORIES**

			(₹ in million)
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(valued at lower of cost and net realisable value)</b>			
<b>Hospitality :</b>			
Food, beverages and smokes	105.43	112.46	97.14
Operating supplies	-	-	3.28
Stores and spares	2.78	9.24	8.14
<b>Real estate :</b>			
Developed property	247.25	312.47	388.96
Building materials, components and spares	-	6.70	2.17
Property under development (refer note 53)	3,031.94	2,659.87	2,533.02
Less : Provision of impairment	(376.65)	-	-
Property under development (net)	2,655.29	2,659.87	2,533.02
Materials at site	100.60	106.29	107.87
<b>Retail and commercial:</b>			
Materials at site	4.45	-	-
	<b>3,115.80</b>	<b>3,207.03</b>	<b>3,140.58</b>



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****13 TRADE RECEIVABLES**

	(₹ in million)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(Unsecured, considered good, unless otherwise stated)</b>			
Considered good	551.70	404.67	289.84
Considered doubtful	3.82	9.22	6.29
	555.52	413.89	296.13
Less : Provision for impairment	(3.82)	(9.22)	(6.29)
	<b>551.70</b>	<b>404.67</b>	<b>289.84</b>

**14a CASH AND CASH EQUIVALENTS**

	(₹ in million)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with banks			
- Current accounts	289.30	214.66	204.93
Cheques on hand	0.08	1.08	0.30
Cash on hand	4.89	8.52	4.79
	<b>294.27</b>	<b>224.26</b>	<b>210.02</b>

Cash and cash equivalents and bank balances includes balances in escrow account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.

**14b OTHER BANK BALANCES**

	(₹ in million)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
In term deposit accounts (balances held as margin money)	21.50	103.44	131.82
	<b>21.50</b>	<b>103.44</b>	<b>131.82</b>

Includes accrued interest of ₹ 0.93 million ( March 31, 2017: ₹ 2.38 million, April 1, 2016: ₹ 4.77 million)

**15 LOANS**

	(₹ in million)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits (unsecured, considered good)			
Security deposits - others	22.74	14.31	9.77
Loans to related parties (unsecured, considered good) (refer footnote and note 51)	2,342.16	1,779.16	1,368.35
	<b>2,364.90</b>	<b>1,793.47</b>	<b>1,378.12</b>

Loan to related parties include amounts due from a Director ₹ 1.41 million (March 31, 2017: ₹ 7.50 million, April 1, 2016: ₹ 10.00 million) and due from private limited companies aggregating to ₹ 2,340.74 million (March 31, 2017: ₹ 1,771.66 million, April 1, 2016: ₹ 1,358.35 million) in which directors of the Company are directors.

The interest rate applicable to the amounts due from private limited companies in which directors of the Company are directors are 11.00% (March 31, 2017: 12.00%, April 1, 2016: 12.50%). These amounts are unsecured and repayable on demand.

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**16 OTHER CURRENT FINANCIAL ASSETS**

Particulars	(₹ in million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(Unsecured, considered good, unless otherwise stated)</b>			
Unbilled revenue	195.33	92.68	103.53
Others*	192.85	30.07	-
Mark to market derivative contracts	14.38	8.72	-
	<b>402.56</b>	<b>131.47</b>	<b>103.53</b>

\* Includes export benefits and entitlements of ₹ 192.85 million (March 31, 2017: ₹ 26.96 million (net of related provision of ₹ 0.96 million), April 1, 2016: Nil).

**17 OTHER CURRENT ASSETS**

Particulars	(₹ in million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(Unsecured, considered good)</b>			
Indirect tax balances/receivable credits	192.45	161.44	159.16
Receivable from tax authorities	-	5.15	-
Prepayment and others	77.54	83.09	70.08
Advance to suppliers	44.73	49.43	30.00
Others	8.01	12.26	10.03
	<b>322.73</b>	<b>311.37</b>	<b>269.27</b>

**18 ASSETS CLASSIFIED AS HELD FOR SALE**

Particulars	(₹ in million)		
	March 31, 2018	March 31, 2017	April 1, 2016
Investment in equity shares of associate (face value of ₹ 10)			
Genext Hardware & Parks Private Limited (Number of shares : Nil; March 31, 2017 : Nil; April 1, 2016 : 5,156 )	-	-	2,870.27
<b>Total assets held for sale</b>	<b>-</b>	<b>-</b>	<b>2,870.27</b>

The investment in Genext Hardware & Park Private Limited was acquired exclusively with a view of its subsequent disposal within twelve months from the date of purchase. It was classified as held for sale on acquisition during the year ended March 31, 2014 and consequently measured at the lower of its carrying amount and fair value less costs to sell.

The investment in Genext Hardware & Parks Private Limited required additional time beyond twelve months due to regulatory approvals and approvals from the local state governments.

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****19 SHARE CAPITAL****(a) Details of the authorised, issued, subscribed and paid-up share capital as below:**

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>(i) Authorised</b>			
172,000,000 (March 31, 2017: 152,500,000, April 1, 2016: 152,500,000) equity shares of the par value of ₹10 each	<b>1,720.00</b>	<b>1,525.00</b>	<b>1,525.00</b>
<b>(ii) Issued, subscribed and paid-up</b>			
171,095,293 (March 31, 2017: 152,142,253, April 1, 2016: 152,142,253) equity shares fully paid up	1,521.42	1,521.42	1,521.42
Issued during the year	189.53	-	-
<b>Total</b>	<b>1,710.95</b>	<b>1,521.42</b>	<b>1,521.42</b>

**(b) Reconciliation of the number of shares outstanding at the beginning and end of the year:**

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
Number of equity shares outstanding at the beginning and end of the year	152,142,253	1,521.42	152,142,253	1,521.42	152,142,253	1,521.42
Issued during the year (refer note 42)	18,953,040	189.53	-	-	-	-
<b>Total</b>	<b>171,095,293</b>	<b>1,710.95</b>	<b>152,142,253</b>	<b>1,521.42</b>	<b>152,142,253</b>	<b>1,521.42</b>

**(c) Registered shareholder holding more than 5% equity shares in the Company is set out below:**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Casa Maria Properties LLP (formerly known as Casa Maria Properties Private Limited till March 17, 2016)	16,496,280	9.64%	16,496,280	10.84%	16,496,280	10.84%
Capstan Trading LLP (formerly known as Capstan Trading Private Limited till March 17, 2016)	16,495,680	9.64%	16,495,680	10.84%	16,495,680	10.84%
Raghukool Estate Development LLP (formerly known as Raghukool Estate Development Private Limited till March 18, 2016)	16,495,680	9.64%	16,495,680	10.84%	16,495,680	10.84%
K Raheja Corp Private Limited	14,570,000	8.52%	14,570,000	9.58%	14,570,000	9.58%
Touchstone Properties and Hotels Private Limited.	14,500,000	8.47%	14,500,000	9.53%	14,500,000	9.53%
Ravi Raheja	13,354,374	7.81%	7,768,056	5.11%	7,768,056	5.11%
Neel Raheja	13,354,374	7.81%	7,768,056	5.11%	7,768,056	5.11%
Anbee Construction LLP (formerly known as Anbee Construction Private Limited till March 17, 2016)	13,116,180	7.67%	13,116,180	8.62%	13,116,180	8.62%
Cape Trading LLP (formerly known as Cape Trading Private Limited till March 17, 2016)	13,116,180	7.67%	13,116,180	8.62%	13,116,180	8.62%
K Raheja Private Limited.	12,400,000	7.25%	12,400,000	8.15%	12,400,000	8.15%
Avacado Properties And Trading (India) Private Limited	-	-	-	-	8,000,000	5.26%
Genext Hardware & Parks Private Limited	8,000,000	4.68%	8,000,000	5.26%	-	-
	<b>151,898,748</b>	<b>88.78%</b>	<b>140,726,112</b>	<b>92.50%</b>	<b>140,726,112</b>	<b>92.50%</b>

In cases where certain shareholders hold equity shares jointly with other persons, the name of the primary beneficiary has been specified.



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**19 SHARE CAPITAL (CONTD.)**
**(d) Rights, Preferences and restrictions attached to equity shares.**

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The equity shareholders are eligible for dividend when recommended by the Board of Directors and approved by the Shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(e) Details for share issued other than for cash**

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
Issued during the year (refer note 42)	18,953,040	189.53	-	-	-	-

**20 OTHER EQUITY**

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Capital reserve</b>	<b>0.05</b>	<b>0.05</b>
<b>Securities premium account</b>		
Securities premium account balance at the beginning of the year	1,418.13	992.60
Add: Merger of Genext Hardware & Parks Private Limited	-	425.53
<b>At the end of the year</b>	<b>1,418.13</b>	<b>1,418.13</b>
<b>Share pending allotment</b>		
Share pending allotment balance at the beginning of the year	189.53	-
To be issued on account of merger (refer note 42)	-	189.53
Shares pending allotment issued during the year	(189.53)	-
<b>At the end of the year</b>	<b>-</b>	<b>189.53</b>
<b>General reserve</b>		
General reserve balance at the beginning of the year	1,070.96	1,036.19
Add: Merger of Genext Hardware & Parks Private Limited	-	35.77
<b>At the end of the year</b>	<b>1,071.96</b>	<b>1,071.96</b>
<b>Retained earnings</b>		
Retained earnings balance at the beginning of the year	2,030.22	3,037.67
Impact of change in tax rate on fair valuation of land	(14.32)	-
Add: Merger of Genext Hardware & Parks Private Limited	-	(2,425.71)
Add: Profit/ (loss) for the year	(993.99)	1,418.26
<b>At the end of the year</b>	<b>1,021.91</b>	<b>2,030.22</b>
	<b>3,512.05</b>	<b>4,709.89</b>

**Nature and purpose of reserves :**
**Capital reserve**

The reserve comprises of profits/gains of capital nature earned by the Company and credited directly to such reserves.

**Securities premium account**

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

**Share pending allotment**

Shares pending allotment represents consideration to be issued in relation to the merger of Genext Hardware and Parks Private Limited. The issue of such shares was completed in the financial year ended March 31, 2018 on receipt of requisite approvals for the merger (refer note 42).

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****20 OTHER EQUITY (CONTD.)****General reserve**

General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**Retained earnings**

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders. It includes impact of fair valuation of land on transition to Ind AS, not presently available for distribution to shareholders (net of related tax impact): ₹ 3,710.05 million (March 31, 2017: ₹ 3,724.37 million, April 1, 2016: ₹ 3,724.37 million).

**21 LONG-TERM BORROWINGS**

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Borrowings</b>			
<b>Secured</b>			
<b>Rupee term loans</b>			
i) From bank (refer note A)	12,760.60	12,433.93	8,254.61
ii) From financial institutions (refer note A)	5,975.65	4,815.63	6,978.03
iii) Vehicle loans from banks (refer note A)	5.21	15.85	24.69
<b>Foreign currency term loans</b>			
i) From bank (refer note A)	3,250.07	3,080.35	3,765.50
<b>Preference share liability</b>			
Non-cumulative redeemable preference shares (refer note B)	160.00		-
Non-cumulative redeemable preference shares pending allotment (refer footnote below)	-	160.00	-
	<b>22,151.53</b>	<b>20,505.76</b>	<b>19,022.83</b>

\*1,600 non-cumulative preference shares were payable as consideration pursuant to the Scheme of Arrangement " ('the Scheme') to demerge the Hotel Undertaking and the Retail Undertaking of Genext Hardware & Parks Private Limited ("Transferor Company") with the Company. These shares were issued and allotted during the year ended March 31, 2018. (refer note 42)

**A) Terms of repayment****Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
<b>TERM LOANS- Rupee Loans</b>						
<b>From Banks</b>						
The Ratnakar Bank Ltd	1,500	9.77%	10.55%	10.65%	Repayable quarterly instalment starting from August 2015 to May 2020.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.
Indian Overseas Bank	1,000	NA	NA	NA	Repayable half yearly in June and December from June 2009 to June 2015.	
<b>TERM LOANS- Rupee Loans</b>						

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**21 LONG-TERM BORROWINGS (CONTD.)**
**A) Terms of repayment (Contd.)**
**Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
<b>From Banks</b>						
Standard Chartered Bank	2,000	9.00%	10.45%	10.45%	Repayable monthly instalment over 84 month starting from April 2016 to February 2023 and balance amount is bullet payment on March 2023.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II. Standard Chartered Bank has charge on the ISRA account created in respect of security.
Standard Chartered Bank	1,950	9.20%	NA	NA	Repayable half yearly starting from March 2018 to March 2022 and balance amount is bullet payment on November 2022.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
ICICI Bank Ltd	3,080 (Term Loan - ₹ 2,285 million with ₹ 300 million OD as a sub-limit of term loan)	9.25%	10.00%	10.80%	Repayable quarterly instalment starting from December 2017 to September 2026.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
Bank of Baroda	900	8.85%	11.20%	11.25%	Repayable monthly instalment from April 2018 to October 2026 of ₹ 8.30 million and remaining amount bullet payment on November 2026.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre and office Block Sahar, Mumbai. (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre and office Block, Sahar Mumbai.
Standard Chartered Bank	2,567	9.25%	10.80%	12.28%	Repayable monthly installment over 60 month starting from November 2017 to September 2022 and balance amount is bullet payment on October 2022.	
<b>TERM LOANS- Rupee Loans</b>						
<b>From Banks</b>						



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**21 LONG-TERM BORROWINGS (CONTD.)****A) Terms of repayment (Contd.)****Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
Yes Bank Ltd	1,100 (Term Loan - ₹ 900 million and OD sub-limit - ₹ 200 million of sanction)	9.25%	10.43%	NA	Repayable in quarterly 28 installments from March 2020 to December 2026.	It is secured by exclusive charge on Land for Powai Phase III land.
Union Bank of India	1,000	NA	NA	11.15%	Repayable within 3 years starting from 2015.	It is secured by (i) Exclusive charge on land pertaining to Powai Phase III- (ii) Second charge on the current assets of the company.
Other Loans from Banks - Vehicle		11%	10.50% to 10.75%	10.50% to 10.75%	Repayable in monthly instalments till year ending June 2019.	It is secured against hypothecation of vehicles financed by those banks.
Other Loans from Banks - Vehicle	45.06	NA	10.50% to 10.75%	10.50% to 10.75%	Repayable in monthly instalments till year ending June 2017.	It is secured against hypothecation of vehicles financed by those banks.
Standard Chartered Bank	900 (Term Loan - ₹ 750 million and OD ₹ 150 million)	8.85%	NA	NA	Repayable monthly instalment over 144 months starting from July 2017 to July 2029.	It is secured by (i) Exclusive charge on immovable property and receivables at Retail Block at Bengaluru (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Retail Block at Bengaluru (iii) Charge over DSRA amounting to ₹ 50 million.
Standard Chartered Bank	1,000 (Term Loan - ₹ 700 million and OD ₹ 300 million)	NA	10.25%	NA	Of the term loan amount, ₹ 961.60 millions is repayable in 51 monthly instalments from June 2012 ranging between ₹ 4.50 millions to	It is secured by (i) first charge by way of equitable mortgage in favour of lender on the premises being Retail Block at Bengaluru having a built up area of approximately 29,803.90 sq. mtrs together
<b>TERM LOANS- Rupee Loans From Banks</b>						

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**21 LONG-TERM BORROWINGS (CONTD.)**
**A) Terms of repayment (Contd.)**
**Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
					₹ 10.40 millions and a bullet payment of ₹ 608 millions in last instalment.	with proportionate land appurtenant thereto being a portion of immovable property on a first pari passu basis and (ii) first pari passu charge over all the present and future book debts, outstanding moneys receivable, claims and bills and (iii) cash shortfall undertaking from, Chalet Hotels Limited (formerly known as Chalet Hotels Private Limited. (iv) Charge over DSRA amounting to ₹ 50 million.
ICICI Bank Ltd	1,900	9.25%	10%	NA	Repayable quarterly instalment from September 2016 to June 2025.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield.
Citi Bank NA	500	8.20%	NA	NA	Repayable in Monthly instalments from May 2017 to April 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja.
<b>TERM LOANS- Rupee Loans From Banks</b>						

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**21 LONG-TERM BORROWINGS (CONTD.)****A) Terms of repayment (Contd.)****Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
Citi Bank NA	442.50	8.20%	9.25%	NA	Repayable in Monthly instalments from November 2016 to March 2024.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja.
<b>From Financial Institutions</b>						
Housing Development Finance Corporation Limited	2,000	8.70%	9.75%	10.85%	Repayable monthly instalment ending on March 2019.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.
Housing Development Finance Corporation Limited	1,000	NA	9.75%	10.85%	Repayable monthly instalment ending on January 2018.	
Housing Development Finance Corporation Limited	1,350	8.70%	10.35%	10.85%	Repayable monthly instalment from April 2017 to May 2024.	It is secured by (i) Exclusive charge on immovable property and receivables at Four Points By Sheraton, Vashi (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Four Points By Sheraton, Vashi (iii) Guarantee by related party.
<b>From Financial Institutions</b>						



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**21 LONG-TERM BORROWINGS (CONTD.)**
**A) Terms of repayment (Contd.)**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
		as at March 31, 2018	as at March 31, 2017	as at April 1, 2016		
Housing Development Finance Corporation Limited	2,500	8.70%	9.75%	10.85%	Repayable yearly from March 2019 to March 2026.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations .
Housing Development Finance Corporation Limited	3,600	8.70%	10.10%	10.60%	Repayable monthly instalment ending on April 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Westin Hotel (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Westin Hotel.
Particulars	Sanction Amount (USD in million)	Carrying rate of Interest	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
		as at March 31, 2018	as at March 31, 2017	as at April 1, 2016		
Foreign Currency Loans						
From Banks						
Standard Chartered Bank - UK	30	3.75% fixed plus 6 month LIBOR	3.75% fixed plus 6 month LIBOR	NA	Repayable in half yearly from January 2017 to July 2021.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield.

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**21 LONG-TERM BORROWINGS (CONTD.)****A) Terms of repayment (Contd.)**

Particulars	Sanction Amount (USD in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
<b>Foreign Currency Loans From Banks</b>						
Standard Chartered Bank - UK	30	4.25% fixed plus 3 month LIBOR	4.25% fixed plus 3 month LIBOR	4.25% fixed plus 3 month LIBOR	Repayable in two instalments November 2017 and May 18.	It is secured by (i) Pari-passu charge on immovable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II. Standard Chartered Bank has charge on the ISRA account created in respect of security.
ICICI Bank Ltd - UK	15	4.75% fixed plus 3 month LIBOR	4.75% fixed plus 3 month LIBOR	4.75% fixed plus 3 month LIBOR	Repayable quarterly from April 2018 to January 2027.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations.
ICICI Bank Ltd - Bahrain	48 (drawn only USD 12.2 million)	4.00% fixed plus 3 month LIBOR	4.75% fixed plus 3 month LIBOR	4.75% fixed plus 3 month LIBOR	Repayable quarterly from June 2018 to March 2027.	

There are no material breaches of the covenants associated with the borrowings (referred to above) and none of the borrowings were called back during the period.

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**21 LONG-TERM BORROWINGS (CONTD.)**
**B) Preference share capital**
**(a) Details of the authorised, issued, subscribed and paid-up preference share capital as below:**

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>(i) Authorised</b>			
1,600 (March 31, 2017: Nil, April 1, 2016: Nil) 0.001% non-cumulative redeemable preference shares of ₹ 100,000 each	160.00	-	-
<b>(ii) Issued, subscribed and paid-up</b>			
1,600 (March 31, 2017: Nil, April 1, 2016: Nil) 0.001% non-cumulative redeemable preference shares of ₹ 100,000 each	160.00	-	-
<b>Total</b>	<b>160.00</b>	<b>-</b>	<b>-</b>

**(b) Reconciliation of the number of shares outstanding at the beginning and end of the year:**

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
Number of preference shares outstanding at the beginning of the year	-	-	-	-	-	-
Issued during the year	1,600	160	-	-	-	-
<b>Number of preference shares outstanding end of the year</b>	<b>1,600</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(c) Shareholder holding more than 5% preference shares in the Company is set out below:**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja*	1,600	100.00%	-	-	-	-
	<b>1,600</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust.

**(d) Rights, preferences and restrictions attached to preference shares**

Non-cumulative redeemable preference shares: 1,600 (March 31, 2017: Nil, April 1, 2016: Nil) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each.

The Company has only one class of preference shares having a par value of ₹ 100,000 per share. The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the Company for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of Re 1 per preference share per year.

Preference shares issued by the Company are due for redemption at par. Accordingly, the preference shares are liable to be redeemed at any time at the option of the Company but not later than December 23, 2023.

In the event of liquidation of the Company before redemption of the equity shares, the holders of redeemable preference shares will have priority over equity shares in the payment of dividend and repayment of capital.



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****22 OTHER NON-CURRENT FINANCIAL LIABILITIES**

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Security deposits	151.77	28.90	13.45
Retention money	-	3.56	39.58
	<b>151.77</b>	<b>32.46</b>	<b>53.03</b>

**23 PROVISIONS**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Provision for gratuity	38.11	57.62	55.74
	<b>38.11</b>	<b>57.62</b>	<b>55.74</b>

**24 TAX EXPENSE**

(₹ in million)

**(a) Amounts recognised in standalone statement of profit and loss**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current income tax expense</b>		
Prior period adjustment	-	2.85
<b>Current income tax expense</b>	-	2.85
<b>Deferred income tax liability / (asset), net</b>		
Origination and reversal of temporary differences	(458.89)	(760.77)
Utilisation of previously unrecognised tax losses	(65.09)	-
Change in tax rate	4.42	-
<b>Deferred tax credit</b>	(519.54)	(760.77)
<b>Tax expense for the year</b>	<b>(519.54)</b>	<b>(757.92)</b>

**(b) Amounts recognised in other comprehensive income**

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	22.54	(7.88)	14.66	0.20	(0.07)	0.13
	<b>22.54</b>	<b>(7.88)</b>	<b>14.66</b>	<b>0.20</b>	<b>(0.07)</b>	<b>0.13</b>

**(c) Amounts recognised directly in equity**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred income tax asset, net	14.32	-

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**24 TAX EXPENSE (CONTD.)**

(₹ in million)

**(d) Reconciliation of effective tax rate**

	For the year ended March 31, 2018	For the year ended March 31, 2017
(Loss) / profit before tax	(1,528.20)	660.21
Company's domestic tax rate	34.61%	34.61%
<b>Tax using the Company's domestic tax rate</b>	<b>(528.88)</b>	<b>228.49</b>
<b>Tax effect of:</b>		
Tax losses of earlier years utilised against profit of current year	(65.09)	-
Deferred tax asset not recognised on current year's losses	29.20	103.97
Recognition of deferred tax asset on unrecognised tax losses	-	(346.08)
Expenses not allowed under tax	149.44	30.14
Income not subject to tax	(1.55)	(36.36)
Change in tax rate	4.42	-
Adjustment for deferred taxes (prior period)	-	(241.07)
Indexation of land and investment property	(118.51)	(526.51)
Section 35AD deduction	-	9.33
Difference in applicable different rate	11.42	(1.25)
Prior period tax expense	-	2.85
Others	-	18.57
	<b>(519.55)</b>	<b>(757.92)</b>

The Company's weighted average tax rates for years ended March 31, 2018 and 2017 were 34.00% and (114.80)%, respectively. The effective tax rate is primarily lower on account of indexation benefit recognised on land and unquoted equity shares. Further unabsorbed tax losses have been utilised during some years to reduce the current tax expense.

**(e) Movement in deferred tax balances**
**Movement in deferred tax balances for the year ended March 31, 2018**

	Net balance April 1, 2017	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance March 31, 2018
<b>Deferred tax asset/(liabilities)</b>					
Property, plant and equipment	(3,231.10)	14.14	-	(14.32)	(3,231.28)
Investment property	59.48	126.16	-	-	185.64
Assets classified as held for sale	0.03	0.01	-	-	0.04
Real estate inventory	-	(34.28)	-	-	(34.28)
Expenditure on specified business u/s 35 AD	2,328.27	22.60	-	-	2,350.87
Investments	(0.28)	0.00	-	-	(0.28)
Provisions	135.04	246.56	(7.88)	-	373.72
Borrowings	(71.76)	12.14	-	-	(59.62)
Other current liabilities	(164.27)	33.83	-	-	(130.44)
Unabsorbed depreciation/carry forward tax losses	865.20	(44.40)	-	-	820.80
Other items	(106.19)	142.78	-	-	36.59
<b>Deferred tax assets/(liabilities)</b>	<b>(185.58)</b>	<b>519.54</b>	<b>(7.88)</b>	<b>(14.32)</b>	<b>311.76</b>

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****24 TAX EXPENSE (CONTD.)**

(₹ in million)

**Movement in deferred tax balances for the year ended March 31, 2017**

	Net balance April 1, 2016	Recognised in profit or loss credit/ (charge)	Recognised in OCI	Recognised in equity	Acquired in business combina- tions	Net balance March 31, 2017
<b>Deferred tax asset/(liabilities)</b>						
Property, plant and equipment	(1,897.82)	(1,450.68)	-	-	117.40	(3,231.10)
Investment property	64.72	(5.24)	-	-	-	59.48
Assets classified as held for sale	110.30	(110.27)	-	-	-	0.03
Real estate inventory	-	-	-	-	-	-
Expenditure on specified business u/s 35 AD	-	2,328.27	-	-	-	2,328.27
Investments	2.22	(2.50)	-	-	-	(0.28)
Provisions	108.53	22.13	(0.07)	-	4.45	135.04
Borrowings	(51.41)	7.34	-	-	(27.69)	(71.76)
Other current liabilities	(69.97)	(94.30)	-	-	-	(164.27)
Unabsorbed depreciation/carry forward tax losses	635.32	229.88	-	-	-	865.20
Other items	107.89	(163.86)	-	-	(50.22)	(106.19)
<b>Deferred tax assets/(liabilities)</b>	<b>(990.22)</b>	<b>760.77</b>	<b>(0.07)</b>	<b>-</b>	<b>43.95</b>	<b>(185.58)</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Given that the holding company does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

**Unrecognised deferred tax assets**

Deferred tax assets (DTA) have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the company can use the benefits therefrom:

	March 31, 2018			March 31, 2017		
	Gross amount	DTA not recognised	Expiry date	Gross amount	DTA not recognised	Expiry date
Business losses	-	-	NA	489.45	169.39	March 31, 2024
Business losses	-	-	NA	47.65	16.49	March 31, 2025
House property loss	84.39	29.49	March 31, 2026			
<b>Total</b>	<b>84.39</b>	<b>29.49</b>		<b>537.10</b>	<b>185.88</b>	



**NOTES**
**TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**
**24 TAX EXPENSE (CONTD.)**

(₹ in million)

	<b>April 1, 2016</b>		
	<b>Gross amount</b>	<b>DTA not recognised</b>	<b>Expiry date</b>
Long Term Capital Loss	0.91	0.21	March 31, 2017
Long Term Capital Loss	11.05	2.55	March 31, 2018
Long Term Capital Loss	19.94	4.60	March 31, 2022
Long Term Capital Loss	26.83	6.19	March 31, 2023
Long Term Capital Loss	385.35	88.90	March 31, 2024
Short Term Capital Loss	36.67	8.46	March 31, 2019
Business losses	36.12	12.50	March 31, 2023
Business losses	1,453.33	502.97	March 31, 2024
	<b>1,970.21</b>	<b>626.38</b>	

Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

The Company has recognised deferred tax asset to the extent that the same will be recoverable using the estimated future taxable income based on the approved business plans and budgets of the Company. The Company is expected to generate taxable income from the financial year ended March 31, 2018 onwards. The business losses can be carried forward for a period of 8 years as per the tax regulations and the Company expects to recover the losses.

The Retail block at Sahar, Mumbai became operational during the financial year ended March 31, 2017 and was expected to generate profits for the Company. Further, the Company also had plans to merge the hotel and retail undertaking from Genext Hardware & Parks Private Limited for which the Scheme was filed in the financial year ended March 31, 2017. The said Scheme received the approval of the National Company Law Tribunal (NCLT) at Mumbai and Bangalore and other statutory and regulatory authorities and became effective from October 1, 2017.

Further, the Company had incurred losses in relation to the residential project at Bengaluru pursuant to litigation which arose during the financial year ended March 31, 2014. During the financial year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Company, decided that the Company should proactively consider re-commencement of construction up to the minimum permissible limits and engage with the buyers above 10th floor for evaluating possible option. Consequently, the Company has made a provision for estimated losses on such cancellations pertaining to all flats above 10 floors and recognised the same during the financial year ended March 31, 2018 (refer note 37). Further, the Company does not expect any further material losses to be incurred in relation to the said project.

Accordingly, the Company, has recognised deferred tax asset on the carried forward business losses after considering the relevant facts and circumstances during each financial year to the extent that the Company had convincing evidence based on its business plans and budgets to the extent that the deferred tax asset will be realised. Consequently, the Company has recognised deferred tax asset of ₹ 828.80 million as at March 31, 2018 (March 31, 2017: ₹ 865.20 million, April 1, 2016: ₹ 519.12 million) on the carried forward losses of the Company.

**25 OTHER NON-CURRENT LIABILITIES**

(₹ in million)

<b>Particulars</b>	<b>March 31, 2018</b>	<b>March 31, 2017</b>	<b>April 1, 2016</b>
Deferred finance income	28.08	21.15	-
	<b>28.08</b>	<b>21.15</b>	<b>-</b>

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**26 SHORT TERM BORROWINGS**

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Borrowings</b>			
<b>Secured</b>			
Cash credit / over draft accounts from banks	433.19	108.48	763.24
<b>Unsecured</b>			
Buyer's credit	252.29	251.73	686.73
From Directors	-	74.00	-
Loans from related parties	692.29	2,571.46	938.32
	<b>1,377.77</b>	<b>3,005.67</b>	<b>2,388.29</b>

**A) Terms associated with secured loans****Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	500	10.90% to 10.05%	11.75% to 10.90%	12% to 11.75%	Renewal every year	Secured against land parcel admeasuring 6,826 sq. mt. at Powai and future receivable from Renaissance Hotel and Marriott Executive Apartments at Powai, Mumbai.
Yes Bank Ltd	1,100 (Term Loan - ₹ 900 million and OD sub-limit - ₹ 200 million of sanction)	9.90% to 9.60%	9.90%	NA	Repayable in quarterly 28 installments from March 2020 to December 2026.	It is secured by exclusive charge on Land for Powai Phase III land
ICICI Bank Ltd	3,080 (Term Loan - ₹ 2285 million with ₹ 300 million OD as a sub-limit of term loan)	10.60% to 9.35%	10.85% to 10.60%	12% to 10.85%	Repayable quarterly installment starting from December 2017 to September 2026.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
Indian Overseas Bank	50 million	12.95%	12.95%	13.50% to 12.95%	Renewal every year	Cash Credit is secured by hypothecation of inventories, crockery, cutlery, and linen held by the Company at its property in Powai, both present and future.

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**26 SHORT TERM BORROWINGS (CONTD.)**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
		as at March 31, 2018	as at March 31, 2017	as at April 1, 2016		
ICICI Bank Ltd	1,900 (Term Loan - ₹ 1530 million and OD ₹ 150 million)	10.05% to 9.25%	12.85% to 10.05%	NA	Repayable quarterly installment from September 2016 to June 2025.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield
Standard Chartered Bank	900 (Term Loan - ₹ 700 million and OD ₹ 300 million)	11.95% to 8.85%	11.95% to 12.25%	NA	Repayable monthly installment over 144 month starting from July 17 to July 2029	It is secured by (i) Exclusive charge on immovable property and receivables at Retail Block at Bengaluru (ii) Exclusive charge by way of assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Retail Block at Bengaluru (iii) Charge over DSRA amounting to ₹ 50 million.
Standard Chartered Bank	300 (Term Loan - ₹ 210 million and OD ₹ 90 million)	NA	NA	12.50% to 12.25%	Repayable ₹ 300 million bullet payment after 27 months (i.e. July 2015).	Secured by charge over IT / Commercial at Whitefield through Escrow Mechanism, securing a minimum security cover of 1.75x.



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****26 SHORT TERM BORROWINGS (CONTD.)****A) Terms associated with secured loans**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
		as at March 31, 2018	as at March 31, 2017	as at April 1, 2016		
From Related Parties						
K Raheja Corp Private Limited	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured
Genext Hardware & Parks Private Limited	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured
New Found properties Private Limited	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured
K.Raheja Corporate Services Private Limited	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured
Mindspace Business Parks Private Limited	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured
From Directors	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured
Buyers Credit						
Buyers Credit	NA	1% to 5%	1% to 5%	1% to 5%	Repayable within 1 years	Unsecured

There are no material breaches of the covenants associated with the borrowings (referred to above) and none of the borrowings were called back during the period.

**27 TRADE PAYABLES**

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Micro and small enterprises (refer note 44)</b>	4.75	5.46	0.70
Others	854.25	841.23	651.19
	<b>859.00</b>	<b>846.69</b>	<b>651.89</b>

**28 OTHER CURRENT FINANCIAL LIABILITIES**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturity of long term debt (refer note 21)	3,467.40	2,605.52	1,900.39
Retention money payable	48.63	82.54	122.09
Security deposits	47.79	121.55	21.23
Accrued expenses	-	-	1.38
Mark to market on derivative contracts	37.83	104.56	107.15
Others	159.92	210.45	166.50
	<b>3,761.57</b>	<b>3,124.62</b>	<b>2,318.74</b>

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**29 OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Acceptances for capital expenditure	-	-	1.04
Deferred government grant (refer note 39.)	-	-	134.29
Income received in advance (unearned revenue)	208.36	800.42	846.51
Advances from customers towards sale of residential flats	1,026.35	92.84	121.21
Advances from customers towards hospitality services	170.97	106.77	84.26
Statutory dues payable	578.57	150.43	147.35
	<b>1,984.25</b>	<b>1,150.46</b>	<b>1,334.66</b>

Advances from customers towards sale of residential flats includes amount refundable to customers on estimated cancellation of flats for the year ended March 31, 2018 above 10 floors of ₹ 944.07 million (refer note 37).

Statutory dues payable include ESIC, TDS payable, provident fund payable, indirect taxes payables, etc.

**30 SHORT TERM PROVISIONS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for gratuity	27.21	23.72	15.22
Provision for compensated absences	56.68	53.87	55.18
Provision for estimated/actual cancellation and alteration cost (refer footnote and note 37)	874.73	196.76	150.70
	<b>958.62</b>	<b>274.35</b>	<b>221.10</b>

**Current provisions**

(₹ in million)

**Bengaluru Residential Project**

During the year 2013-14, Hindustan Aeronautics Limited (HAL) had raised an objection with regard to the permissible height of buildings of the Company's Bengaluru Residential Project. Pursuant to an interim order passed by the Karnataka High Court, in the petition filed by the Company, the Company had suspended construction activity at the Bengaluru Project and sale of flats.

Pending the outcome of the proceedings and a final closure of the matter, the Company suspended revenue recognition based on the percentage completion method after financial year ended March 31, 2014. Further, in case of cancellations subsequent to March 31, 2014, the Company reversed the revenue and derecognised margins in the respective year of cancellation. The Company also recompensed flat owners, in accordance with mitigation plans framed by the Company on account of the delay in completion of the project.

During the year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Company, decided that the Company should proactively consider re-commencement of construction up to the minimum permissible limits and engage with the buyers above 10th floor for evaluating possible option. Accordingly, the Company has reassessed the estimated cost of completion of the project up to 10th floor as per the aforementioned plan and has recognised a provision towards the following:

- cost of alteration of superstructure
- estimated cost in relation to potential cancellations.

Further, cost of actual cancellations (where applicable) has also been provided for and included in the provision referred to above.

**Movement for provision for estimated/actual cancellation and alteration cost**

	March 31, 2018	March 31, 2017
<b>Provision for cost of alteration of super structure</b>	<b>250.00</b>	-
<b>Provision for estimated / actual cancellation</b>		
Opening balance	196.76	150.70
Provisions made during the year	802.42	323.30
Provisions utilised during the year	(374.45)	(277.24)
<b>Closing balance</b>	<b>624.73</b>	<b>196.76</b>
<b>Total</b>	<b>874.73</b>	<b>196.76</b>

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**31 REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(a) Sale of services</b>		
<b>Hospitality :</b>		
Room income	4,855.89	3,961.01
Food, beverages and smokes.	2,821.93	2,327.42
Other	717.11	517.26
<b>Retail &amp; commercial:</b>		
Lease rent	166.37	114.23
<b>(b) Sale of products</b>		
<b>Real estate :</b>		
Sale of residential flats	(680.23)	(144.05)
<b>(c) Other operating revenues</b>		
<b>Hospitality :</b>		
Export benefits and entitlements (refer note 39)	200.33	314.74
<b>Retail &amp; commercial:</b>		
Maintenance and other recoveries	49.09	19.16
Revenue from other services	25.31	8.27
	<b>8,155.80</b>	<b>7,118.04</b>

**32 OTHER INCOME**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit on sale of investments.	4.63	1,301.24
Interest income from instruments measured at amortised cost	197.63	228.71
Interest income from amortised cost measurement of preference shares	-	17.29
Gain on foreign exchange fluctuation (net)	4.63	213.77
Net mark to market gain on derivative contracts	21.54	35.00
Profit on sale of fixed assets (net)	1.23	3.85
Interest on income tax refund	-	13.61
Miscellaneous income	17.45	47.57
Fair value gains on instruments measured at FVTPL	-	10.82
	<b>247.11</b>	<b>1,871.86</b>



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**33a REAL ESTATE DEVELOPMENT COST**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(i) Cost of construction</b>		
Opening project work in progress	2,659.87	2,533.02
Inventory of unsold flats	312.47	388.96
<b>Expenditure incurred during the year:</b>		
Materials consumed	0.24	(5.36)
Contractors labour and other charges	16.80	(1.00)
Other expenses	-	0.05
	<b>2,989.38</b>	<b>2,915.67</b>
<b>Less: Closing stock</b>		
Transferred to inventory of unsold flats	247.25	312.47
Transferred to project work in progress	3,031.94	2,659.87
Provision for reversal of margin on estimated cancellations	-	69.02
<b>Cost of construction</b>	<b>(289.81)</b>	<b>(125.69)</b>
<b>(ii) Cost of mitigation program compensation</b>	<b>211.54</b>	<b>303.98</b>
<b>Total real estate development cost (i+ii)</b>	<b>(78.27)</b>	<b>178.29</b>

**33b FOOD AND BEVERAGES CONSUMED \***

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Food and beverages materials at the beginning of the year	112.46	97.14
Purchases	815.17	682.67
Food and beverages materials at the end of the year	<b>105.43</b>	112.46
	<b>822.20</b>	<b>667.35</b>

\* Includes complimentaries ₹ 94.83 million (March 31, 2017: ₹ 59.23 million)

**33c OPERATING SUPPLIES CONSUMED**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating supplies materials at the beginning of the year	-	3.28
Purchases	<b>256.17</b>	215.12
	<b>256.17</b>	<b>218.40</b>

**34 EMPLOYEE BENEFITS EXPENSE**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	1,085.03	986.60
Contribution to provident and other funds	50.48	53.54
Staff welfare expenses	160.08	148.11
	<b>1,295.59</b>	<b>1,188.25</b>

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**35 FINANCE COSTS**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expenses	2,049.74	2,099.22
Other borrowing costs	42.86	54.39
	<b>2,092.60</b>	<b>2,153.61</b>

**36 OTHER EXPENSES**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Travelling and conveyance expenses	111.49	95.04
Power and fuel*	627.40	544.95
Rent	22.83	32.37
Repairs and maintenance		
– Buildings	136.88	116.62
– Plant and machinery	216.10	179.94
– Others	96.15	84.89
Insurance	29.69	26.03
Rates and taxes	417.06	182.31
Advertisement and business promotion expenses	383.14	336.32
Commission	229.14	212.96
Royalty and management fees	375.28	304.69
Legal and professional charges	113.36	118.50
Loss on sale of export benefits and entitlements	–	0.40
Provision for impairment on export benefits and entitlements	–	0.96
Provision for stock obsolescence	–	8.33
Provision for doubtful debts	7.85	1.38
Bad debt written off	0.52	0.48
Fixed assets written off	–	29.96
Payment to auditors (refer note 46)	5.67	9.07
Director sitting fees	0.40	0.39
Buyout labour	116.75	88.82
Manpower contract	19.55	15.49
Miscellaneous expenses**	299.20	263.86
Donations	0.50	0.13
	<b>3,208.96</b>	<b>2,653.99</b>

\* Net off ₹ 47.70 million (March 31, 2017: ₹ 15.92 million) on account of recoveries.

\*\*Net off ₹ 1.98 million (March 31, 2017: ₹ (1.45) million) on account of recoveries.

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**37 EXCEPTIONAL ITEMS**

Particulars	March 31, 2018	March 31, 2017
Provisional for impairment on super structure	(350.89)	-
Provision for cost of alteration of super structure	(250.00)	-
Provision for impairment loss on inventories	(25.76)	-
Provision for estimated cost in relation to potential cancellation	(590.87)	-
<b>Total</b>	<b>(1,217.52)</b>	<b>-</b>

**Notes**

During the year 2013-14, Hindustan Aeronautics Limited (HAL) had raised an objection with regard to the permissible height of buildings of the Company's Bengaluru Residential Project ("Project"). Pursuant to an interim order passed by the Karnataka High Court, in the petition filed by the Company, the Company had suspended construction activity at the Project and sale of flats.

Pending the outcome of the proceedings and a final closure of the matter, the Company suspended revenue recognition based on the percentage completion method after financial year ended March 31, 2014. Further, in case of cancellations subsequent to March 31, 2014, the Company reversed the revenue and derecognised margins in the respective year of cancellation. The Company also recompensed flat owners, in accordance with mitigation plans framed by the Company on account of the delay in completion of the Project.

During the year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Company, decided that the Company should proactively consider re-commencement of construction up to the permissible limits and engage with the buyers above 10 floors for evaluating possible option. Accordingly, the Company has reassessed the estimated cost of completion of the Project upto the 10th floor as per the aforementioned plan and has recorded the following adjustments as exceptional items as at March 31, 2018:

- Provision towards impairment of super structure of ₹ 350.89 million and expected cost of alteration of super structure of ₹ 250 million;
- Provision for cost of mitigation program compensation and related expenses of ₹ 590.87 million in relation to potential cancellations referred to in above, net of compensation already provided for; and
- Impact of revised estimated cost of completion of the project on the net realisable value of inventory resulting in write down of ₹ 25.76 million.
- In the event all the buyers of flats above 10th floor decide to exercise exit option, the Company has to refund ₹ 944.07 million which is presently being accounted as an advance from customers.

Construction of and sales in the Project have been suspended due to an on-going litigation relating to the Project. Parties who have booked flats in the Project, are paid compensation for delay in delivery of their respective units and those who seek to cancel their bookings are repaid the advances / deposits made by them together with interest thereon, leading to considerable cash out flows for the Company.

Subsequent to the Balance Sheet date, the Promoter-Directors of the Company have agreed to provide funds to the Company either by themselves or through their Nominees, to meet its cash flow requirements for the Project to the extent of ₹ 200 Crores by way of subscription to '0'% Non-Cumulative Redeemable Preference Shares of the Company, for which a Subscription Agreement has been executed by them.

The proceeds of issue of Preference Shares will be deposited in a separate Designated Bank Account of the Company and will be utilised for meeting future cash outflows of the Project. The redemption of Preference Shares shall be 20 years from the date of issue, or earlier, out of surplus from the Project, subject to applicable law/s.



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**38 EARNINGS PER SHARE**

Particulars	March 31, 2018	March 31, 2017
<b>Basic and diluted earnings per share for ordinary shareholders.</b>		
1 (Loss)/profit attributable to ordinary shareholders	(1,008.66)	1,418.13
<b>2 Calculation of weighted average number of equity shares - basic and diluted</b>		
(a) Number of shares at the beginning of the year	171,095,293	152,142,253
(b) Add: on account of share pending allotment (refer note 42)	-	7,788,921
<b>Weighted average number of equity shares outstanding during the year</b>	<b>171,095,293</b>	159,931,174
3 Basic and diluted earnings per share (₹)	(5.90)	8.87
4 Nominal value of shares (₹)	10.00	10.00

**Note**

Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

**39 GOVERNMENT GRANT****Export Promotion Capital Goods (EPCG) scheme**

The Company under the EPCG scheme receives a grant from the Government towards import of capital goods without any levy of import duty. The Company has an obligation towards future exports of the Company.

The Company has recognised a deferred grant at the point of waiver of import duty in relation to import of capital goods. Given that the grant is conditional on fulfilment of future export obligation, the same is treated as a revenue grant and is accordingly recognised in the Statement of Profit or loss on fulfilment of such obligation.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Opening balance	-	134.29	178.94
Grants during the year	10.00	138.21	50.49
Less: Released to standalone statement of profit and loss	(10.00)	(272.49)	(95.14)
Closing balance	-	-	<b>134.29</b>

**Served from India scheme (SFIS)/Service exports from India scheme (SEIS)**

The Company under SFIS / SEIS receives an entitlement / credit to be sold separately (only in case of SEIS) or utilised against future imports.

The Company recognises income in respect of duty credit entitlement arising from export sales under the SFIS/SEIS of the Government of India in the year of exports, provided there is no significant uncertainty regarding the entitlement and availment of the credit and the amount thereof. Export credit entitlement can be utilized within specified benefit period, by way of adjustment against duties payable on purchase of capital equipments, spare parts and consumables or sale of such licenses.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Opening balance	27.92	-	11.66
Grants received during the year	190.33	42.25	-
Less: utilisation / written off	(25.40)	(14.33)	(11.66)
Closing balance	<b>192.85</b>	<b>27.92</b>	-
Income recognised in the standalone statement of profit and loss on account of EPCG (A)	10.00	272.49	-
Income recognised in the standalone statement of profit and loss on account of SFIS/SEIS (B)	190.33	42.25	-
<b>Total income recognised in the standalone statement of profit and loss (A+B)</b>	<b>200.33</b>	<b>314.74</b>	-

**NOTES**
**TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**40 EMPLOYEE BENEFITS**
**a) Defined contribution plan**

The contributions paid/payable to Provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes and are recognised as expense in the Standalone Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

The Company has recognised the following amounts in the standalone statement of profit and loss for the year.

Particulars	March 31, 2018	March 31, 2017
Employer's contribution to provident fund and ESIC	50.48	53.54
	<b>50.48</b>	<b>53.54</b>

**b) Defined benefit plan**
**Gratuity**

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972.

The company follows unfunded gratuity except for one of its Hotel division (Westin, Hyderabad) where fund is maintained with Life Insurance Corporation of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Defined benefit obligation	66.70	82.56	72.36
Less : Fair value of plan assets	(1.41)	(1.22)	(1.40)
<b>Net defined benefit obligations</b>	<b>65.29</b>	<b>81.35</b>	<b>70.96</b>

**Fair value of the plan assets and present value of the defined benefit liabilities**

The amount included in the Balance sheet arising from the Company's obligations and plan assets in respect of its defined benefit schemes is as follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>1 Movement in defined benefit obligations:</b>			
At the beginning of the year	82.56	72.36	64.51
Liabilities assumed on business combination	-	1.53	-
Recognised in profit or loss			
Current service cost	8.19	10.59	10.12
Interest cost	5.52	5.57	5.10
Recognised in other comprehensive income			
Actuarial (gains)/losses on obligations -			
Due to change in demographic assumptions	(8.64)	2.95	(1.20)
Due to change in financial assumptions	(1.15)	(4.24)	5.42
Due to experience	(12.75)	1.09	(6.22)
Benefit paid	(7.03)	(7.29)	(5.37)
<b>At the end of the year</b>	<b>66.70</b>	<b>82.56</b>	<b>72.36</b>

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****40 EMPLOYEE BENEFITS (CONTD.)**

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>2 Movement in fair value of plan assets:</b>			
At the beginning of the year	1.22	1.40	1.79
Recognised in profit or loss			
Interest income	0.08	0.11	0.14
Expected return on plan assets	(0.04)	(0.11)	(0.07)
Recognised in other comprehensive income			
Actuarial gains/(losses)	-	-	-
Due to change in financial assumptions	-	-	-
Employer contributions	1.20	1.84	0.76
Benefit paid	(1.05)	(2.03)	(1.22)
<b>At the end of the year</b>	<b>1.41</b>	<b>1.22</b>	<b>1.40</b>
<b>3 Recognised in profit or loss</b>			
Current service cost	8.19	10.59	
Interest expense	5.52	5.57	
Interest income	0.08	0.11	
<b>For the year</b>	<b>13.63</b>	<b>16.06</b>	
<b>4 Recognised in other comprehensive income</b>			
Actuarial (gains)/losses on obligations	(22.54)	(0.20)	
<b>For the year</b>	<b>(22.54)</b>	<b>(0.20)</b>	

**5 Plan assets for this Fund are insurance funds. (100%)**

- 6** The principal actuarial assumptions used for estimating the Company's benefit obligations are set out below (on a weighted average basis):

**(i) Employees of Chalet Hotels Limited (formerly known as Chalet Hotels Private Limited)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Rate of increase in salaries (%)	7.00%-8.00%	5.89%-10.00%	8.50%-13.00%
Discount rate (%)	6.63%	6.85%	7.54%
Employee turnover rate	26.00%-51.85%	16.8%-41.50%	15.59%-63.60%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

**(ii) Employees of undertaking demerged from Genext Hardware & Parks Private Limited (refer note 41)**

Particulars	March 31, 2017
Rate of increase in salaries	7.00%
Discount rate	6.35%
Rate of employee turnover	45.00%-55.31%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**40 EMPLOYEE BENEFITS (CONTD.)**
**7 Sensitivity of the defined benefit obligation**

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.16)	1.21	(2.91)	3.21
Rate of increase in salaries (1% movement)	1.18	(1.16)	3.10	(2.88)
Rate of employee turnover (1% movement)	(0.31)	0.30	(0.74)	0.79

	April 1, 2016	
	Increase	Decrease
Discount rate (1% movement)	(2.81)	3.07
Rate of increase in salaries (1% movement)	2.97	2.77
Rate of employee turnover (1% movement)	(0.63)	0.68

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

8 Expected contributions to gratuity fund for the year ended March 31, 2019 is ₹ 6.37 million.

**9 The expected future cash flows as at March 31 were as follows:**

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
<b>March 31, 2018</b>	23.01	15.14	25.87	10.47	<b>74.49</b>
Defined benefit obligations (gratuity - non funded)	20.81	13.40	22.54	8.89	<b>65.64</b>
Defined benefit obligations (gratuity - funded)	2.20	1.75	3.33	1.58	<b>8.85</b>
<b>March 31, 2017</b>	16.78	13.77	34.54	23.98	<b>89.06</b>
<b>Chalet</b>					
Defined benefit obligations (gratuity - non funded)	14.09	11.79	31.06	22.52	79.46
Defined benefit obligations (gratuity - funded)	1.97	1.45	2.74	1.31	7.46

**c) Short-term compensated absences:**

Compensated absences, classifies as long term benefits is recognised as an expense and included in "Employee benefits expense" in the Standalone Statement of Profit and Loss during the year. The following table provides details in relation to compensated absences.

Particulars	March 31, 2018	March 31, 2017
Expense for the year	12.81	3.51
Closing balance	56.71	53.86

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**41 OPERATING LEASES****A. Leases as lessor**

The Company leases out its investment property on operating lease basis (refer note 4). Also, the Company leases office premises and shops in hotel premises.

- i) Amount recognised in standalone statement of profit and loss

Description	March 31, 2018	March 31, 2017
Income from lease of shops in hotels included in revenue from operations	4.72	11.39
Income from lease of office premises included in revenue from operations	49.71	57.53
Income from lease of investment properties included in revenue from operations	111.94	45.31
<b>Total</b>	<b>166.37</b>	<b>114.23</b>

- ii) Future minimum lease receivables under non cancellable operating lease of shops in hotels and office premises

Future minimum lease receivables	March 31, 2018	March 31, 2017
Less than one year	16.44	35.75
Between one and five years	45.97	27.62
More than five years	19.13	-
<b>Total</b>	<b>81.54</b>	<b>63.37</b>

- iii) Future minimum lease receivables under non cancellable operating lease of investment properties

Future minimum lease receivables	March 31, 2018	March 31, 2017
Less than one year	122.42	51.12
Between one and five years	401.76	225.56
More than five years	281.30	295.26
<b>Total</b>	<b>805.48</b>	<b>571.94</b>

**B. Leases as lessee**

The Company has taken land on lease on which Four Points by Sheraton Vashi Hotel is situated. All agreements are cancellable at short notice.

	March 31, 2018	March 31, 2017
Lease expense in the standalone statement of profit and loss	22.83	32.37

**42 SCHEME OF ARRANGEMENTS****a. Merger of Magna Warehousing & Distribution Private Limited, wholly owned subsidiary of the Company**

The Board of Directors of the Company at its meeting held on January 5, 2017, approved the merger of Magna Warehousing & Distribution Private Limited ("Transferor Company"), its wholly owned subsidiary, with the Company ("Transferee Company") under Section 230 to 232 of the Companies Act, 2013, with effect from November 01, 2016, ("the Appointed Date") subject to obtaining necessary approvals of National Company Law Tribunal (NCLT) at Mumbai and Bangalore.

The said Scheme received the approval of the National Company Law Tribunal (NCLT) at Mumbai and Bangalore and other statutory and regulatory authorities on March 21, 2018. The Scheme has become effective from April 1, 2018.

The merger is accounted as per the 'Pooling of Interest' method as prescribed in the Hon'ble court order. Further since this is a common control transaction, the financial statements in respect of prior periods have been restated from the earliest period presented. Accordingly, the carrying values of the assets, liabilities and reserves pertaining to the Transferor as appearing in the consolidated financial statements of the Transferee have been recorded.

**NOTES**
**TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**
**42 SCHEME OF ARRANGEMENTS (CONTD.)**

Book value of assets and liabilities related to the commercial business transferred to holding company i.e. April 1, 2016 are as under:

	(₹ in million)
<b>Particulars</b>	<b>Amount</b>
<b>Assets</b>	
Investment property	53.87
Investment property under construction	1,080.53
Long-term loans and advances	18.54
Inventories	2.17
Trade receivables	1.92
Cash and bank balances	7.55
Short-term loans and advances	0.64
	<b>1,165.23</b>
<b>Liabilities</b>	
Equity share capital	0.62
Preference share capital	80.00
Reserves and surplus	11.71
Short-term borrowings	907.66
Other current liabilities	165.25
	<b>1,165.23</b>

**b. Merger of Hotel and Retail undertaking of Genext Hardware & Parks Private Limited with the Company**

The Board of Directors of the Company at its meeting held on January 5, 2017, approved the demerger proposal and approved the "Scheme of Arrangement" ("the Scheme") to demerge the Hotel Undertaking and the Retail Undertaking of Genext Hardware & Parks Private Limited ("Transferor Company") with the Company ("Transferee Company") under Section 230 to 232 of the Companies Act, 2013, with effect from November 01, 2016, ("the Appointed Date") subject to obtaining necessary approvals of National Company Law Tribunal (NCL T) at Mumbai.

The said Scheme received the approval of the National Company Law Tribunal (NCLT) at Mumbai and Bangalore and other statutory and regulatory authorities on September 11, 2017. The Scheme has become effective October 1, 2017.

The scheme has been accounted in a manner prescribed by the Hon'ble court order. The book values of the assets, liabilities and reserves of the Transferor company as of November 1, 2016 have been recorded and the identity of the reserves have been maintained. The consideration for such merger was ₹ 189.53 million in the form of equity shares. Such equity shares were issued during the year ended March 31, 2018 and accordingly has been presented as shares pending allotment in the financial statements for the year ended March 31, 2017. Further, the effect of shares pending allotment has been appropriately considered for computation of basic and diluted earnings per share from the Appointed Date.

The excess of book value of the net assets and reserves of the Transferor Company taken over, amounting to ₹ 189.53 millions over the face value of the shares issued by the transferee Company has been debited to the Goodwill as per the Scheme. Further, the results of the operations of the hotel and retail undertaking have been incorporated with effect from November 1, 2016. Accordingly, the results for the periods covered by Standalone Statement of Profit and Loss may not be comparable.



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****42 SCHEME OF ARRANGEMENTS (CONTD.)**

Book value of assets and liabilities related to the commercial business transferred to Company i.e. November 1, 2016 are as under:

	(₹ in million)
<b>Particulars</b>	<b>Amount</b>
<b>Assets</b>	
Property plant & equipments	2,524.06
Capital work in progress	13.58
Other intangible assets	2.39
Investment property	1,433.55
Investment property under construction	301.52
Non current investment	1.00
Loans	26.79
Non-current tax assets (net)	58.28
Other non-current assets	18.37
<b>Current assets</b>	
Inventories	31.36
Trade receivables	89.98
Cash and cash equivalents	40.37
Bank balances other than above	58.22
Loans	0.06
Other financial assets	0.64
Other current assets	21.57
	<b>4,621.74</b>
<b>Liabilities</b>	
Other equity	(1,964.42)
<b>Non-current liabilities</b>	
Borrowings	3,263.44
Provisions	0.15
<b>Current liabilities</b>	
Borrowings	2,120.15
Deferred tax liability	43.93
Trade and other payables	85.69
Other financial liabilities	929.95
Other current liabilities	65.56
Provisions	77.29
	<b>4,621.74</b>

For five month period ended March 31, 2017, Transferor Company contributed revenue of ₹ 716.65 million and loss (before tax) of ₹ 34.29 million to the Company's results.

If the acquisition had occurred on April 1, 2016, management estimates that consolidated revenue would have been higher by ₹ 847.97 Million and profit after tax would have been lower by ₹ 73.41 Million.

**NOTES**
**TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**43 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

	March 31, 2018	March 31, 2017	April 1, 2016
<b>Contingent liabilities</b>			
<b>Claims against the Company not acknowledged as debts</b>			
Disputed service tax demands	96.57	145.17	148.96
Disputed VAT demands	12.70	3.53	10.58
Disputed provident fund demands	5.80	5.80	3.78
Disputed excise demands	-	-	1.36
ESIC	0.35	-	-
Claim from third party	-	1.95	-
Property tax	27.55	27.55	-
SFIS/ SEIS scheme	5.74	5.74	-

- The Company is a party to various other proceedings in the normal course of business and does not expect the outcome of these proceedings to have an adverse effect on its financial conditions, results of operations or cash flows.
- Further, claims by parties in respect of which the Management has been legally advised that the same are frivolous and not tenable, have not been considered as contingent liabilities as the possibility of an outflow of resources embodying economic benefits is highly remote.
- In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. The Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the financial information. The balance of prepaid lease rental in relation to such leasehold land as of March 31, 2018 is ₹54.52 million (March 31, 2017: ₹ 55.71 million, April 1, 2016: ₹ 56.91 million) and carrying value of property, plant and equipment as at March 31, 2018 is ₹ 449.27 million (March 31, 2017: ₹ 474.47 million, April 1, 2016: ₹ 510.23 million).

**Commitments**

	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	60.82	29.56

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**44 DUES TO MICRO AND SMALL SUPPLIERS**

	March 31, 2018	March 31, 2017
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	4.75	5.46
Interest	0.23	0.04
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.75	0.55
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

**45 SPECIFIED BANK NOTES**

Schedule III of the Companies Act, 2013 was amended by Ministry of Corporate Affairs vide Notification G.S.R. 308(E) dated 30 March 2017. The said amendment requires the Company to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. For the purpose of this clause, the term 'Specific Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are provided in the table below:-

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	3.51	1.83	5.34
(+) Permitted receipts	-	26.73	26.73
(-) Permitted payments	0.01	12.67	12.68
(-) Amount deposited in banks	3.50	12.45	15.95
Closing cash in hand as on 30.12.2016	-	3.45	3.45

**46 PAYMENT TO AUDITORS**

Particulars	March 31, 2018	March 31, 2017*
Audit fees	4.60	7.00
Tax audit fees	0.40	1.00
Other services	0.67	0.85
Out of pocket expenses	-	0.21
Amount debited to standalone statement of profit and loss	5.67	9.07
Service tax	0.10	1.18
<b>Total</b>	<b>5.77</b>	<b>10.25</b>

\* Paid to erstwhile auditors.

**47 CORPORATE SOCIAL RESPONSIBILITY**

The Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the year ended March 31, 2018 and March 31, 2017.



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**48 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT**
**(A) Accounting classification and fair values**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>March 31, 2018</b>							
<b><u>Non-current financial assets</u></b>							
Investment in equity shares	43.04	-	43.04			43.04	43.04
Other non-current investments	-	0.13	0.13		0.13		0.13
Loans	-	110.65	110.65		110.65		110.65
Others	-	50.00	50.00		50.00		50.00
<b><u>Current financial assets</u></b>							
Trade receivables	-	551.70	551.70				
Cash and cash equivalents	-	294.27	294.27				
Other bank balances	-	21.50	21.50				
Loans	-	2,364.90	2,364.90				
Others	-	388.18	388.18				
Derivative asset	14.38	-	14.38		14.38		14.38
	<b>57.42</b>	<b>3,781.33</b>	<b>3,838.75</b>	<b>-</b>	<b>175.16</b>	<b>43.04</b>	<b>218.20</b>
<b><u>Non-current financial liabilities</u></b>							
Borrowings	-	22,151.53	22,151.53		22,151.53		22,151.53
Other non-current financial liabilities	-	151.77	151.77		151.77		151.77
<b><u>Current financial liabilities</u></b>							
Borrowings	-	1,377.77	1,377.77				
Trade payables	-	859.00	859.00				
Other financial liabilities	-	3,723.74	3,723.74				
Derivative liability	37.83	-	37.83		37.83		37.83
	<b>37.83</b>	<b>28,263.81</b>	<b>28,301.64</b>		<b>22,341.13</b>		<b>22,341.13</b>

	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>March 31, 2017</b>							
<b><u>Non-current financial assets</u></b>							
Investment in equity shares	2.95	-	2.95			2.95	2.95
Other non-current investments	-	0.13	0.13		0.13		0.13
Loans	-	105.48	105.48		105.48		105.48
Others	-	14.02	14.02		14.02		14.02
<b><u>Current financial assets</u></b>							
Trade receivables	-	404.67	404.67				
Cash and cash equivalents	-	224.26	224.26				
Other bank balances	-	103.44	103.44				
Loans	-	1,793.47	1,793.47				
Others	-	122.75	122.75				
Derivative asset	8.72	-	8.72		8.72		8.72
	<b>11.67</b>	<b>2,768.22</b>	<b>2,779.89</b>		<b>128.35</b>	<b>2.95</b>	<b>131.30</b>

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****48 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

	Carrying amount			Fair value		
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>March 31, 2017</b>						
<b>Non-current financial liabilities</b>						
Borrowings	-	20,505.76	20,505.76		20,505.76	
Other non-current financial liabilities	-	32.46	32.46		32.46	
<b>Current financial liabilities</b>						
Borrowings	-	3,005.67	3,005.67			
Trade payables	-	846.69	846.69			
Other financial liabilities	-	3,020.06	3,020.06			
Derivative liability	104.56	-	104.56		104.56	
	<b>104.56</b>	<b>27,410.64</b>	<b>27,515.20</b>		<b>20,642.78</b>	

	Carrying amount			Fair value		
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3
<b>April 1, 2016</b>						
<b>Non-current financial assets</b>						
Investment in equity shares	331.40	-	331.40			331.40
Other non-current investments	-	142.84	142.84		142.84	
Loans	-	117.17	117.17		117.17	
<b>Current financial assets</b>						
Trade receivables	-	289.84	289.84			
Cash and cash equivalents	-	210.02	210.02			
Other bank balances	-	131.82	131.82			
Loans	-	1,378.12	1,378.12			
Others	-	103.53	103.53			
	<b>331.40</b>	<b>2,373.34</b>	<b>2,704.74</b>		<b>260.01</b>	<b>331.40</b>
<b>Non-current financial liabilities</b>						
Borrowings	-	19,022.83	19,022.83		19,022.83	
Other non-current financial liabilities	-	53.03	53.03		53.03	
<b>Current financial liabilities</b>						
Borrowings	-	2,388.29	2,388.29			
Trade payables	-	651.89	651.89			
Other financial liabilities	-	2,211.59	2,211.59			
Derivative liability	107.15	-	107.15		107.15	
	<b>107.15</b>	<b>24,327.63</b>	<b>24,434.78</b>		<b>19,183.01</b>	<b>19,183.01</b>

**(ii) Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include :

- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach.
- the fair value for the currency swap is determined using forward exchange rate for balance maturity.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date for residual maturity.
- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. 'The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

The investments included in level 3 of the fair value hierarchy have been valued using the discounted cashflow technique.

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**48 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

**(iii) Fair value measurements using significant unobservable inputs (level 3)**

Reconciliation of level 3 fair values

Particulars	FVTPL equity shares
Balance at 1 April 2017	2.95
Addition during the year	40.09
Balance at 31 March 2018	43.04
Balance at 1 April 2016	331.40
Sale/Disposal during the year	(328.45)
<b>Balance at 31 March 2017</b>	<b>2.95</b>

**(iv) Valuation inputs and relationships to fair value**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation techniques adopted.

Particulars	Significant unobservable inputs	
	March 31, 2018	March 31, 2017
Discount rate	21.00%	21.00%
Capitalisation rate	11.00%	11.00%

**(v) Sensitivity analysis**

For the fair values of FVTPL equity shares, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	Profit or loss			
	March 31, 2018		March 31, 2017	
	Increase by 100 bps	Decrease by 100 bps	Increase by 100 bps	Decrease by 100 bps
Discount rate	(0.05)	0.05	(0.05)	0.05
Capitalisation rate	(0.05)	0.06	(0.05)	0.06

**Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk;
- Market risk;

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****48 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

**(B) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, cash and cash equivalents and other bank balances, derivatives and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

**(a) Trade receivables from customers**

The Company does not have any significant credit exposure in relation to revenue generated from hospitality business. For other segments, the Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

**Impairment**

The ageing of trade and other receivables that were not impaired was as follows.

	March 31, 2018	March 31, 2017	April 1, 2016
Neither past due not impaired			
Past due not impaired			
1-90 days	421.34	375.85	265.30
90-180 days	57.98	13.16	15.55
180-365 days	48.20	14.29	6.78
More than 365 days	28.00	10.59	8.50
<b>Total</b>	<b>555.52</b>	<b>413.89</b>	<b>296.13</b>

**The movement in the allowance for impairment in respect of other receivables during the year was as follows:**

	March 31, 2018	March 31, 2017	April 1, 2016
Balance as at April 1	9.22	6.29	4.74
Impairment loss recognised / (reversed)	(5.92)	2.45	0.69
Amounts written off	0.52	0.48	0.86
<b>Balance as at March 31</b>	<b>3.82</b>	<b>9.22</b>	<b>6.29</b>

**(b) Cash and cash equivalents and other bank balances**

The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit rating.

**(c) Derivatives**

The derivatives are entered into with banks, financial institutions and other counterparties with good credit ratings. Further exposures to counter-parties are closely monitored and kept within the approved limits.

**(d) Other financial assets**

Other financial assets are neither past due nor impaired.

**(C) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity risk is managed by Company through effective fund management. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through foreign currency borrowings and other debt instruments.

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**48 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Contractual cash flows					
	Carrying amount	Total	< 1 Year	1-2 Years	2-5 Years	More than 5 Years
<b>March 31, 2018</b>						
<b>Non-derivative financial liabilities</b>						
<b>Non current, non derivative financial liabilities</b>						
Borrowings (including current maturity of long term debt)	25,618.93	34,700.30	5,585.68	4,637.83	17,249.46	7,227.33
Security deposits	151.77	151.77	-	151.77	-	-
<b>Current, non derivative financial liabilities</b>						
Borrowings	1,377.77	1,377.77	1,377.77	-	-	-
Trade payables	859.00	859.00	859.00	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	256.34	256.34	256.34	-	-	-
Issued financial guarantee contract on behalf of related parties*						
<b>Derivative financial liabilities</b>						
Interest rate swap	(17.29)	(17.29)	(17.29)	-	-	-
Forward exchange contract (gross settled)						
- Outflow	1,351.18	1,351.18	1,351.18	-	-	-
- Inflow	(1,300.88)	(1,300.88)	(1,300.88)	-	-	-
<b>Total</b>	<b>28,296.81</b>	<b>37,378.18</b>	<b>8,111.78</b>	<b>4,789.60</b>	<b>17,249.46</b>	<b>7,227.33</b>

	Contractual cash flows					
	Carrying amount	Total	< 1 Year	1-2 Years	2-5 Years	More than 5 Years
<b>March 31, 2017</b>						
<b>Non-derivative financial liabilities</b>						
<b>Non current, non derivative financial liabilities</b>						
Borrowings (including current maturity of long term debt)	23,111.28	33,382.96	4,597.17	5,082.33	12,317.33	11,386.13
Security deposits	28.90	28.90	-	28.90	-	-
Retention money	3.56	3.56	-	3.56	-	-
<b>Current, non derivative financial liabilities</b>						
Borrowings	3,005.67	3,005.67	3,005.67	-	-	-
Trade payables	846.69	846.69	846.69	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	414.54	414.54	414.54	-	-	-
Issued financial guarantee contract on behalf of related parties*						
<b>Derivative financial liabilities</b>						
Currency swap	40.18	40.18	40.18	-	-	-
Interest rate swap	23.73	23.73	23.73	-	-	-
Forward exchange contract (gross settled)						
- Outflow	1,391.45	1,391.45	1,391.45	-	-	-
- Inflow	(1,296.77)	(1,296.77)	(1,296.77)	-	-	-
<b>Total</b>	<b>27,569.23</b>	<b>37,840.91</b>	<b>9,022.66</b>	<b>5,114.79</b>	<b>12,317.33</b>	<b>11,386.13</b>

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****48 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

		Contractual cash flows				
	Carrying amount	Total	< 1 Year	1-2 Years	2-5 Years	More than 5 Years
April 1, 2016						
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings (including current maturity of long term debt)	20,923.22	32,112.27	3,991.03	4,150.85	11,415.40	12,554.9
Security deposits	13.45	13.45	-	13.45	-	-
Retention money	39.58	39.58	-	39.58	-	-
Current, non derivative financial liabilities						
Borrowings	2,388.29	2,388.29	2,388.29	-	-	-
Trade payables	651.89	651.89	651.89	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	311.20	311.20	311.20	-	-	-
Issued financial guarantee contract on behalf of related parties*						
Derivative financial liabilities						
Currency swap	104.45	104.45	104.45	-	-	-
Interest rate swap	2.70	2.70	2.70	-	-	-
Total	24,434.78	35,623.83	7,449.56	4,203.88	11,415.40	12,554.98

The gross outflows / (inflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

\*Guarantees issued by the Company on behalf of subsidiaries and associates are with respect to borrowings raised by the respective subsidiary and associates. These amounts will be payable on default by the concerned parties. As of the reporting date, none of the subsidiaries have defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantees. (refer note 51).

**(D) Market risk**

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivative to manage market risk.

**(E) Currency risk**

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recognised liabilities. The company enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

Following are the derivative financial instruments outstanding:

Particulars	Buy / Sell	Currency	Cross Currency	March 31, 2018	March 31, 2017	April 1, 2016
Forward contract	Buy	USD	INR	USD 20 Million	USD 20 Million	Nil
Currency swap	Buy	INR	USD	Nil	USD 14.31 million	USD 14.31 million



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**48 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

**Exposure to currency risk**

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

The amounts reflected in the table below represents the INR exposure to the respective currencies.

	March 31, 2018			March 31, 2017		
	USD	EUR	GBP	USD	EUR	GBP
<b>Financial liabilities</b>						
Foreign currency loans (including interest accrued)	5,000.06	-	-	5,696.26	-	-
Trade payables	331.09	0.74	-	264.67	0.12	-
Buyers' credit	249.76	2.53	-	231.11	13.43	7.19
	<b>5,580.91</b>	<b>3.26</b>	<b>-</b>	<b>6,192.04</b>	<b>13.55</b>	<b>7.19</b>
<b>Derivatives</b>						
Foreign currency forward exchange contract	(1,300.88)	-	-	(1,296.77)	-	-
Currency swap	-	-	-	890.00	-	-
	<b>(1,300.88)</b>	<b>-</b>	<b>-</b>	<b>(406.77)</b>	<b>-</b>	<b>-</b>
<b>Net exposure</b>	<b>4,280.03</b>	<b>3.26</b>	<b>-</b>	<b>5,785.27</b>	<b>13.55</b>	<b>7.19</b>

The amounts reflected in the table below represents the INR exposure to the respective currencies.

	April 1, 2016		
	USD	EUR	GBP
<b>Financial liabilities</b>			
Foreign currency loans (including interest accrued)	3,819.96	-	-
Trade payables	185.51	0.23	-
Buyers' credit	640.00	53.30	8.47
	<b>4,645.47</b>	<b>53.53</b>	<b>8.47</b>
<b>Derivatives</b>			
Currency swap	(890.00)	-	-
	<b>(890.00)</b>	<b>-</b>	<b>-</b>
<b>Net exposure</b>	<b>3,755.47</b>	<b>53.53</b>	<b>8.47</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss before tax					
	March 31, 2018		March 31, 2017		April 1, 2016	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
<b>Effect in INR (before tax)</b>						
USD (1% movement)	42.80	(42.80)	57.85	(57.85)	37.55	(37.55)
EUR (1% movement)	0.03	(0.03)	0.14	(0.14)	0.54	(0.54)
GBP (1% movement)	-	-	0.07	(0.07)	0.08	(0.08)
	<b>42.83</b>	<b>(42.83)</b>	<b>58.06</b>	<b>(58.06)</b>	<b>38.17</b>	<b>(38.17)</b>

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****48 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

**(F) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

**Particulars of outstanding interest rate swaps as at**

March 31, 2018	USD 48.65 million
March 31, 2017	USD 63 million
April 1, 2016	USD 30 million

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	Carrying amount		
	March 31, 2018	March 31, 2017	March 31, 2016
<b>Fixed-rate instruments</b>			
<b>Loans given</b>			
Loans to related parties	(2,342.16)	(1,779.16)	(1,368.35)
<b>Non current borrowings</b>			
Vehicle loan from bank	5.21	15.85	24.69
Non-cumulative redeemable preference shares	160.00	160.00	-
<b>Current borrowings</b>			
Loan from directors	-	74.00	-
Loan from related parties other than directors	692.29	2,571.46	938.32
Buyer's credit	252.29	251.73	686.73
<b>Total</b>	<b>(1,232.37)</b>	<b>1,293.88</b>	<b>281.39</b>
<b>Variable-rate instruments</b>			
<b>Non current borrowings</b>			
Rupee term loans from banks	12,760.60	12,433.93	8,254.61
Rupee term loans from financial institutions	5,975.65	4,815.63	6,978.03
Foreign currency term loans from banks	3,250.07	3,080.35	3,765.50
Current maturity of long term debt	3,467.40	2,605.52	1,900.39
<b>Current borrowings</b>			
Cash credit/overdraft accounts from banks	433.19	108.48	763.24
Less: Interest rate swaps	(3,164.40)	(4,084.83)	(1,989.99)
<b>Total</b>	<b>22,722.51</b>	<b>18,959.08</b>	<b>19,671.78</b>
<b>TOTAL</b>	<b>21,490.14</b>	<b>20,252.96</b>	<b>19,953.17</b>

**Fair value sensitivity analysis for fixed-rate instruments**

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107 Financial Instruments: Disclosures, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

	Profit or loss before tax	
	100 bps increase	100 bps decrease
<b>March 31, 2018</b>	(227.23)	227.23
<b>March 31, 2017</b>	(189.59)	189.59

**NOTES**
**TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**49 CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings, less cash and cash equivalents and bank deposits. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio is as follows:

	March 31, 2018	March 31, 2017	April 1, 2016
Total borrowings	26,996.70	26,116.95	23,311.51
Less : Cash and cash equivalents	294.27	224.26	210.02
Less : Bank deposits	21.50	103.44	131.82
<b>Adjusted net debt</b>	<b>26,680.93</b>	<b>25,789.25</b>	<b>22,969.67</b>
Total equity	5,222.99	6,231.31	6,587.93
Adjusted net debt to adjusted equity ratio	5.11	4.14	3.49

**50 SEGMENT REPORTING**

As per the exemption under Ind AS 108 "Operating Segments", the disclosure for the segment reporting has been presented as part of the consolidated Ind AS financial statements.

**51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:**
**List of related parties**

Relationship	Name of party		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Subsidiary</b>	-	-	Sycamore Properties Private Limited (Upto November 28, 2015)
	Grandwell Properties And Leasing Private Limited (Upto 31 Mar 18)	Grandwell Properties & Leasing Private Limited	Grandwell Properties & Leasing Private Limited
	Chalet Hotels & Properties (Kerala) Private Limited	Chalet Hotels & Properties (Kerala) Private Limited	Chalet Hotels & Properties (Kerala) Private Limited
	Magna Warehousing & Distribution Private Limited (Upto March 31, 2018)	Magna Warehousing & Distribution Private Limited	Magna Warehousing & Distribution Private Limited
<b>Associates</b>	-	Genext Hardware & Parks Private Limited (Upto October 31, 2016)	Genext Hardware & Parks Private Limited
	-	-	Intime Properties Private Limited (Upto March 31, 2016)
<b>Key Managerial Personnel / Relative (KMP)</b>	Sanjay Sethi -Managing Director & CEO (Resigned w.e.f. from October 1, 2017) (Appointed w.e.f. February 9, 2018)	Sanjay Sethi -Managing Director & CEO	Sanjay Sethi -Managing Director & CEO
	Ramesh M. Valecha, Non-Executive Director (from August 1, 2017) (Executive Director upto July 31, 2017) (Resigned w.e.f. May 2, 2018)	Ramesh M. Valecha - Executive Director	Ramesh M. Valecha - Executive Director



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW: (CONTD.)**

Relationship	Name of party		
	March 31, 2018	March 31, 2017	April 1, 2016
	Rajeev Newar, Executive Director (from August 3, 2017)	-	-
	Chandru L Raheja, Non-Executive Director (Resigned w.e.f. April 26, 2018)	Chandru L Raheja, Non-Executive Director	Chandru L Raheja, Non-Executive Director
	Ravi C Raheja, Non-Executive Director	Ravi C Raheja, Non-Executive Director	Ravi C Raheja, Non-Executive Director
	Neel C Raheja, Non-Executive Director	Neel C Raheja, Non-Executive Director	Neel C Raheja, Non-Executive Director
	Rajeev Chopra, Non-Executive Director (from June 1, 2017) (Resigned w.e.f. May 2, 2018)	-	-
	Roshan M. Chopra, relative of director	-	-
	Arthur De Haast, Independent Director (from August 3, 2017)	-	-
	Joseph Conrad D'Souza, Independent Director	Joseph Conrad D'Souza, Independent Director	Joseph Conrad D'Souza, Independent Director
	Hetal Gandhi, Independent Director	Hetal Gandhi, Independent Director	Hetal Gandhi, Independent Director
	Christabelle Baptista, Company Secretary	Christabelle Baptista, Company Secretary	Christabelle Baptista, Company Secretary
<b>Enterprises Controlled/ Jointly controlled by KMPs</b>	Brookfields Agro & Development Private Limited	Brookfields Agro & Development Private Limited	Brookfields Agro & Development Private Limited
	Cavalcade Properties Private Limited	Cavalcade Properties Private Limited	Cavalcade Properties Private Limited
	Convex Properties Private Limited	Convex Properties Private Limited	Convex Properties Private Limited
	Grange Hotels And Properties Private Limited	Grange Hotels And Properties Private Limited	Grange Hotels And Properties Private Limited
	-	-	Horizonview Properties Private Limited
	Immense Properties Private Limited	Immense Properties Private Limited	Immense Properties Private Limited
	-	-	Newfound Properties & Leasing Private Limited
	Novel Properties Private Limited	Novel Properties Private Limited	Novel Properties Private Limited
	Pact Real Estate Private Limited	Pact Real Estate Private Limited	Pact Real Estate Private Limited
	Paradigm Logistics & Distribution Private Limited	Paradigm Logistics & Distribution Private Limited	Paradigm Logistics & Distribution Private Limited
	Sustain Properties Private Limited	Sustain Properties Private Limited	Sustain Properties Private Limited

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW: (CONTD.)**

Relationship	Name of party		
	March 31, 2018	March 31, 2017	April 1, 2016
	Sycamore Properties Private Limited	Sycamore Properties Private Limited	Sycamore Properties Private Limited (from November 28, 2015)
	Aqualine Real Estate Private Limited	Aqualine Real Estate Private Limited	Aqualine Real Estate Private Limited
	Feat Properties Private Limited	Feat Properties Private Limited	Feat Properties Private Limited
	-	-	KRC Infrastructure And Projects Private Limited
	Carin Properties Private Limited	Carin Properties Private Limited	-
	Flabbergast Properties Private Limited	Flabbergast Properties Private Limited	-
	The Residency Hotels Private Limited	-	-
	Sundew Real Estate Private Limited	Sundew Real Estate Private Limited	
	K Raheja Corp Advisory Services (Cyprus) Private Limited	K Raheja Corp Advisory Services (Cyprus) Private Limited	K Raheja Corp Advisory Services (Cyprus) Private Limited
Shareholders of the Company	Anbee Constructions LLP	Anbee Constructions LLP	Anbee Constructions LLP (formerly Anbee Constructions Private Limited upto March 17, 2016)
	-	Avacado Properties And Trading (India) Private Limited (Upto December 21, 2016)	Avacado Properties And Trading (India) Private Limited
	Cape Trading LLP	Cape Trading LLP	Cape Trading LLP (formerly known as Cape Trading Private Limited upto March 17, 2016)
	Capstan Trading LLP	Capstan Trading LLP	Capstan Trading LLP (formerly known as Capstan Trading Private Limited upto March 17, 2016)
	Casa Maria Properties LLP	Casa Maria Properties LLP	Casa Maria Properties LLP (formerly known as Casa Maria Properties Private Limited upto March 17, 2016)
	Ivory Properties And Hotels Private Limited	Ivory Properties And Hotels Private Limited	Ivory Properties And Hotels Private Limited
	K. Raheja Corp Private Limited	K. Raheja Corp Private Limited	K. Raheja Corp Private Limited
	K. Raheja Private Limited	K. Raheja Private Limited	K. Raheja Private Limited
	Palm Shelter Estate Development LLP	Palm Shelter Estate Development LLP	Palm Shelter Estate Development LLP (formerly known as Palm Shelter Estate Development Private Limited upto March 17, 2016)

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW: (CONTD.)**

Relationship	Name of party		
	March 31, 2018	March 31, 2017	April 1, 2016
Other Related parties	Raghukool Estate Development LLP	Raghukool Estate Development Private Limited	Raghukool Estate Development LLP (formerly known as Raghukool Estate Development Private Limited upto March 18, 2016)
	Touchstone Properties And Hotels Private Limited	Touchstone Properties And Hotels Private Limited	Touchstone Properties And Hotels Private Limited
	Ivory Property Trust		
	Genext Hardware & Parks Private Limited	Genext Hardware & Parks Private Limited (from December 22, 2016)	-
	-	Gigaplex Estate Private Limited	-
	Imperial Serviced Offices & Property Management Private Limited		Imperial Serviced Offices Private Limited
	Inorbit Malls (India) Private Limited	Inorbit Malls (India) Private Limited	Inorbit Malls (India) Private Limited
	K Raheja Corporate Services Private Limited	K Raheja Corporate Services Private Limited	K Raheja Corporate Services Private Limited
	K Raheja IT Park (Hyderabad) Limited	K Raheja IT Park (Hyderabad) Limited (formerly known as K Raheja IT Park (Hyderabad) Private Limited upto November 8, 2016)	K Raheja IT Park (Hyderabad) Private Limited
	Mindspace Business Parks Private Limited	Mindspace Business Parks Private Limited	Mindspace Business Parks Private Limited (formerly known as Serene Properties Private Limited upto November 23, 2015)
	-	Stargaze Properties Private Limited	Stargaze Properties Private Limited
	Sundew Properties Limited	Sundew Properties Limited	Sundew Properties Limited
	Trion Properties Private Limited	Trion Properties Private Limited	Trion Properties Private Limited
	-	Ivory Property Trust	Ivory Property Trust
	-	-	Powai Developers (Division of K. Raheja Corp Private Limited)
	-	Horizon View Properties Private Limited	-
	Intime Properties Limited	Intime Properties Limited	-
	-	KRC Infrastructure And Projects Private Limited	-
	Newfound Properties & Leasing Private Limited	Newfound Properties & Leasing Private Limited	-
	Challenge Properties Private Limited	-	-



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW: (CONTD.)**

(₹ in million)

**Related party disclosures for year ended March 31, 2018**

Sr. No	Particulars	Subsidiaries	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Dividend received	-	-	-	-*
2	Interest income from instruments measured at amortised cost	-	-	-	173.54
3	Miscellaneous income	-	-	-	11.35
4	Sale of services - Lease rent	-	-	-	0.98
5	Sale of Investment	-	-	-	0.10
6	Sales of services - Rooms income, Food, beverages and smokes	-	-	1.22	12.68
7	Other expense	-	-	4.82	60.92
8	Director sitting fees	-	-	0.40	-
9	Salaries, wages and bonus	-	-	52.27	-
10	Interest expenses	-	-	-	65.94
11	Loans given	246.50	-	2.00	6,923.70
12	Loans repaid	240.00	-	82.08	6,357.44
13	Deposit received	-	-	-	1.90
14	Guarantees given on behalf of the Company	-	-	870.36	-
<b>Balances outstanding as at the year-end</b>					
15	Trade receivables	-	-	-	0.39
16	Loans receivable	6.50	-	1.42	2,153.33
17	Interest receivable	9.11	-	-	171.81
18	Loans payable	-	-	-	628.00
19	Interest payable	-	-	-	64.29

\*Amount less than ₹ 0.01 million

**Significant transactions with material related parties for year ended March 31, 2018**

<b>1 Loans given</b>				
Chalet Hotels & Properties (Kerala) Private Limited	246.50	-	-	-
Immense Properties Private Limited	-	-	-	120.10
Ivory Properties And Hotels Private Limited	-	-	-	450.00
Ivory Property Trust	-	-	-	1,781.60
K. Raheja Private Limited	-	-	-	4,572.00
<b>2 Loans repaid</b>				
Chalet Hotels & Properties (Kerala) Private Limited	240.00	-	-	-
Immense Properties Private Limited	-	-	-	289.00
Ivory Properties And Hotels Private Limited	-	-	-	449.50
Ivory Property Trust	-	-	-	3,168.20
K. Raheja Private Limited	-	-	-	2,450.74
<b>3 Loans receivable</b>				
K. Raheja Private Limited	-	-	-	2,152.00
<b>4 Loans payable</b>				
Newfound Properties & Leasing Private Limited	-	-	-	628.00
<b>5 Guarantees given on behalf of the Company</b>				
Neel C. Raheja	-	-	870.36	-
<b>6 Guarantees outstanding</b>				
Neel C. Raheja	-	-	870.36	-

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW: (CONTD.)**

(₹ in million)

**Related party disclosures for year ended March 31, 2017**

Sr. No	Particulars	Subsidiaries	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Dividend received	-	-*	-	-
2	Interest income from instruments measured at amortised cost	-	-	-	219.48
3	Sale of services - Lease rent	-	-	-	0.98
4	Sale of Investment	-	-	-	3,769.20
5	Sales of services - Rooms income, Food, beverages and smokes	-	1.20	-	809.86
6	Other expense	-	1.09	-	49.90
7	Interest expenses	-	-	-	9.56
8	Director sitting fees	-	-	0.19	-
9	Salaries, wages and bonus	-	-	51.99	-
10	Deposit given	-	-	-	5.00
11	Deposit received	-	11.98	-	-
12	Loans taken	-	-	74.00	1,149.71
13	Loans given	-	-	-	7,354.03
14	Loans repaid	-	-	2.50	7,588.77
15	Purchase of property, plant and equipment	-	-	-	2.05
16	Guarantees given on behalf of the Company	-	-	432.28	-
<b>Balances outstanding as at the year-end</b>					
17	Trade receivables	-	-	-	2.75
18	Trade payables	-	-	-	4.55
19	Deposits outstanding as at the year-end	-	10.25	-	31.98
20	Investments	0.19	-	-	0.73
21	Balances outstanding as at the year-end	-	-	74.00	-
22	Loans given	-	-	7.50	1,587.07
23	Interest receivable	-	-	-	184.59
24	Loans taken	-	1,925.73	-	628.00
25	Interest payable	-	-	-	17.73

\*Amount less than ₹ 0.01 million

**Significant transactions with material related parties for year ended March 31, 2017****1 Sales of services - Rooms income, Food, beverages and smokes**

Ivory Property Trust	-	-	-	794.37
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**2 Loans given**

Ivory Property Trust	-	-	-	3,445.33
K. Raheja Private Limited	-	-	-	1,249.50
Pact Real Estate Private Limited	-	-	-	1,000.00
Immense Properties Private Limited	-	-	-	550.00
KRC Infrastructure And Projects Private Limited	-	-	-	500.00
Convex Properties Private Limited	-	-	-	400.00
Horizonview Properties Private Limited	-	-	-	209.20

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW: (CONTD.)**

(₹ in million)

Sr. No	Particulars	Subsidiaries	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
3	<b>Sale of investments</b>				
	Ivory Property Trust	-	-	-	3,769.20
4	<b>Loans taken</b>				
	Gigaplex Estate Private Limited	-	-	-	521.50
	Newfound Properties & Leasing Private Limited	-	-	-	628.21
5	<b>Loans repaid</b>				
	Immense Properties Private Limited	-	-	-	381.00
	Ivory Property Trust	-	-	-	2,058.00
	K. Raheja Private Limited	-	-	-	2,518.86
	Pact Real Estate Private Limited	-	-	-	1,000.00
	Gigaplex Estate Private Limited	-	-	-	521.50
	Horizonview Properties Private Limited	-	-	-	209.20
	Convex Properties Private Limited	-	-	-	400.00
	KRC Infrastructure And Projects Private Limited	-	-	-	500.00
6	<b>Loans given</b>				
	Immense Properties Private Limited	-	-	-	169.00
	Ivory Property Trust	-	-	-	1,387.33
7	<b>Loans taken</b>				
	Genext Hardware & Parks Private Limited	-	1,925.73	-	
	Newfound Properties & Leasing Private Limited	-	-	-	628.00

**Related party disclosures as at April 1, 2016**

<b>Balances outstanding as at April 1, 2016</b>					
1	Trade receivables	-	-	-	2.19
2	Trade payables	-	-	-	5.23
3	Deposits outstanding as at the year-end	-	-	-	26.98
4	Investments Outstanding	-	3,315.83	-	-
5	Loans receivable	-	-	10.00	1,300.10
6	Interest receivable	22.53	17.30	-	18.42
7	Loans Payable	-	-	-	824.60
8	Interest payable	-	-	-	113.72
9	Guarantees given by the Company	-	2,706.68	-	-



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**52 DISCLOSURE AS PER GUIDANCE NOTE ON ACCOUNTING FOR REAL ESTATE TRANSACTIONS**

Particulars	March 31, 2018	March 31, 2017
Gross project revenue recognised as revenue	(680.23)	(144.05)
Method used to determine the project revenue	Percentage of completion method	
Method used to determine the stage of completion of the project	Physical completion substantiated by cost incurred	
<b>In respect of all projects in progress as at</b>		
Aggregate amount of cost incurred to date	(289.81)	(125.69)
Advances received as at	1,026.35	92.84
Income received in advance (net) as at	208.36	800.42
Amount of work in progress as at	3,031.94	2,659.87
Less : provision of impairment	(376.65)	-
Amount of work in progress (net)	2,655.29	2,659.87

**53 BENGALURU RESIDENTIAL PROJECT**

Amounts related to the Bengaluru Residential project carried under inventories and trade receivables are as under

	March 31, 2018	March 31, 2017	April 1, 2016
Inventories	3,031.94	2,659.87	2,533.02
Less: Provision for impairment	(376.65)	-	-
Inventories, net	2,655.29	2,659.87	2,533.02
Trade receivables	32.46	9.12	6.77
Income received in advance (unearned revenue)	208.36	334.94	381.03
Advances from customers towards sale of residential flats	967.91	86.73	121.21

**54 FIRST TIME ADOPTION**

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

The Significant Accounting Policies set out in Note No. 1 have been applied in preparing the financial statements for the year ended March 31, 2018, March 31, 2017 and the opening Ind AS balance sheet on the date of transition i.e. April 1, 2016.

In preparing its Standalone Balance Sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

**Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**NOTES**
**TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**
**54 FIRST TIME ADOPTION (CONTD.)**

(₹ in million)

**1 Business combination exemption**

The Company has applied the exemption as provided in Ind AS 101 in relation to Ind AS 103, "Business Combinations" for business combinations consummated prior to the date of transition (April 1, 2016). Pursuant to this exemption, goodwill arising from business combination has been stated at the carrying amount under Previous GAAP Ind AS 103 will be applied prospectively to business combinations occurring after its transition date.

**2 Investment in subsidiaries and associates**

As permitted by Ind AS 101, for measuring investment in subsidiaries and associates, the Company has considered their previous GAAP carrying amount as their deemed cost as at 1 April 2016. For the purpose of Proforma Ind AS financial information, the Company has used carrying amount as per previous GAAP as at March 31, 2016, 2015 and 2014 to be the value of Investments for such respective years.

**3 Property, plant and equipment**

On the date of transition the Company has chosen to reflect the fair value of all freehold land as of April 1, 2016 as their respective deemed cost. All other items of property, plant and equipment have been measured as per the requirements of Ind AS 16 "Property, Plant and Equipment" retrospectively.

**4 Intangible assets and Investment property**

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2016 for all the items of intangible assets and investment property.

**5 Classification and measurement of financial assets and financial liabilities**

Ind AS 101 requires an entity to assess classification of financial assets and financial liabilities on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets and financial liabilities accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets and financial liabilities based on facts and circumstances that exist on the date of transition. Measurement of the financial assets and financial liabilities accounted at amortised cost has been done retrospectively except where the same is impracticable.

**6 Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**A. Reconciliation between previous GAAP and Ind AS**
**(I) Reconciliation of equity as at March 31, 2017**

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,2,7,8	18,907.19	2,896.63	21,803.82
Capital work-in-progress	1,7	65.11	158.48	223.59
Goodwill	7,8	-	226.11	226.11
Other intangible assets	8	28.70	1.08	29.78
Investment property	11	-	6,424.19	6,424.19
<b>Financial assets</b>				
(i) Investment in subsidiaries		0.10	-	0.10
(ii) Other investments	3	3,971.34	(3,968.26)	3.08
(iii) Loans	2	101.17	4.31	105.48
(iv) Others	3,9	-	14.02	14.02

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****54 FIRST TIME ADOPTION (CONTD.)**

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
Deferred tax assets (net)		-	517.51	517.51
Other tax assets (net)	9	311.29	26.51	337.80
Other non-current assets	3	16.44	75.55	91.99
<b>Total non current assets</b>		<b>23,401.34</b>	<b>6,376.13</b>	<b>29,777.47</b>
<b>Current Assets</b>				
Inventories		3,187.45	19.58	3,207.03
Financial assets				
(i) Trade receivables	7,8	305.08	99.59	404.67
(ii) Cash and cash equivalents	7,8	172.75	51.51	224.26
(iii) Bank balances other than (ii) above	7,8	52.94	50.50	103.44
(iv) Loans	7,8	1,814.40	(20.93)	1,793.47
(v) Others	7,8	127.26	4.21	131.47
Other current assets	7,8	312.06	(0.69)	311.37
Assets held for sale		-	-	-
<b>Total current assets</b>		<b>5,971.94</b>	<b>203.77</b>	<b>6,175.71</b>
<b>TOTAL ASSETS</b>		<b>29,373.28</b>	<b>6,579.90</b>	<b>35,953.18</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,521.42	-	1,521.42
Other equity	1,11,12	6,024.46	(1,314.58)	4,709.88
<b>Total equity</b>		<b>7,545.88</b>	<b>(1,314.58)</b>	<b>6,231.30</b>
<b>Liabilities</b>				
<b>Non current liabilities</b>				
Financial liabilities				
(i) Borrowings	2,7,8	16,861.63	3,644.13	20,505.76
(ii) Other financial liabilities	7,8	3.14	29.32	32.46
Provisions	7,8	55.97	1.65	57.62
Deferred tax liabilities(net)	9,11	358.13	344.96	703.09
Other non-current liabilities		-	21.15	21.15
<b>Total non-current liabilities</b>		<b>17,278.87</b>	<b>4,041.21</b>	<b>21,320.08</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	2,7,8	411.98	2,593.69	3,005.67
(ii) Trade payables	7,8	680.93	165.76	846.69
(iii) Other financial liabilities	7,8	2,044.79	1,079.84	3,124.63
Other current liabilities	7,8,12	1,141.52	8.94	1,150.46
Provisions	7,8	269.31	5.04	274.35
<b>Total current liabilities</b>		<b>4,548.53</b>	<b>3,853.27</b>	<b>8,401.80</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,373.28</b>	<b>6,579.90</b>	<b>35,953.18</b>

\*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

**54 FIRST TIME ADOPTION (CONTD.)**

(₹ in million)

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the total comprehensive income reconciliation from previous GAAP to Ind AS:

**(II) Reconciliation of total comprehensive income for the year 2016-17**

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
<b>Revenue</b>				
Revenue from operations	7,8	6,176.42	941.62	7,118.04
Other income	2,7,8	1,832.35	39.51	1,871.86
<b>Total revenue</b>		<b>8,008.77</b>	<b>981.13</b>	<b>8,989.90</b>
<b>Expenses</b>				
Real estate development costs	2,7,8	178.29	-	178.29
Food and beverages consumed	7,8	620.97	46.38	667.35
Operating supplies consumed	7,8	210.07	8.33	218.40
Employee benefits expenses	2,7,8	1,115.21	73.04	1,188.25
Other expenses	7,8	2,329.41	324.58	2,653.99
<b>Total expenses</b>		<b>4,453.95</b>	<b>452.33</b>	<b>4,906.28</b>
<b>Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items (C) (A-B)</b>		<b>3,554.82</b>	<b>528.80</b>	<b>4,083.62</b>
Depreciation and amortisation expenses	2,7,8	1,015.46	254.34	1,269.80
Finance cost	2,7,8	1,878.51	275.10	2,153.61
<b>Profit before exceptional items and tax (D)</b>		<b>660.85</b>	<b>(0.64)</b>	<b>660.21</b>
<b>Exceptional items (E)</b>				<b>-</b>
<b>Profit before tax (F) (D+E)</b>				<b>660.21</b>
<b>Tax expense (G)</b>				
Deferred tax	9,12	(78.67)	(682.10)	(760.77)
Short term provision for the earlier years	12	2.85	-	2.85
<b>Profit for the year (H) (F-G)</b>		<b>75.82</b>	<b>682.10</b>	<b>1,418.13</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of defined benefit liability	5	-	0.20	0.20
Income tax related to items that will not be reclassified to profit or loss	9	-	(0.07)	(0.07)
<b>Other comprehensive income for the year, net of tax (I)</b>			<b>0.13</b>	<b>0.13</b>
<b>Total comprehensive income for the year (J) (H+I)</b>		<b>75.82</b>	<b>682.23</b>	<b>1,418.26</b>

\*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****54 FIRST TIME ADOPTION (CONTD.)**

(₹ in million)

**(III) Reconciliation of equity as previously reported under IGAAP and Ind AS**

Particulars	Notes to First time adoption	As at March 31, 2017	As at April 1, 2016
<b>(i) Total equity as per previous GAAP</b>		<b>7,545.89</b>	<b>1,622.73</b>
<b>(ii) Prior period adjustment</b>			
Adjustment for deferred tax	10	241.07	-
		<b>241.07</b>	<b>-</b>
<b>(iii) Total equity after prior period adjustment (i+ii)</b>		<b>7,786.96</b>	<b>1,622.73</b>
<b>(iv) Ind AS adjustments</b>			
Fair valuation of land	1	-	5,186.49
Accounting for transaction costs on borrowings as per effective interest method	2	83.52	114.51
Fair value movement of FVTPL investments	3	1.22	(9.60)
Investment in preference shares measured at amortised cost	4	-	38.14
Accounting of EPCG Scheme as a government grant, including depreciation impact	6	378.70	198.69
Business combination of Magna Warehousing & Distribution Private Limited (Magna)	7	(144.66)	(9.61)
Net assets acquired of Hotel and Retail undertaking from Genext Hardware & Parks Private Limited (Genext) under Court scheme reflected from appointed date i.e. November 1, 2016	8	(1,809.16)	-
Deferred tax on above adjustments, as applicable	9	(249.90)	(106.17)
Deferred tax asset recognised on brought forward business losses and unabsorbed depreciation	9	865.20	635.32
Deferred tax impact on fair valuation and indexation benefit on land	9	(775.27)	(1,257.59)
Deferred tax on investments held for sale	9	0.03	110.30
Deferred tax impact on indexation benefit on investment property	9	94.67	64.72
<b>Total Ind AS adjustments</b>		<b>(1,555.65)</b>	<b>4,965.20</b>
<b>(v) Total Equity as per Ind AS (iii+iv)</b>		<b>6,231.31</b>	<b>6,587.93</b>

**(IV) Reconciliation of net profit after tax/total comprehensive income (as applicable) as previously reported under IGAAP and Ind AS**

Particulars	Notes to First time adoption	As at March 31, 2017
<b>(i) Net profit after tax as per previous GAAP</b>		<b>736.67</b>
<b>(ii) Prior period adjustment</b>		
Adjustment for deferred tax	10	241.07
		<b>241.07</b>
<b>(iii) Total equity after prior period adjustment (i+ii)</b>		<b>977.74</b>
<b>(iv) Ind AS adjustments</b>		
Accounting for transaction costs on borrowings as per effective interest method	2	(30.99)
Fair value movement of FVTPL investments	3	10.82
Investment in preference shares measured at amortised cost	4	(38.14)

**NOTES**
**TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)**
**54 FIRST TIME ADOPTION (CONTD.)**

(₹ in million)		
Particulars	Notes to First time adoption	As at March 31, 2017
Accounting of EPCG Scheme as a Government grant, including depreciation impact	6	180.01
Business combination of Magna Warehousing & Distribution Private Limited (Magna)	7	(135.05)
Net assets acquired of Hotel and Retail undertaking from Genext Hardware & Parks Private Limited (Genext) under Court scheme reflected from appointed date i.e. November 1, 2016	8	(34.29)
Deferred tax on above adjustments, as applicable	9	(143.72)
Deferred tax impact on brought forward business losses and unabsorbed depreciation	9	229.88
Deferred tax impact on fair valuation and indexation benefit on land	9	482.32
Deferred tax on indexation of unlisted shares	9	(110.27)
Deferred tax impact on indexation benefit on investment property	9	29.95
<b>Total Ind AS adjustments</b>		<b>440.52</b>
<b>Net profit after tax as per Ind AS (iii+iv)</b>		<b>1,418.26</b>

**V) Impact of Ind AS adoption on the standalone statement of cash flows**

There were no material differences between the Standalone Statement of Cash Flows and cash flow statement under previous GAAP (as adjusted for the impact of the demerger of Hotel & Retail undertaking from Magna and merger of Hotel & Retail undertaking from Genext - refer Note 42).

**VI) Notes to first time adoption:**
**1 Fair valuation of land treated as deemed cost**

On the date of transition the Company has chosen to reflect the fair value of all freehold land as of April 1, 2016 as their respective deemed cost. All other items of property, plant and equipment have been measured as per the requirements of Ind AS 16 "Property, Plant and Equipment" retrospectively. The impact of both these adjustments has been considered through retained earnings and corresponding assets/liabilities, as appropriate. The fair value has been determined with reference to residual value approach which also involves determining the business value of the respective hotel building. The fair value so determined is categorised as Level 3 in accordance with the requirements of Ind AS 113. The key unobservable inputs used for determination of the fair value referred to above includes the rate used for discounting (12.10%) and growth rate (5%).

**2 Accounting for transaction costs on borrowings as per effective interest method**

Under previous GAAP, directly attributable transaction costs were charged to the Statement of Profit and Loss or capitalised as part of property, plant and equipment in the year of disbursement of the loan. As per the requirements of Ind AS, the Company has measured the borrowings at amortised cost (including the directly attributable transaction costs) based on the effective interest rate of the borrowings. Accordingly, suitable restatement adjustments have been made in the Standalone Statement of Profit and Loss and Property, plant and equipment.

**3 Fair value movement of FVTPL investments**

Under previous GAAP, non-current investments were carried at cost less provision for diminution (other than temporary). Under Ind AS, investment in equity shares (other than subsidiaries and associates) are measured at fair value, with fair value changes being routed through the Standalone Statement of Profit and Loss.

**4 Investment in preference shares measured at amortised cost**

Under previous GAAP, non-current investments in preference shares were carried at cost less provision for diminution (other than temporary). Under Ind AS, investment in 0.001% non-cumulative redeemable preference shares of Genext Hardware & Parks Private Limited are measured at amortised cost as per Ind AS 109. Accordingly, suitable adjustments have been made in the Standalone Statement of Profit and Loss and Investment in preference shares.



**NOTES****TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)****54 FIRST TIME ADOPTION (CONTD.)****5 Actuarial gain and loss**

Under previous GAAP, remeasurement on defined benefit plans of the Company were recognised in the statement of profit or loss. However, as per the requirements of Ind AS, the Company has recognised these in Other comprehensive income.

**6 Accounting of EPCG Scheme as a Government grant, including depreciation impact**

The Company under the EPCG scheme has received grants from the Government in form of waiver of import duty on purchase of capital goods. These, however are conditional on the Company achieving specified future export obligations.

Under previous GAAP, the Company recognised its property, plant and equipment at the net cost i.e. the import duty was excluded from the cost of the property, plant and equipment and adjusted directly with the export benefits. Under Ind AS, the Company has recognised the value of import duty waiver as part of the cost of the property, plant and equipment with the corresponding impact to deferred grant. The deferred grant is recognised in Standalone Statement of Profit and Loss on fulfilment of the respective export obligation.

**7 Scheme of Arrangement - Hotel and Retail undertaking (Refer Note 42)**

The Board of Directors of the Company at its meeting held on January 5, 2017, approved the merger of Magna Warehousing & Distribution Private Limited ("Transferor Company"), its wholly owned subsidiary, with the Company ("Transferee Company") under Section 230 to 232 of the Companies Act, 2013, with effect from November 01, 2016, ("the Appointed Date") subject to obtaining necessary approvals of National Company Law Tribunal (NCLT) at Mumbai and Bangalore. The said Scheme received the approval of the National Company Law Tribunal (NCLT) at Mumbai and Bangalore and other statutory and regulatory authorities on March 21, 2018 and has become effective from April 1, 2018. The merger is accounted as per the 'Pooling of Interest' method as prescribed in the Scheme. Further since this is a common control transaction, the financial statements in respect of prior periods have been restated from the earliest period presented.

**8 Merger of Genext Hardware & Parks Private Limited (Refer Note 42)**

The Board of Directors at their meeting held on January 5, 2017, had approved the merger proposal and approved the "Scheme of Arrangement" to merge the Hotel Undertaking and the Retail Undertaking at Bengaluru from Genext under Section 230 to 232 of the Companies Act, 2013, with effect from November 1, 2016, ("the Appointed Date") subject to obtaining necessary approvals of the Shareholders, Honourable High Court of Karnataka at Bangalore and Honourable High Court of Bombay and other statutory and regulatory authorities. The Scheme has become effective from October 1, 2017 and has been given effect to from the appointed date (in line with the accounting treatment prescribed in the Scheme).

**9 Deferred tax**

Previous GAAP requires deferred tax to be recognised with reference to the income statement approach. Ind AS 12 requires entities to determine deferred taxes with reference to the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax related adjustments in relation to certain items such as fair valuation of land, indexation benefit on land, indexation benefit on investment property, fair value of investments which were not required to be considered under the income statement approach.

Further, under the previous GAAP, deferred tax asset on carry forward business losses and unabsorbed depreciation was recognised only on existence of virtual certainty of taxable profits. The application of Ind AS 12 approach has resulted in recognition of deferred tax assets in case of reasonable certainty. The deferred tax impact of all Ind AS adjustments (as applicable) has also been considered.

**10 Adjustment for deferred tax**

The Company has recognised deferred tax credit pertaining to incorrect computation in deferred taxes for the year ended March 31, 2017.

**11 Investment Property**

As per the requirements of Ind AS 40, the Company has reclassified land and building held with the intention to earn rental income as Investment property and investment property under construction.

**12 Assets held for sale**

The investment in associates of the Company were acquired with a view to its subsequent disposal within twelve months from the date of purchase. They are classified as held for sale on acquisition and subsequently measured at the lower of its carrying amount and fair value less costs to sell.

**NOTES**

TO THE STANDALONE IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**55 DISCLOSURE UNDER SECTION 186 OF THE ACT**

The operations of the Company are classified as 'infrastructure facilities' as defined under Schedule VI to the Act. Accordingly, the disclosure requirements specified in sub-section 4 of Section 186 of the Act in respect of loans given, guarantee given or security provided and the related disclosures on purposes/ utilisation by recipient companies, are not applicable to the Company.

Details of investments made during the year ended March 31, 2018 as per section 186(4) of the Act:

Name of entity	March 31, 2017	Investments made	Investments Redeemed / Sold	March 31, 2018
Grandwell Properties and Leasing Private Limited	0.10	-	0.10	-
Chalet Hotels and Properties (Kerala) Private Limited	0.09	-	-	0.09
Stargaze Properties Private Limited	0.01	-	-	0.01
Intime Properties Limited	0.72	-	-	0.72
Krishna Valley Power Private Limited	-	8.64	-	8.64
Sahyadri Renewable Energy Private Limited	-	31.45	-	31.45
Renew Wind Power Energy (AP) Limited	1.00	-	-	1.00
National Saving Certificates	0.13	-	-	0.13

Details of investments made during the year ended March 31, 2017 as per section 186(4) of the Act:

Name of entity	April 1, 2016	Investments made	Investments Redeemed / Sold	March 31, 2017
Grandwell Properties and Leasing Private Limited	0.10	-	-	0.10
Chalet Hotels and Properties (Kerala) Private Limited	0.09	-	-	0.09
Stargaze Properties Private Limited	0.01	-	-	0.01
Genext Hardware & Parks Private Limited (Equity Share)	2,816.94	-	2,816.94	-
Genext Hardware & Parks Private Limited (Preference Share)	157.89	-	157.89	-
Intime Properties Limited	340.99	-	340.27	0.72
Renew Wind Power Energy (AP) Limited	-	1.00	-	1.00
National Saving Certificates	0.13	-	-	0.13

As per our audit report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

Partner

Membership No: 105149

Mumbai

June 12, 2018

For and on behalf of the Board of Directors

**Chalet Hotels Limited**

(formerly known as Chalet Hotels Private Limited)

(CIN No. U55101MH1986PLC038538)

**Sanjay Sethi**

Managing Director & CEO

(DIN 00641243)

Mumbai

June 12, 2018

**Rajeev Newar**

Executive Director & CFO

(DIN 00468125)

**Christabelle Baptista**

Company Secretary

Membership No. A17817

**INDEPENDENT****AUDITORS' REPORT**

To the Members of **Chalet Hotels Limited**  
(formerly known as *Chalet Hotels Private Limited*)

**REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

We have audited the accompanying consolidated Ind AS financial statements of Chalet Hotels Limited (formerly known as *Chalet Hotels Private Limited*) ("the Holding company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group") comprising of the consolidated balance sheet as at March 31, 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

**MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

The Holding company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, the consolidated financial performance including other comprehensive income, the consolidated changes in equity and the consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the relevant rules issued thereunder. The respective Board of Directors of the subsidiaries included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports



**INDEPENDENT**

**AUDITORS' REPORT (Contd.)**

referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**OPINION**

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries referred to in paragraph (a) under the Other Matters paragraph below, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

**EMPHASIS OF MATTER**

We draw attention to the following notes to the consolidated Ind AS financial statements:

1. Note 42 (c) in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Holding company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the consolidated Ind AS financial statements as at and for the year ended March 31, 2018 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to Rs 506 million, Rs 535 million and Rs 574 million as at March 31, 2018, March 31, 2017 and April 1, 2016 respectively; and
2. Note 41 in respect of the Scheme of Arrangement ('the Scheme') between Genext Hardware & Parks Private Limited ('Genext') and the Holding company for demerger of the Hotel undertaking and Retail undertaking ('demerged undertaking') of Genext which has been approved by the National Company Law Tribunal ('NCLT') at Mumbai and Bengaluru and other regulatory authorities on September 11, 2017, with effect from the Appointed date specified in the Scheme i.e. November 1, 2016. The

Scheme has been accounted in the manner prescribed by the NCLT order i.e. the book values of the assets, liabilities and reserves of the demerged undertaking of Genext as of November 1, 2016 have been recorded by the Company and the identity of the reserves have been maintained. The excess of the book value of the net assets and reserves of the demerged undertaking of Genext acquired over the face value of the shares issued by the Holding company amounting to Rs 189.53 million has been debited to Goodwill in accordance with the Scheme. This accounting treatment is different from that prescribed under Ind AS 103 on Business Combination.

Our opinion is not qualified in respect of these matters.

**OTHER MATTERS**

- (a) We did not audit the Ind AS financial statements of two subsidiaries, whose Ind AS financial statements reflect total assets of Rs 170.75 million and net assets of Rs (103.60) million as at March 31, 2018, total revenues of Rs 0.07 and net cash inflows of Rs 0.33 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us for the purpose of the consolidation, and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

- (b) The comparative consolidated financial statements of the Group as at and for the year ended March 31, 2017 and the transition date consolidated balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with Section 133 of the Act and audited by Deloitte Haskins & Sells LLP, Chartered accountants, for the years ended March 31, 2017 and March 31, 2016 whose reports dated August 3, 2017 and August 3, 2016 respectively, expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

## INDEPENDENT

## AUDITORS' REPORT (Contd.)

## Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other matters' paragraph, we report, to the extent applicable, that:
  - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;
  - (c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - (d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules thereunder;
  - (e) on the basis of the written representations received from the Directors of the Holding company and its subsidiaries as on March 31, **2018 and taken on record by the Board of Directors of the Holding company** and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls of the Holding company and its subsidiaries incorporated in India, we give in the Annexure A our Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matters' paragraph:
    - i. the Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements – refer notes 36 and 42 to the consolidated Ind AS financial statements;
    - ii. the Group has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts and derivative contracts - refer notes 11, 27 and 29 to the consolidated Ind AS financial statements;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding company and its subsidiaries incorporated in India; and
    - iv. the disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However, amounts as appearing in the audited consolidated financial statements for the period ended March 31, 2017 have been disclosed.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No : 101248W/W-100022

**Aniruddha Godbole**

Partner

Membership No: 105149

Mumbai

June 12, 2018

INDEPENDENT

AUDITORS' REPORT (Contd.)

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – MARCH 31, 2018**

(Referred to in our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Chalet Hotels Limited (*formerly known as Chalet Hotels Private Limited*) ("the Holding company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiaries, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are



INDEPENDENT

**AUDITORS' REPORT** (Contd.)

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding company and

its subsidiaries, which are companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

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

For **B S R & Co. LLP***Chartered Accountants*

Firm's Registration No : 101248W/W-100022

**Aniruddha Godbole***Partner*

Mumbai

June 12, 2018

Membership No: 105149

# CONSOLIDATED BALANCE SHEET

## AS AT MARCH 31, 2018

(₹ in million)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	21,210.77	21,706.06	19,302.22
Capital work-in-progress	3	218.23	211.50	316.11
Investment property	4	6,736.65	6,424.19	4,525.03
Goodwill	5	226.11	226.11	36.58
Other intangible assets	6	18.53	29.78	37.92
<b>Financial assets</b>				
(i) Investments	7	43.17	3.08	474.24
(ii) Loans	8	114.05	105.48	117.17
(iii) Others	9	50.00	-	-
Deferred tax assets (net)	23	947.39	517.13	91.96
Other non-current assets	10	74.71	93.79	98.46
Non-current tax assets (net)		462.99	339.00	216.47
<b>Total non current assets</b>		<b>30,102.60</b>	<b>29,656.12</b>	<b>25,216.16</b>
<b>Current assets</b>				
Inventories	11	3,115.80	3,207.03	3,140.58
<b>Financial assets</b>				
(i) Trade receivables	12	551.70	404.67	289.84
(ii) Cash and cash equivalents	13a	295.21	228.30	214.75
(iii) Bank balances other than (ii) above	13b	21.50	103.44	131.82
(iv) Loans	14	2,349.29	1,793.47	1,355.59
(v) Others	15	402.56	145.49	103.53
Other current assets	16	321.31	311.27	268.96
<b>Total current assets</b>		<b>7,057.37</b>	<b>6,193.67</b>	<b>5,505.07</b>
<b>Assets classified as held for sale</b>	17	-	-	2,870.26
<b>TOTAL ASSETS</b>		<b>37,159.97</b>	<b>35,849.79</b>	<b>33,591.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	18	1,710.95	1,521.42	1,521.42
Other equity	19	3,244.11	4,362.04	4,745.72
<b>Total equity</b>		<b>4,955.06</b>	<b>5,883.46</b>	<b>6,267.14</b>
<b>Non current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	20	22,151.53	20,505.76	19,022.83
(ii) Others	21	151.77	118.98	53.03
Provisions	22	38.11	57.62	55.74
Deferred tax liabilities (net)	23	636.01	703.09	1,082.56
Other non-current liabilities	24	28.08	21.15	-
<b>Total non current liabilities</b>		<b>23,005.50</b>	<b>21,406.60</b>	<b>20,214.16</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	25	1,634.16	3,247.45	2,583.17
(ii) Trade payables	26	858.80	846.74	651.89
(iii) Other financial liabilities	27	3,761.64	3,038.13	2,318.85
Other current liabilities	28	1,986.15	1,153.06	1,335.18
Provisions	29	958.66	274.35	221.10
<b>Total Current liabilities</b>		<b>9,199.41</b>	<b>8,559.73</b>	<b>7,110.19</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37,159.97</b>	<b>35,849.79</b>	<b>33,591.49</b>
Significant Accounting Policies	1			
Notes to the Consolidated Ind AS Financial Statements	2 - 56			

The notes referred to above form an integral part of the Consolidated Ind AS financial statements.

As per our audit report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

Partner

Membership No: 105149

Mumbai

June 12, 2018

For and on behalf of the Board of Directors

**Chalet Hotels Limited**

(formerly known as Chalet Hotels Private Limited)

(CIN No. U55101MH1986PLC038538)

**Sanjay Sethi**

Managing Director &amp; CEO

(DIN 00641243)

Mumbai

June 12, 2018

**Rajeev Newar**

Executive Director &amp; CFO

(DIN 00468125)

**Christabelle Baptisa**

Company Secretary

Membership No. A17817

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MARCH 31, 2018

(₹ in million)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	30	8,155.80	7,118.05
Other income	31	356.98	1,871.83
<b>Total income (A)</b>		<b>8,512.78</b>	<b>8,989.88</b>
<b>Expenses</b>			
Real estate development cost	32(a)	(78.27)	178.29
Food and beverages consumed	32(b)	765.65	667.35
Operating supplies consumed	32(c)	256.17	218.40
Employee benefits expense	33	1,295.59	1,188.25
Other expenses	35	3,268.87	2,655.07
<b>Total expenses (B)</b>		<b>5,508.01</b>	<b>4,907.36</b>
<b>Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items (C) (A-B)</b>		<b>3,004.77</b>	<b>4,082.52</b>
Depreciation and amortisation expenses	2,4,6	1,116.33	1,269.76
Finance costs	34	2,119.21	2,179.58
<b>(Loss)/profit before exceptional items and tax (D)</b>		<b>(230.77)</b>	<b>633.18</b>
<b>Exceptional items (E)</b>	36	<b>(1,217.52)</b>	<b>-</b>
<b>(Loss)/profit before income tax (F) (D+E)</b>		<b>(1,448.29)</b>	<b>633.18</b>
<b>Tax expense (G)</b>		<b>(519.54)</b>	<b>(757.92)</b>
Current tax	23	-	-
Deferred tax credit	23	(519.54)	(760.77)
Short term provision for the earlier years		-	2.85
<b>(Loss)/profit for the year (H) (F-G)</b>		<b>(928.75)</b>	<b>1,391.10</b>
<b>Other comprehensive income/(expense)</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		22.54	0.20
Income tax on above		(7.88)	(0.07)
<b>Other comprehensive income for the year, net of tax (H)</b>		<b>14.66</b>	<b>0.13</b>
<b>Total comprehensive (expense)/income for the year (I) (G+H)</b>		<b>(914.09)</b>	<b>1,391.23</b>
<b>Profit/(loss) attributable to :</b>			
Owners of the Company		(928.75)	1,391.10
<b>Other comprehensive income/ (expense) attributable to :</b>			
Owners of the Company		14.66	0.13
<b>Total comprehensive (expense)/income attributable to :</b>			
Owners of the Company		(914.09)	1,391.23
<b>Earnings per equity share</b>			
Basic and diluted earnings per share	37	(5.43)	8.70
Significant Accounting Policies	1		
Notes to the Consolidated Ind AS Financial Statements.	2 - 56		

The notes referred to above form an integral part of the Consolidated Ind AS financial statements.

As per our audit report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

Partner

Membership No: 105149

Mumbai

June 12, 2018

For and on behalf of the Board of Directors

**Chalet Hotels Limited**

(formerly known as Chalet Hotels Private Limited)

(CIN No. U55101MH1986PLC038538)

**Sanjay Sethi**

Managing Director & CEO

(DIN 00641243)

Mumbai

June 12, 2018

**Rajeev Newar**

Executive Director & CFO

(DIN 00468125)

**Christabelle Baptisa**

Company Secretary

Membership No. A17817



# CONSOLIDATED STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED MARCH 31, 2018

(₹ in million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>(Loss)/profit before tax</b>	<b>(1,448.29)</b>	633.18
Adjustments for :		
Interest income from instruments measured at amortised cost	(197.39)	(228.70)
Interest income from amortised cost measurement of preference shares	-	(17.29)
Depreciation and amortisation	1,116.33	1,270.96
Finance costs	2,119.21	2,179.58
Provision for estimated / actual cancellation and alteration cost	1,217.52	-
Profit on sale of fixed assets(net)	(1.23)	(3.85)
Profit on sale of investments	(114.57)	(1,301.24)
Provision for impairment loss	-	0.99
Fixed assets written off	-	29.96
Bad debts written off	-	0.48
Provision for doubtful debts	7.85	1.38
Export benefits and entitlements	(10.00)	(314.74)
Provision for impairment on export benefits and entitlements	-	0.96
Provision for mark to market on derivative contract	(72.39)	(11.31)
Unrealised exchange loss	16.33	(129.59)
Loss recognised on fair valuation of investment	-	(10.82)
Others	(13.25)	(9.42)
<b>Total</b>	<b>4,068.41</b>	<b>1,457.35</b>
<b>Adjustments</b>		
Increase in trade receivables and loans and advances	(406.00)	(15.90)
Decrease in inventories : hospitality & others	13.49	7.45
Decrease in inventories : real estates	77.74	78.24
(Decrease) / (increase) in trade payables & other liabilities	(33.70)	146.80
Increase / (decrease) advances received from customers - towards sale of residential flats	341.45	(227.15)
<b>Total</b>	<b>(7.02)</b>	<b>(10.56)</b>
Direct taxes paid	(123.99)	(67.11)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>2,489.11</b>	<b>2,012.86</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets (including capital work in progress, capital creditors and capital advances)	(623.04)	(1,145.80)
Proceeds from sale of fixed assets	12.96	6.91
Purchase of investments (including investment property and investment property under construction)	(477.40)	(89.71)
Proceeds from sale of investments	114.57	4,675.40
Loans given	(7,170.20)	(8,373.10)
Loans repaid	6,622.81	7,970.00
Proceed from maturity deposits	(50.00)	6.61
Interest income received	197.39	122.60
Margin money placed (net)	81.94	76.49
<b>NET CASH GENERATED (USED IN)/FROM INVESTING ACTIVITIES (B)</b>	<b>(1,290.97)</b>	<b>3,249.40</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS (Contd.)****FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in million)

	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from long-term borrowings	5,200.00	2,557.66
Repayment of long-term borrowings	(2,725.19)	(4,410.32)
Redemption of preference share capital	-	-
Short term borrowings (net)	(1,938.74)	(557.56)
Interest and finance charges paid	(2,101.96)	(2,224.11)
<b>NET CASH (USED IN)/FROM GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>(1,565.89)</b>	<b>(4,634.33)</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)</b>	<b>(367.75)</b>	<b>627.93</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>119.82</b>	(548.49)
<b>On account of merger (refer note 41(a))</b>	<b>-</b>	40.37
<b>Less: Impact of sale of subsidiary</b>	<b>109.94</b>	-
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>(137.99)</b>	<b>119.82</b>
Notes:		
1 Cash and Cash Equivalents and Bank Balances includes balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.		
2 Reconciliation of cash and cash equivalents with the balance sheet		
Cash and cash equivalents (refer note 13a)	295.21	228.30
Less: Cash credit / over draft accounts from banks (refer note 25)	(433.19)	(108.48)
Cash and cash equivalents as per consolidated statement of cash flow	<b>(137.98)</b>	119.82
3 The movement of borrowings as per Ind AS 7 is as follows:		
Opening borrowings	23,111.27	20,923.22
Proceeds from long-term borrowings	5,200.00	2,557.66
Repayment of long-term borrowings	(2,725.19)	(4,410.32)
Non-cash adjustments	32.85	(24.20)
Adjustment on account of mergers (refer note 41)	-	4,064.92
	<b>25,618.93</b>	<b>23,111.28</b>

The notes referred to above form an integral part of the Consolidated Ind AS financial statements.

As per our audit report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

Partner

Membership No: 105149

Mumbai

June 12, 2018

For and on behalf of the Board of Directors

**Chalet Hotels Limited**

(formerly known as Chalet Hotels Private Limited)

(CIN No. U55101MH1986PLC038538)

**Sanjay Sethi**

Managing Director &amp; CEO

(DIN 00641243)

Mumbai

June 12, 2018

**Rajeev Newar**

Executive Director &amp; CFO

(DIN 00468125)

**Christabelle Baptisa**

Company Secretary

Membership No. A17817

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(₹ in million)

**(a) Equity share capital**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the reporting year	1,521.42	1,521.42	1,521.42
Shares issued during the year	189.53	-	-
<b>Balance at the end of the reporting year</b>	<b>1,710.95</b>	<b>1,521.42</b>	<b>1,521.42</b>

**(b) Other equity**

	Attributable to the owners of the Company					Total
	Share pending allotment	Capital Reserve	Securities Premium Account	General reserve	Retained earnings*	
<b>Balance at March 31, 2017</b>	<b>189.53</b>	<b>0.16</b>	<b>1,418.13</b>	<b>1,071.96</b>	<b>1,682.26</b>	<b>4,362.04</b>
<b>Total comprehensive income for the year</b>						
(Loss) for the year	-	-	-	-	(928.75)	(928.75)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	14.66	14.66
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(914.09)</b>	<b>(914.09)</b>
<b>Others</b>						
Impact of change in tax rate on fair valuation of land	-	-	-	-	(14.32)	(14.32)
Shares issued during the year	(189.53)	-	-	-	-	(189.53)
<b>Balance at March 31, 2018</b>	<b>-</b>	<b>0.16</b>	<b>1,418.13</b>	<b>1,071.96</b>	<b>753.85</b>	<b>3,244.10</b>
<b>Balance at April 1, 2016</b>		<b>0.16</b>	<b>992.60</b>	<b>1,036.19</b>	<b>2,716.77</b>	<b>4,745.72</b>
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	1,391.10	1,391.10
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	0.13	0.13
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,391.23</b>	<b>1,391.23</b>
<b>Others</b>						
Acquired in business combination (refer note 41)	-	-	425.53	35.77	(2,425.74)	(1,964.44)
Share pending allotment (refer note 41)	189.53	-	-	-	-	189.53
<b>Balance at March 31, 2017</b>	<b>189.53</b>	<b>0.16</b>	<b>1,418.13</b>	<b>1,071.96</b>	<b>1,682.26</b>	<b>4,362.04</b>

\*Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact) ₹ 3,710.05 million (March 31, 2017: ₹ 3,724.37 million, April 1, 2016: ₹ 3,724.37 million)

The notes referred to above form an integral part of the Consolidated Ind AS financial statements.

As per our audit report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

Partner

Membership No: 105149

Mumbai

June 12, 2018

For and on behalf of the Board of Directors

**Chalet Hotels Limited**

(formerly known as Chalet Hotels Private Limited)

(CIN No. U55101MH1986PLC038538)

**Sanjay Sethi**

Managing Director & CEO

(DIN 00641243)

Mumbai

June 12, 2018

**Rajeev Newar**

Executive Director & CFO

(DIN 00468125)

**Christabelle Baptisa**

Company Secretary

Membership No. A17817



# NOTES

## TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS SIGNIFICANT ACCOUNTING POLICIES

### 1.1 REPORTING ENTITY

The Consolidated Ind AS Financial Statements comprise of consolidated financial statements of Chalet Hotels Limited ('the Company' or 'the Holding Company'), its subsidiary companies (collectively, 'the Group') and its associate companies. The Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at Raheja Tower, Plot No. C-30, Block 'G', Opp. SIDBI, Bandra Kurla Complex, Bandra East, MUMBAI 400 051. The Company was incorporated under the Companies Act, 1956 on January 6, 1986 and has been converted into a public company with effect from June 6, 2018.

The Group is engaged in the business of hospitality (hotels), commercial and retail operations and real estate development. At March 31, 2018, the Group has, (a) five hotels (and one service apartment building) operating at Powai and Sahar (Mumbai), Vashi (Navi Mumbai), Bengaluru and Hyderabad, (b) developed residential property at Hyderabad (c) Retail block at Sahar, Mumbai and at Bengaluru, (d) commercial property at Bengaluru and (e) is engaged in construction and development of a residential property at Bengaluru and the balance of the Hotel Complex at Sahar (Mumbai) covering Business Centre and Administrative offices.

### 1.2 SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of preparation and presentation

The Consolidated Ind AS Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act. The Consolidated Ind AS Financial Statements upto year ended March 31, 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules 2006 and other relevant provisions of the Act, considered as the "Previous GAAP"

These Consolidated Ind AS Financial Statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Company's equity

financial position, financial performance and its cash flows is provided in Note 53.

#### i. Basis of measurement

The Consolidated Ind AS Financial Statements has been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer- Accounting policy regarding financials instruments);
- assets held for sale – measured at lower of cost or fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value less present value of defined benefit obligation; and
- land at fair value on transition date

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### ii. Functional and presentation currency

The Consolidated Ind AS Financial Statements is presented in Indian rupees, which is the Group's functional currency. All amounts have been rounded off to the nearest million with two decimals, unless otherwise indicated.

#### iii. Use of estimates and judgements

While preparing the Consolidated Ind AS Financial Statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at The Consolidated balance sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**NOTES**

**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

Judgement, estimates and assumptions are required in particular for:

- ***Evaluation of percentage completion for the purpose of revenue recognition***

Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in The Consolidated Ind AS Financial Statements for the period in which such changes are determined.

- ***Determination of the estimated useful lives***

Useful lives of property, plant and equipment and investment property are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- ***Recognition and measurement of defined benefit obligations***

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- ***Recognition of deferred tax assets***

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

- ***Recognition and measurement of other provisions***

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

- ***Discounting of long-term financial assets / liabilities***

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

- ***Determining whether an arrangement contains a lease***

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate. And in case of operating lease, treat all payments under the arrangement as lease payments.

- **Fair value of financial instruments**

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note J – impairment test of non-financial assets: key assumptions underlying recoverable amounts; and
- Note L – determining the fair value less costs to sell of the assets classified as held for sale on the basis of significant unobservable inputs.

iv. **Measurement of fair values**

The Group's accounting policies and disclosures require the measurement of fair values for, both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised

into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – Investment property
- Note 17 – Assets classified as held for sale
- Note 47 – Financial instruments
- Note 2 – Property, plant and equipment (Freehold land)

**B. Basis of consolidation**

**Subsidiaries:**

The Consolidated Ind AS Financial Statements incorporate the financial statements of the Company and entities controlled by the Company. Subsidiaries are all entities over which the holding company has control.

The Company controls an investee when the Company has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Subsidiaries are fully consolidated from when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.



## NOTES

### TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.

In the Consolidated Ind AS Financial Statements, 'Goodwill' represents the excess of the cost to the Holding company of its investment in the subsidiaries over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the Consolidated Ind AS Financial Statements.

#### Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

The Group's investment in its associate are accounted for using the equity method, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of the profit or loss and other comprehensive income of the associate since the acquisition date. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses.

Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Goodwill relating to the associates is included in the carrying amount of the investment and is not tested for impairment individually. The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associated are eliminated to the extent of the interest in the associate.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

The aggregate of the Group's share of profit and loss of an associate is shown on the face of the Consolidated Statement of Profit and Loss outside operating profit and represents profit and loss after tax of the associate. The financial statements of the associate are prepared for the same reporting period as of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value, and recognises the loss as 'Share of profit of an associate' in the Consolidated Statement of Profit and Loss.

**C. Current and non-current classification**

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

**Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

**D. Standards issued but not yet effective**

Ind AS 115 - Revenue from Contracts with Customer (the new revenue recognition standard) has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and will be effective from April 01, 2018. Hence, from April 1, 2018, revenue recognition of the Group shall be driven by this standard. IND AS 115 provides guidance on how the entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This accounting change will bring about significant changes in the way companies recognise, present and disclose their revenue. The Group is currently evaluating the effect of this standard.

Also Appendix B to Ind AS 21, foreign currency transactions and advance consideration was notified along with the same notification which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Group does not expect any material impact on account of this change.

**E. Business combination**

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business combinations, to only those business combinations that occurred on or after the transition date i.e. April 1, 2016.

The Group has accounted merger schemes in a manner prescribed by the High Court orders. The book values of the assets, liabilities and reserves of the Transferor Company have been recorded and the identity of the reserves has been maintained. The excess of book value of the net assets and reserves of the Transferor Company taken over, over the face value of the shares issued by

**NOTES**

**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

the transferee Company has been debited to the Goodwill as per the Scheme. Any goodwill that arises is tested annually for impairment.

Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognised in the Consolidated Statement of Profit and Loss.

**Common control**

Business combinations involving entities that are ultimately controlled by the same parties before and after the business combination are considered as Common control entities. Common control transactions are accounted using pooling of interest method. The financial statements in respect of prior periods have been restated from the period that the Transferor Company became a subsidiary of the Transferee Company where the assets and liabilities of the transferee are recorded at their existing carrying values, the identity of reserves of the transferee company is preserved.

**F. Revenue**

**a. Real estate development and sale**

Revenue from real estate activity is recognised to the extent that it is probable that the economic benefits will flow to the Group, all significant risks and rewards of ownership are transferred to the customers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

Revenue from real estate development activity where the Group still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, is recognised on the 'Percentage of Completion Method'. Revenue is recognised in relation to the sold areas, on the basis of percentage of actual cost incurred, including land, development and construction costs as against the total estimated cost of project. The group recognises revenue in accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the institute of Chartered Accountants of India.

Cost of Construction/Development (including cost of land) incurred is charged to the Consolidated Statement of Profit and Loss proportionate to area

sold and the balance cost is carried over under Inventory as part of Property under development. Cost of construction/development includes all costs directly related to the Project and other expenditure as identified by the management which are reasonably allocable to the project.

Unbilled revenue from Real Estate represents revenue recognised over and above amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognised profits to date on projects under construction are disclosed as advance received from customers under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables.

The estimates of saleable area and cost of construction are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined. The estimated cost of construction as determined is based on management's estimate of the cost expected to be incurred till the final completion and includes cost of materials, service and other related overheads. Unbilled costs are carried as property under development.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Group, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion.

Further, in accordance with the said Guidance Note, revenues will be recognised from these real estate projects only when:

- All critical approvals necessary for commencement of the project have been obtained;
- the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost);
- when at least 10% of the sales consideration is realised; and
- Where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****b. Hospitality business**

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food, beverages, smokes and allied services relating to hotel operations. Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff/rates are fixed or are determinable and collectability is reasonably certain.

Revenue recognised is net of indirect taxes, returns and discounts.

**c. Rental income**

Revenues from property leased out under an operating lease are recognised over the tenure of the lease / service agreement on a straight line basis over the term of the lease, except where the rentals are structured to increase in line with expected general inflation, and except where there is uncertainty of ultimate collection.

**d. Income from other services**

Maintenance income is recognised as and when related expenses are incurred.

Income from ancillary services are recognised as and when the services are rendered.

**e. Dividend income**

Dividend income is recognised only when the right to receive the same is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be measured reliably.

**f. Interest income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets on initial recognition. Interest income is included in other income in the Consolidated Statement of Profit or Loss.

**G. Foreign currency****Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses

resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within other gains / (losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

**H. Employee benefits****a) Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Short-term benefits such as salaries, wages, short-term compensation absences, etc., are determined on an undiscounted basis and recognised in the period in which the employee renders the related service.

**b) Post-employment benefits***Defined contribution plans*

Obligations for contributions to defined contribution plans such as Provident Fund and Family pension maintained with Regional Provident Fund Office are expensed as the related service is provided.

*Defined benefit plans*

The following post – employment benefit plans are covered under the defined benefit plans:

- Gratuity Fund

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The

**NOTES**

**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus the Group's defined benefit plans. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of Changes in Equity and in the Consolidated Balance Sheet.

**c) Terminal Benefits:**

All terminal benefits are recognised as an expense in the period in which they are incurred.

**I. Income-tax**

Income-tax expense comprises current and deferred tax. It is recognised in net profit in the consolidated statement of profit or loss except to the extent that it relates to items recognised directly in equity or in the OCI.

**a. Current tax**

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**b. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Consolidated Statement of Profit and Loss.

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**J. Inventories****Hospitality**

Stocks of stores, food and beverages and operating supplies (viz. crockery, cutlery, glassware and linen) are carried at the lower of cost and net realisable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is arrived at by the weighted average cost method.

Stocks of stores and spares and operating supplies (viz. crockery, cutlery, glassware and linen) once issued to the operating departments are considered as consumed and expensed to the Consolidated Statement of Profit and Loss.

**Real Estate Development (Residential Flats)**

Property is valued at lower of cost and net realisable value. Cost comprises of land, development rights, materials, services, and other expenses attributable to the projects. Costs of construction / development (including cost of land) incurred is charged to the Consolidated Statement of Profit and Loss proportionate to area sold and the balance cost is carried over under inventories as part of property under development.

**Real Estate Development (Residential Flats)**

Cost of construction material (including unutilised project materials) at site is computed by the weighted moving average method and carried at lower of cost and Net Realisable value.

**K. Property, plant and equipment****a. Recognition and measurement**

Property, plant and equipment are stated at cost less accumulated depreciation / amortisation

and impairment losses, if any except for freehold land which is not depreciated. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Consolidated Statement of Profit and Loss.

Properties in the course of construction for production, supply or administration purposes are carried at cost, less any impairment loss recognised. Cost includes professional fees and, for qualifying assets borrowing costs capitalised in accordance with the group's accounting policy. Such properties are classified to the appropriate categories of Property, Plant & Equipment when completed and are ready for intended use. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**b. Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

**c. Transition to Ind AS**

For transition to Ind AS, the Group has elected to apply Ind AS 16 retrospectively to its property, plant and equipment along with selective fair valuation of few assets (Freehold land at Powai and Sahar in Mumbai and Westin at Hyderabad are measured at fair value as deemed cost) and use that carrying value as its deemed cost. While measuring the property, plant and equipment in accordance with Ind AS, the Group has elected to measure certain items of property, plant and equipment at the date of transition to Ind AS at their fair values and use that fair values as their deemed cost.

**d. Depreciation**

Depreciation is provided using the Straight line method (SLM) as per the useful life of the assets estimated by the management.



**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

Depreciation on addition/deletion of fixed asset made during the year is provided on pro-rata basis from/upto the date of each addition / deletion. The useful lives of assets estimated by management is same as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life is different than that of Schedule II to the Act.

Asset Type	Useful Life		Schedule II
	FY 2016-17	F.Y. 2017-18	
Buildings (Interior and Accessories)	10 Years	14 Years	NA
Plant and Machinery			
- Food and beverages and Kitchen equipment	8 Years	8 Years	
- Audio video equipment	5 Years	5 Years	15 Years
- Laundry equipment	5 Years	15 Years	
- Others	10 Years	14 Years	
Electrical installations	10 Years	14 Years	10 Years
Office Equipments			
- Mobile phones	2 Years	2 Years	5 Years
- Others	4 Years	4 Years	
Data Processing Equipments	4 Years	3 Years	3 Years
Vehicles	5 Years	5 Years	6 Years
Furniture and Fixtures	7 Years	10 Years	10 Years

Building interiors and accessories comprise of the interiors of the Hotel building which will undergo renovation, are depreciated on a SLM basis over a period of 10 years, which in management's view, represents the useful life of such assets.

Building constructed on leasehold land are amortised from the date of commencement of commercial operations over the balance lease period.

Leasehold Improvements are depreciated over the primary period of lease.

Temporary structures and assets costing ₹ 5,000/- or less are depreciated at 100% in the year of capitalisation.

Freehold land is measured at fair value as per Ind AS 113 with the resultant impact being accounted for in the reserves. The fair value of the Group's freehold land parcels as at April 1, 2016 have been arrived

at on the basis of a valuation carried out by an independent registered appraiser not related to the Group with appropriate qualifications and relevant experience in the valuation of properties at relevant locations. The fair value was determined based on a combination of Discounted Cash Flow method and Residual method.

**L. Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**M. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The management committee assesses the financial performance and position of the group, and makes strategic decisions. It is identified as being the chief operating decision maker for the Group. Refer note 49 for segment information presented.

**N. Intangible assets**
**Recognition and measurement**

Intangible assets comprises of trademarks and computer software and are measured at cost less any accumulated amortisation and accumulated impairment loss, if any.

**Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

**Transition to Ind AS**

On transition of Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the Consolidated Statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Intangible assets are amortised on straight-line method over estimated useful life of 3 years, which in management's view represents the economic useful life of these assets.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate prospectively.

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

Goodwill on business combination is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of

revalued assets, such reversal is not recognised.

**O. Investment property and investment property under construction****(a) Recognition and measurement**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

Investment property and investment property under construction represents the cost incurred in respect of areas retail block and commercial office space. Property under construction is accounted for as investment property under construction until construction or development is complete.

Direct expenses like cost of land, including related transaction costs, site labour cost, material used for project construction, project management consultancy, costs for moving the plant and machinery to the site and general expenses incurred specifically for the respective project like insurance, design and technical assistance, and construction overheads are taken as the cost of the project.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties under construction are carried individually at cost less impairment, if any. Impairment of investment property is determined in accordance with the policy stated for impairment of assets.

**(b) Depreciation**

Depreciation on investment property has been provided pro rata for the period of use by the Straight Line Method. The useful lives of Investment

**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

Property is estimated by management and the same is as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life of these assets differs from Schedule II.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property are disclosed in the notes. Fair values are determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Asset Type	FY 2016-17	F.Y. 2017-18	Schedule II
Buildings (Interior and Accessories)	10 Years	14 Years	NA
Plant and Machinery	10 Years	14 Years	15 Years
Plant and Machinery – Others	15 Years	15 years	
Electrical installations	10 Years	14 Years	10 Years
Office Equipments	4 Years	4 Years	5 Years
Data Processing Equipments	3 Years	3 Years	3 Years
Furniture and Fixtures	10 Years	10 Years	10 Years

**P. Assets held for sale**

Non-current assets are classified as held for sale if it is highly probable that their carrying amount will be recovered primarily through sale rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of

disposal when the disposal results in the Group losing Significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate in accordance with Ind AS 109 unless the retained interest continues to be an associate, in which case the Group uses the equity method (see the accounting policy regarding investments in associates above).

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised profit or loss. Refer Note 17.

**Q. Financial Instruments**
**1. Financial assets**
**(a) Recognition and initial measurement**

Trade receivable are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset is initially measured at fair value plus, for an item not at Fair Value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**(b) Classification and subsequent measurement**

The Group classifies its financial assets into a) financial assets measured at amortised cost, and b) financial assets measured at fair value through profit or loss (FVTPL). Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification.

**(i) Financial assets measured at amortised costs**

A financial asset is classified at amortised costs if it is held within a business model whose objective is to a) hold financial asset in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortisation of such interests forms part of finance income in the Consolidated Statement of Profit and Loss. Any impairment loss arising from these assets are recognised in the Consolidated Statement of Profit and Loss.

- (ii) Financial assets measured at fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which do not meet the criteria for classification as at amortised cost, is classified as FVTPL. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the Consolidated Statement of Profit or Loss.

- (iii) Financial assets measured at fair value through other comprehensive income (FVOCI)

- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

**(c) Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the

asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset and associated liability for any amounts it may have to pay.

**(d) Impairment of financial assets**

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- b) Trade receivables- The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**2. Financial liabilities****(a) Recognition, measurement and classification**

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**NOTES**

**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

The Group's financial liabilities at amortised cost includes loan and borrowings, interest free security deposit, interest accrued but not due on borrowings, Retention money payable, trade and other payables. Such financial liabilities are recognised initially at fair value minus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The Group's financial liabilities at fair value through profit or loss includes derivative financial instruments.

**(b) Financial guarantee contracts**

The Group on a case to case basis elects to account for financial guarantee contracts as a financial instruments or as an insurance contracts as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance contracts. The Group has regarded all its financial guarantee contracts as insurance contracts. At the end of each reporting period, the Group performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognised in consolidated summary statement of profit and loss.

**(c) Derecognition**

The Group derecognises financial liabilities when its contractual obligations are discharged or cancelled or have expired.

**3. Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**4. Derivative financial instruments**

The Group uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are

initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured to their fair value. The resulting gain/loss is recognised in Consolidated Statement of Profit and Loss immediately at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The Group does not designate the derivative instrument as a hedging instrument.

**R. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

**S. Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. In determining whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease date if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

**i. Lease payments**

Payments made under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight line basis over the term of the lease unless such payments are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the years in which such benefits accrue.

**ii. Lease assets**

Assets held by the Group under leases that transfer to the Group substantially all of the risks

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included in The Consolidated balance sheet. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's Consolidated Ind AS Financial Statements.

**T. Cash and cash equivalents**

Cash and cash equivalent in The Consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**U. Government Grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

**V. Earnings Per Share ("EPS")**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**W. Earnings before interest and depreciation and amortisation ("EBITDA")**

The Group presents EBITDA in the Consolidated Statement of Profit and Loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Group's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

**Measurement of EBITDA**

Accordingly, the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) before exceptional items, as a separate line item on the face of the Consolidated Statement of Profit and Loss. The Group measures EBITDA before exceptional items on the basis of profit/ (loss) from continuing operations including other income. In its measurement, the Group does not include exceptional items, depreciation and amortisation expense, finance costs, share of profit from associate and tax expense.



**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**2. PROPERTY, PLANT AND EQUIPMENT**

Reconciliation of carrying amount

Year ended March 31, 2018

Particulars	Gross Block			Accumulated Depreciation				(₹ in million)	
	Opening balance as at April 1, 2017	Additions	Deductions	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	For the year	Deductions	Closing balance as at March 31, 2018	Net Block As At March 31, 2018
<b>Tangible Assets</b>									
Freehold land	7,674.37	286.57	-	7,960.94	-	-	-	-	7,960.94
Buildings	12,421.63	84.28	-	12,505.91	2,376.03	389.24	-	2,765.27	9,740.64
Leasehold improvements	6.92	-	-	6.92	6.92	-	-	6.92	-
Plant and machinery	4,144.41	50.33	2.59	4,192.15	1,963.59	272.12	2.21	2,233.50	1,958.65
Data processing equipments	185.96	18.42	3.04	201.34	148.61	28.69	3.04	174.26	27.08
Electrical installations	1,577.33	13.68	0.02	1,590.99	826.13	78.55	0.02	904.66	686.33
Furniture and fixtures	1,982.97	32.30	6.85	2,008.42	1,091.60	154.13	5.97	1,239.76	768.66
Vehicles	311.08	-	34.43	276.65	195.06	44.52	25.82	213.76	62.89
Office equipments	92.48	5.29	0.40	97.37	83.15	9.01	0.37	91.79	5.58
<b>Total</b>	<b>28,397.15</b>	<b>490.87</b>	<b>47.33</b>	<b>28,840.69</b>	<b>6,691.09</b>	<b>976.26</b>	<b>37.43</b>	<b>7,629.92</b>	<b>21,210.77</b>

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****2. PROPERTY, PLANT AND EQUIPMENT (CONTD.)**

(₹ in million)

Year ended March 31, 2017

Particulars	Gross Block					Accumulated Depreciation					Net Block
	Opening balance as at April 1, 2016	On account of Merger (Refer note 41)	Additions/ Transfer in from investment property	Deductions	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	On account of Merger (Refer note 41) Transfer in from investment property	For the year	Deductions	Closing balance as at March 31, 2017	As At March 31, 2017
<b>Tangible Assets</b>											
Freehold land	7,387.73	286.64	-	-	7,674.37	-	-	-	-	-	7,674.37
Buildings	10,023.51	1,963.46	575.18	140.52	12,421.63	1,611.07	390.58	514.90	140.52	2,376.03	10,045.60
Leasehold improvements	6.92	-	-	-	6.92	6.92	-	-	-	6.92	-
Plant and machinery	3,225.34	687.20	262.02	30.15	4,144.41	1,454.85	258.31	279.44	29.01	1,963.59	2,180.82
Data processing equipments	172.04	23.82	5.35	15.25	185.96	113.84	21.21	28.60	15.04	148.61	37.35
Electrical installations	1,271.15	245.71	60.96	0.49	1,577.33	567.19	122.92	136.44	0.42	826.13	751.20
Furniture and fixtures	1,699.48	178.91	130.17	25.59	1,982.97	889.33	80.47	144.82	23.02	1,091.60	891.37
Vehicles	267.94	41.65	3.24	1.75	311.08	123.59	27.58	45.64	1.75	195.06	116.02
Office equipments	79.32	7.59	7.93	2.36	92.48	64.42	6.85	14.08	2.20	83.15	9.33
<b>Total</b>	<b>24,133.43</b>	<b>3,434.98</b>	<b>1,044.85</b>	<b>216.11</b>	<b>28,397.15</b>	<b>4,831.21</b>	<b>907.92</b>	<b>1,163.92</b>	<b>211.96</b>	<b>6,691.09</b>	<b>21,706.06</b>

**Notes**

- 1) The Group has considered fair value for freehold land as of April 1, 2016 with impact of ₹ 5,887.72 million (related tax ₹ 2,163.35 million) based on deemed cost exemption available under Ind AS 101 with the resultant impact being accounted for in the reserves. Refer note 54 for details.
- 2) The Group has reviewed and revised the estimated economic useful lives of its property plant and equipment in accordance with the useful lives specified in Schedule II of the Companies Act, 2013 in accordance with an internal evaluation which is more representative of the useful lives of its property plant and equipment during the year ended March 31, 2018. Consequently, the depreciation expense for the year ended March 31, 2018 is lower by ₹ 295.10 million. The change in estimated useful lives has effect of reduction in depreciation charge in future periods.
- 3) Refer note 20 and 25 for information on Property, plant and equipment pledged as security by the Group.
- 4) Refer Note 42 for contractual commitments with respect to property plant and equipments.
- 5) In December 2005, the Group had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected in the schedule above). The Group has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on January 22, 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Consolidated financial information. The carrying value of property, plant and equipment in respect of the aforementioned hotel as at March 31, 2018 is ₹ 449.26 million (March 31, 2017: ₹ 474.47 million, April 1, 2016: ₹ 510.23 million).

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**3 CAPITAL WORK IN PROGRESS**

			(₹ in million)
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Opening balance	374.39	478.01	648.57
Add: Additions during the year	501.02	941.23	750.08
Less: Capitalised during the year	(490.87)	(1,044.85)	(920.64)
<b>Closing balance</b>	<b>384.54</b>	<b>374.39</b>	<b>478.01</b>
Less: Provision for impairment	(166.31)	(162.89)	(161.90)
<b>Net balance</b>	<b>218.23</b>	<b>211.50</b>	<b>316.11</b>

**Notes**

- Capital Work in Progress includes expenditure incurred by a subsidiary, "Chalet Hotels & Properties (Kerala) Private Ltd." aggregating to ₹ 166.31 million (March 31, 2017: 162.89 million, April 1, 2016: 161.90 million) in accordance with the agreement entered into with the Department of Tourism, Government of Kerala with regard to the International Convention Centre Complex (ICCC) Project. The Department of Tourism (DOT) is required to contribute the land for the project as its equity in kind and the Group and K Raheja Corp Private Limited, the joint bidders for the project are required to bring equity for the project in cash. Pending execution of the lease deed on the requisite project land and due to abnormal delays in the execution of the project the subsidiary has stopped capitalisation of borrowing costs. Considering the above, the management of the Group has made an impairment loss provision equal to the carrying value of capital work in progress of ICCC project.
- Expenses (net) capitalized to capital work in progress during the year(s).

	For the year ended	
Particulars	March 31, 2018	March 31, 2017
Legal and professional charges	12.02	3.12
Employee costs	72.52	49.35
Rates, taxes and license fees	6.75	0.41
Repairs and maintenance	0.21	-
Interest and other finance cost	-	3.08
Miscellaneous expenses	4.38	1.08
Interest income on surplus funds	-	-
Other income/sale of scrap	(1.13)	(0.11)
<b>Total</b>	<b>94.75</b>	<b>56.93</b>



**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**4 INVESTMENT PROPERTY****A. Reconciliation of carrying amount**

(₹ in million)

**Year ended March 31, 2018**

Particulars	Gross Block				Accumulated Depreciation/ Amortisation				Net Block
	Opening balance as at April 1, 2017	Additions	Deductions/Transfer out	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	For the year	Deductions/Transfer out	Closing balance as at March 31, 2018	As At March 31, 2018
Commercial complex, Bengaluru I	897.92	4.93	9.48	893.37	27.95	25.85	2.64	51.16	842.21
Retail block, Sahar, Mumbai	1,090.55	44.68	-	1,135.23	14.86	35.61	-	50.47	1,084.76
Retail block, Bengaluru	1,776.87	2.13	-	1,779.00	386.89	63.13	-	450.02	1,328.98
Hyderabad flats	15.27	-	-	15.27	0.26	0.26	-	0.52	14.75
<b>Total (A)</b>	<b>3,780.61</b>	<b>51.74</b>	<b>9.48</b>	<b>3,822.87</b>	<b>429.96</b>	<b>124.85</b>	<b>2.64</b>	<b>552.17</b>	<b>3,270.70</b>
<b>Investment Property under Construction</b>									
Business centers and offices, Sahar, Mumbai									3,124.74
Commercial complex, Bengaluru II									311.20
Retail block, Sahar, Mumbai									30.01
<b>Total (B)</b>									<b>3,465.95</b>
<b>Total (A+B)</b>									<b>6,736.65</b>

**Year ended March 31, 2017**

Particulars	Gross Block					Accumulated Depreciation/ Amortisation					Net Block
	Opening balance as at April 1, 2016	On account of Merger (Refer note 41)	Additions	Deductions / Transfer out	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	On account of Merger (Refer note 41)	For the year	Deductions / Transfer out	Closing balance as at March 31, 2017	As At March 31, 2017
Commercial complex, Bengaluru I	53.85	-	1,116.30	272.23	897.92	-	-	30.95	3.00	27.95	869.97
Retail block, Sahar, Mumbai	-	-	1,090.55	-	1,090.55	-	-	14.86	-	14.86	1,075.69
Retail block, Bengaluru	-	1,776.87	-	-	1,776.87	-	343.32	43.64	0.07	386.89	1,389.98
Hyderabad flats	15.27	-	-	-	15.27	-	-	0.26	-	0.26	15.01
<b>Total (A)</b>	<b>69.12</b>	<b>1,776.87</b>	<b>2,206.85</b>	<b>272.23</b>	<b>3,780.61</b>	<b>-</b>	<b>343.32</b>	<b>89.71</b>	<b>3.07</b>	<b>429.96</b>	<b>3,350.65</b>

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**4 INVESTMENT PROPERTY (CONTD.)**

(₹ in million)

Year ended March 31, 2017

Particulars	Gross Block					Accumulated Depreciation/ Amortisation					Net Block	
	Opening balance as at April 1, 2016	On account of Merger (Refer note 41)	Additions	Deductions / Transfer out	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	On account of Merger (Refer note 41)	For the year	Deductions / Transfer out	Closing balance as at March 31, 2017	As At March 31, 2017	
<b>Investment property under construction</b>												
Business centers and offices, Sahar, Mumbai												2,768.37
Commercial complex, Bengaluru II												305.17
<b>Total (B)</b>												<b>3,073.54</b>
<b>Total (A+B)</b>												<b>6,424.19</b>

**Deemed cost exemption**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the investment properties.

**Deemed cost as at April 1, 2016**

	Gross Block as on April 1, 2016	Accumulated amortisation till April 1, 2016	Net Block treated as deemed cost upon transition
<b>Investment Property</b>			
Commercial complex, Bengaluru I	62.17	8.32	53.85
Hyderabad flats	16.05	0.78	15.27
<b>Total (A)</b>	<b>78.22</b>	<b>9.10</b>	<b>69.12</b>

**Notes:**

- The Group has reviewed and revised the estimated economic useful lives of its investment property in accordance with the useful lives specified in Schedule II of the Companies Act, 2013 in accordance with an internal evaluation which is more representative of the useful lives of its investment property during the year ended March 31, 2018. Consequently, the depreciation expense for the year ended March 31, 2018 is lower by ₹ 52.14 million. The change in estimated useful lives has effect of reduction in depreciation charge in future periods.
- Refer note 20 and 25 for information on investment property pledged as security by the Group.
- Details of investment property under construction

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Opening Balance	3,073.54	4,455.90	3,429.47
Add: Additions during the year	444.15	824.49	1,026.43
Less: Capitalised during the year	(51.74)	(2,206.85)	-
<b>Closing Balance</b>	<b>3,465.95</b>	<b>3,073.54</b>	<b>4,455.90</b>

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****4 INVESTMENT PROPERTY (CONTD.)**

(₹ in million)

4. Expenses (net) capitalized to investment property under construction during the year(s).

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Legal and professional charges	7.41	2.35
Employee costs	1.25	19.99
Rates, taxes and license fees	3.89	-
Repairs and maintenance	0.96	-
Interest and other finance cost	221.41	266.57
Miscellaneous expenses	3.92	10.93
Interest income on surplus funds	-	-
Other income/sale of scrap	(0.10)	(2.55)
<b>Total</b>	<b>238.74</b>	<b>297.30</b>

**B. Fair value measurement****i. Fair value hierarchy**

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualification and experience.

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Investment Properties	Fair Value as on		
	March 31, 2018	March 31, 2017	April 1, 2016
Commercial complex, Bengaluru I	905.00	870.00	-
Retail block, Sahar, Mumbai	2,688.00	2,394.00	-
Retail block, Bengaluru	1,554.00	1,414.00	-
Hyderabad flats	23.00	23.00	22.00

**ii. Valuation technique and significant unobservable inputs****Valuation technique**

The fair value of investment property has been determined by external, independent property valuers / management, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The Group follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. The land of Commercial Complex, Bengaluru - I is valued by residual method.

**C. Information regarding income and expenditure of investment property**

Particulars	March 31, 2018	March 31, 2017
Rental income derived from investment properties	166.37	114.23
Direct operating expenditure (including repairs and maintenance) generating rental income	54.14	28.30
Direct operating expenditure that did not generate rental income	-	-
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>112.23</b>	<b>85.93</b>
Depreciation	124.85	89.71
<b>Profit/ (loss) arising from investment properties before indirect expenses</b>	<b>(12.62)</b>	<b>(3.78)</b>



**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**4 INVESTMENT PROPERTY (CONTD.)**

(₹ in million)

**D. The Group has no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.**

**E. Asset wise breakup of Investment property is as follows:**

**Year ended March 31, 2018**

Particulars	Gross Block			Accumulated Depreciation/amortisation				Net Block	
	Opening balance as at April 1, 2017	Additions	Deductions	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	for the year	Deductions	Closing balance as at March 31, 2018	As At March 31, 2018
<b>Tangible Assets</b>									
Freehold land	367.70	43.86		411.56	-	-	-	-	411.56
Buildings	2,499.60	1.62		2,501.22	218.16	63.60	-	281.76	2,219.46
Plant and machinery	594.69	3.56	7.67	590.58	117.11	36.54	1.67	151.98	438.60
Computers	2.15	0.28	1.02	1.41	1.43	0.21	0.75	0.89	0.52
Electrical installations	247.50	1.28		248.78	65.43	14.51	-	79.94	168.84
Furniture and fixtures	68.08	0.77	0.79	68.06	27.11	9.69	0.22	36.58	31.48
Office equipments	0.58	0.14		0.72	0.43	0.07	-	0.50	0.22
	<b>3,780.30</b>	<b>51.51</b>	<b>9.48</b>	<b>3,822.33</b>	<b>429.67</b>	<b>124.62</b>	<b>2.64</b>	<b>551.65</b>	<b>3,270.68</b>
<b>Intangible assets</b>									
Software	0.31	0.23	-	0.54	0.29	0.23	-	0.52	0.02
	<b>0.31</b>	<b>0.23</b>	<b>-</b>	<b>0.54</b>	<b>0.29</b>	<b>0.23</b>	<b>-</b>	<b>0.52</b>	<b>0.02</b>
<b>Total</b>	<b>3,780.61</b>	<b>51.74</b>	<b>9.48</b>	<b>3,822.87</b>	<b>429.96</b>	<b>124.85</b>	<b>2.64</b>	<b>552.17</b>	<b>3,270.70</b>

**Year ended March 31, 2017**

Particulars	Gross Block				Accumulated Depreciation/amortisation					Net Block	
	Opening balance as at April 1, 2016	On account of Merger (Refer note 41)	Additions	Deductions	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	On account of Merger (Refer note 41)	For the year	Deductions	Closing balance as at March 31, 2017	As At March 31, 2017
<b>Tangible Assets</b>											
Freehold land	-	157.44	210.26	-	367.70	-	-	-	-	-	367.70
Buildings	56.22	1,146.08	1,567.54	270.24	2,499.60	-	168.01	53.15	3.00	218.16	2,281.44
Plant and machinery	8.44	294.46	291.79	-	594.69	-	97.84	19.27	-	117.11	477.58
Computers	0.52	1.34	0.29	-	2.15	-	1.03	0.40	-	1.43	0.72
Electrical installations	1.99	118.08	129.42	1.99	247.50	-	53.32	12.11	-	65.43	182.07
Furniture and fixtures	1.92	58.74	7.42	-	68.08	-	22.42	4.76	0.07	27.11	40.97
Office equipments	-	0.45	0.13	-	0.58	-	0.42	0.01	-	0.43	0.15
	<b>69.09</b>	<b>1,776.59</b>	<b>2,206.85</b>	<b>272.23</b>	<b>3,780.30</b>	<b>-</b>	<b>343.04</b>	<b>89.70</b>	<b>3.07</b>	<b>429.67</b>	<b>3,350.63</b>
<b>Intangible assets</b>											
Software	0.03	0.28	-	-	0.31	-	0.28	0.01	-	0.29	0.02
	<b>0.03</b>	<b>0.28</b>	<b>-</b>	<b>-</b>	<b>0.31</b>	<b>-</b>	<b>0.28</b>	<b>0.01</b>	<b>-</b>	<b>0.29</b>	<b>0.02</b>
<b>Total</b>	<b>69.12</b>	<b>1,776.87</b>	<b>2,206.85</b>	<b>272.23</b>	<b>3,780.61</b>	<b>-</b>	<b>343.32</b>	<b>89.71</b>	<b>3.07</b>	<b>429.96</b>	<b>3,350.65</b>

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**5 GOODWILL****Impairment testing for cash generating unit (CGU) containing goodwill**

For the purpose of impairment testing, goodwill is allocated to the Group's operating segments which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Hotel	164.04	164.04	-
Retail	25.49	25.49	-
Commercial complex at Bengaluru	36.58	36.58	36.58
<b>Total</b>	<b>226.11</b>	<b>226.11</b>	<b>36.58</b>

The recoverable amount is based on a value-in-use calculation using the discounted cash flow method.

Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit. The calculation of the value in use is based on the following key assumptions:

The table below shows the key assumptions used in the value in use calculations of :

**A. Hotel**

Particulars (in %)	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	9.59%	9.13%	-
Terminal value growth rate	6.50%	6.50%	-

**B. Retail**

Discount rate	9.59%	9.13%	-
Terminal value growth rate	8.50%	8.50%	-

**C. Commercial complex at Bengaluru**

Discount rate	9.59%	9.13%	9.55%
Terminal value growth rate	8.50%	8.50%	8.50%

**Discount rate**

The discount rate is a pre tax measure based on the rate of 10 year government bonds issued by the Government of India, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

**Terminal value growth rate**

Terminal value growth rate used for the purpose of calculation of terminal value has been determined based on the long-term compound annual growth rate in EBITDA.

The above assumptions are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

Based on the above assumptions and analysis, no impairment was identified for any of the CGU as at March 31, 2018, March 31, 2017 and April 1, 2016 as the recoverable value of the CGU exceeded the carrying value.

With regard to the assessment of value in use, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGUs to exceed their recoverable amount.

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**6 OTHER INTANGIBLE ASSETS**

Year ended March 31, 2018

Particulars	Gross Block			Accumulated Amortisation			Net Block	
	Opening balance as at April 1, 2017	Additions	Deductions	Closing balance as at March 31, 2018	Opening balance as at April 1, 2017	Charged for the year	Upto March 31, 2018	As At March 31, 2018
Trade marks	-	-	-	-	-	-	-	-
Computer software	63.09	3.97	-	67.06	33.31	15.22	48.53	18.53
<b>Total</b>	<b>63.09</b>	<b>3.97</b>	<b>-</b>	<b>67.06</b>	<b>33.31</b>	<b>15.22</b>	<b>48.53</b>	<b>18.53</b>

Year ended March 31, 2017

Particulars	Gross Block					Accumulated Amortisation				Net Block	
	Opening balance as at April 1, 2016	On account of Merger (Refer note 41)	Additions	Deductions	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	On account of Merger (Refer note 41)	Charged for the year	Deductions	Upto March 31, 2017	As At March 31, 2017
Trade marks	-	-	-	-	-	-	-	-	-	-	-
Computer software	37.92	19.74	5.61	0.18	63.09	-	17.36	16.13	0.18	33.31	29.78
<b>Total</b>	<b>37.92</b>	<b>19.74</b>	<b>5.61</b>	<b>0.18</b>	<b>63.09</b>	<b>-</b>	<b>17.36</b>	<b>16.13</b>	<b>0.18</b>	<b>33.31</b>	<b>29.78</b>

**Deemed cost exemption**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible asset recognised as at April 1, 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

**Deemed cost as at April 1, 2016**

	Gross Block as on April 1, 2016	Accumulated amortisation till April 1, 2016	Net Block treated as Deemed cost upon transition
Trade marks	0.04	0.04	-
Computer software	122.30	84.38	37.92
<b>Total</b>	<b>122.34</b>	<b>84.42</b>	<b>37.92</b>

**7 INVESTMENTS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Measured at fair value through profit and loss</b>			
<b>Investments in equity shares (non-trade, unquoted)</b>			
<b>In other companies (equity shares of ₹10/- each fully paid)</b>			
1,000 (March 31, 2017: 1,000, April 1, 2016: 1,000) shares of Stargaze Properties Private Limited	0.01	0.01	0.01
423 (March 31, 2017: 423, April 1, 2016: 203,181) shares of Intime Properties Limited	1.94	1.94	331.39
10,000 (March 31, 2017: 10,000, April 1, 2016: Nil) shares of Renew Wind Power Energy (AP) Limited	1.00	1.00	-
428,285 (March 31, 2017: Nil, April 1, 2016: Nil) shares of Krishna Valley Power Private Limited	8.64	-	-
1,044,500 (March 31, 2017: Nil, April 1, 2016: Nil) shares of Sahyadri Renewable Energy Private Limited	31.45	-	-



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****7 INVESTMENTS**

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Measured at amortised cost</b>			
<b>(a) Investments in preference shares (non-trade, unquoted)</b>			
<b>In associate Company (0.001% non-cumulative redeemable preference shares of ₹ 100.00/- each fully paid)</b>			
Nil (March 31, 2017: Nil, April 1, 2016: 1,600) shares of Genext Hardware & Parks Private Limited	-	-	142.71
<b>(b) Other investments</b>			
National Saving Certificates	0.13	0.13	0.13
	<b>43.17</b>	<b>3.08</b>	<b>474.24</b>
Aggregate amount of unquoted securities	43.17	3.08	474.24
Aggregate amount of quoted securities	-	-	-
Market value of quoted securities	-	-	-
Aggregate amount of impairment in the value of investments	-	-	-

**8 LOANS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured, considered good</b>			
Deposits			
Security deposits - related parties	26.98	26.98	26.98
Security deposits - others	78.67	73.50	90.19
Option deposits - others	8.40	5.00	-
	<b>114.05</b>	<b>105.48</b>	<b>117.17</b>

**9 OTHER NON-CURRENT FINANCIAL ASSETS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits with banks with more than 12 months maturity	50.00	-	-
	<b>50.00</b>	<b>-</b>	<b>-</b>

**10 OTHER NON-CURRENT ASSETS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepayments (refer footnote)	70.02	74.10	61.61
Secured, considered good			
Capital advances	-	11.20	9.46
Unsecured, considered good			
Capital advances.	3.73	8.49	27.39
Others	0.96	-	-
	<b>74.71</b>	<b>93.79</b>	<b>98.46</b>

In December 2005, the Group had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected under prepayment and others above). The Group has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on January 22, 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Consolidated financial information. The balance of prepaid lease rental in relation to such leasehold land as of March 31, 2018 is ₹ 54.52 million (March 31, 2017: ₹ 55.71 million, April 1, 2016 ₹ 56.91 million).

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**11 INVENTORIES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(valued at lower of cost and net realisable value)</b>			
<b>Hospitality :</b>			
Food, beverages and smokes	105.43	112.46	97.14
Operating supplies	-	-	3.28
Stores and spares	2.78	9.24	8.14
<b>Property development :</b>			
Developed property	247.25	312.47	388.96
Property under development (refer note 53)	3,031.94	2,659.87	2,533.02
Less: Provision for impairment	(376.65)	-	-
Property under development , net	2,655.29	2,659.87	2,533.02
Materials at site	100.60	108.30	110.04
<b>Retail:</b>			
Materials at site	4.45	4.69	-
	<b>3,115.80</b>	<b>3,207.03</b>	<b>3,140.58</b>

**12 TRADE RECEIVABLES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured, considered good, unless otherwise stated</b>			
Considered good	551.70	404.67	289.84
Considered doubtful	3.82	9.22	6.29
Less : Provision for impairment	(3.82)	(9.22)	(6.29)
	<b>551.70</b>	<b>404.67</b>	<b>289.84</b>

**13a CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with banks			
- Current accounts	290.22	218.69	209.64
Cheques on hand	0.08	1.08	0.30
Cash on hand	4.91	8.53	4.81
	<b>295.21</b>	<b>228.30</b>	<b>214.75</b>

Cash and cash equivalents includes balances in escrow account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**13b OTHER BANK BALANCES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
In term deposit accounts (balances held as margin money)	21.50	103.44	131.82
	<b>21.50</b>	<b>103.44</b>	<b>131.82</b>

(includes accrued interest of ₹ 0.93 million (March 31, 2017: ₹ 2.38 million, April 1, 2016: ₹ 4.77 million))

**14 LOANS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(Unsecured, considered good)</b>			
Deposits			
Security deposits - others	22.74	14.31	9.77
Loans to related parties (refer footnote and note 51)	2,326.55	1,779.16	1,345.82
	<b>2,349.29</b>	<b>1,793.47</b>	<b>1,355.59</b>

Loan to related parties include amounts due from a Director is ₹ 1.41 million (March 31, 2017: ₹ 7.50 million, April 1, 2016: ₹ 10.00 million) and due from Private Limited companies aggregating to ₹ 2,325.14 million (March 31, 2017: ₹ 1,771.66 million, April 1, 2016: ₹ 1,335.82 million) in which directors of the Company are directors.

The interest rate applicable to the amounts due from private limited companies in which directors of the Company are directors are 11.00% (March 31, 2017: 12.00%, April 1, 2016: 12.50%). These amounts are unsecured and repayable on demand.

**15 OTHER CURRENT FINANCIAL ASSETS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(Unsecured, considered good)</b>			
Unbilled revenue	195.33	106.70	103.53
Others*	192.85	30.07	-
Mark to market derivative contracts	14.38	8.72	-
	<b>402.56</b>	<b>145.49</b>	<b>103.53</b>

\* Includes Export benefits and entitlements of ₹ 192.85 million (March 31, 2017 : ₹ 26.96 million (net of related provision of ₹ 0.96 million), April 1, 2016 Nil)

**16 OTHER CURRENT ASSETS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<i>Secured, considered good</i>			
Advance to suppliers	-	3.55	-
<i>Unsecured, considered good</i>			
Advance to suppliers.	44.73	45.87	30.00
Indirect tax balances/receivable credits	192.45	161.44	159.16
Receivable from tax authorities	-	5.15	68.24
Prepayment and others	76.58	83.12	1.84
Others	7.55	12.14	9.72



**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

	321.31	311.27	268.96
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**17 ASSETS CLASSIFIED AS HELD FOR SALE**
**A. Following investments were classified as held for sale:**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Investment in equity shares of associate (face value of ₹ 10)			
Genext Hardware & Parks Private Limited (number of shares : Nil; March 31, 2017 : Nil; April 1, 2016 : 5,156)	-	-	2,870.26
<b>Total assets held for sale</b>	<b>-</b>	<b>-</b>	<b>2,870.26</b>

The investment in Genext Hardware & Parks Private Limited was acquired exclusively with a view of its subsequent disposal within twelve months from the date of purchase. It was classified as held for sale on acquisition during the year ended March 31, 2014 and consequently measured at the lower of its carrying amount and fair value less costs to sell.

The investment in Genext Hardware & Parks Private Limited required additional time beyond twelve months due to regulatory approvals and approvals from the local state governments.

**18 SHARE CAPITAL**
**(a) Details of the authorised, issued, subscribed and fully paid-up share capital as below:**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>(i) Authorised</b>			
172,000,000 (March 31, 2017: 152,500,000, April 1, 2016: 152,500,000) equity shares of the par value of ₹ 10 each	1,720.00	1,525.00	1,525.00
<b>(ii) Issued, subscribed and paid-up</b>			
171,095,293 (March 31, 2017: 152,142,253, April 1, 2016: 152,142,253) equity shares of the par value of ₹ 10 each	1,710.95	1,521.42	1,521.42
<b>Total</b>	<b>1,710.95</b>	<b>1,521.42</b>	<b>1,521.42</b>

**(b) Reconciliation of the number of shares outstanding at the beginning and end of the year:**

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
<b>Equity Shares</b>						
Number of equity shares outstanding at the beginning and end of the year	152,142,253	1,521.42	152,142,253	1,521.42	152,142,253	1,521.42
Issued during the year (Refer note 41)	18,953,040	189.53	-	-	-	-
<b>Total</b>	<b>171,095,293</b>	<b>1,710.95</b>	<b>152,142,253</b>	<b>1,521.42</b>	<b>152,142,253</b>	<b>1,521.42</b>

**(c) Registered shareholder holding more than 5% equity shares in the Group is set out below:**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Casa Maria Properties LLP (formerly known as Casa Maria Properties Private Limited till March 17, 2016.)	16,496,280	9.64%	16,496,280	10.84%	16,496,280	10.84%
Capstan Trading LLP (formerly known as Capstan Trading Private Limited till March 17, 2016)	16,495,680	9.64%	16,495,680	10.84%	16,495,680	10.84%
Raghukool Estate Development LLP (formerly known as Raghukool Estate Development Private Limited till March 18, 2016)	16,495,680	9.64%	16,495,680	10.84%	16,495,680	10.84%

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****18 SHARE CAPITAL (CONTD.)**

(₹ in million)

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
K Raheja Corp Private Limited.	14,570,000	8.52%	14,570,000	9.58%	14,570,000	9.58%
Touchstone Properties and Hotels Private Limited.	14,500,000	8.47%	14,500,000	9.53%	14,500,000	9.53%
Ravi Raheja	13,354,374	7.81%	7,768,056	5.11%	7,768,056	5.11%
Neel Raheja	13,354,374	7.81%	7,768,056	5.11%	7,768,056	5.11%
Anbee Construction LLP (formerly known as Anbee Construction Private Limited till March 17, 2016.)	13,116,180	7.67%	13,116,180	8.62%	13,116,180	8.62%
Cape Trading LLP (formerly known as Cape Trading Private Limited till March 17, 2016.)	13,116,180	7.67%	13,116,180	8.62%	13,116,180	8.62%
K Raheja Private Limited.	12,400,000	7.25%	12,400,000	8.15%	12,400,000	8.15%
Avacado Properties And Trading (India) Private Limited.	-	-	-	-	8,000,000	5.26%
Genext Hardware & Parks Private Limited	8,000,000	4.68%	8,000,000	5.26%	-	-
	<b>151,898,748</b>	<b>88.78%</b>	<b>140,726,112</b>	<b>92.50%</b>	<b>140,726,112</b>	<b>92.50%</b>

In cases where certain shareholders hold the equity shares jointly with other persons, the name of the primary beneficiary has been specified.

**(d) Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. The equity shareholders are eligible for dividend when recommended by the Board of Directors and approved by the Shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(e) Details of shares issued for other than cash**

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
<b>Equity Shares</b>						
Issued during the year (refer note 41)	18,953,040	189.53	-	-	-	-

**19 OTHER EQUITY**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Securities premium account</b>		
Securities premium account balance at the beginning of the year	1,418.13	992.60
Add: Merger of Genext Hardware & Parks Private Limited	-	425.53
<b>At the end of the year</b>	<b>1,418.13</b>	<b>1,418.13</b>
<b>Shares pending allotment</b>		
Shares pending allotment at the beginning of the year	189.53	-
To be issued on account of merger (refer note 41)	-	189.53
Shares pending allotment issued during the year	(189.53)	-
<b>At the end of the year</b>	<b>-</b>	<b>189.53</b>

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**19 OTHER EQUITY (CONTD.)**

Particulars	(₹ in million)	
	As at March 31, 2018	As at March 31, 2017
<b>General reserve</b>		
General reserve balance at the beginning of the year	1,071.96	1,036.19
Add: Merger of Genext Hardware & Parks Private Limited	-	35.77
<b>At the end of the year</b>	<b>1,071.96</b>	<b>1,071.96</b>
<b>Capital reserve</b>		
Capital reserve balance at the beginning of the year	0.16	0.16
<b>At the end of the year</b>	<b>0.16</b>	<b>0.16</b>
<b>Retained earnings</b>		
Retained earnings balance at the beginning of the year	1,682.26	2,716.77
Add: Profit/(loss) for the year	(914.08)	1,391.20
Add: Impact of change in tax rate on fair valuation of land	(14.32)	-
Add: Merger of Genext Hardware & Parks Private Limited	-	(2,425.71)
<b>At the end of the year</b>	<b>753.86</b>	<b>1,682.26</b>
	<b>3,244.11</b>	<b>4,362.04</b>

**Nature and purpose of reserves:**
**Securities premium account**

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Shares pending allotment**

Shares pending allotment represents consideration to be issued in relation to the merger of Genext Hardware and Parks Private Limited. The issue of such shares was completed in the financial year ended March 31, 2018 on receipt of requisite approvals for the merger (refer note 41).

**General reserve**

General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**Capital reserve**

The reserve comprises of profits/gains of capital nature earned by the Group and credited directly to such reserve.

**Retained earnings**

Retained earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders. It includes impact of fair valuation of land on transition to Ind AS and are presently not available for distribution to shareholders (net of related tax impact) - ₹ 3,710.05 million (March 31, 2017: ₹ 3,724.38 million, April 1, 2016: ₹ 3,724.38 million).

**20 LONG-TERM BORROWINGS**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Borrowings</b>			
<b>Secured</b>			
<b>Rupee Term Loans</b>			
i) From bank (refer note A)	12,760.60	12,433.93	8,229.92
ii) From financial institutions (refer note A)	5,975.65	4,815.63	7,002.72
iii) Vehicle loans from banks (refer note A)	5.21	15.85	24.69



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****20 LONG-TERM BORROWINGS (CONTD.)**

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Foreign Currency Term Loans</b>			
i) From bank (refer note A)	3,250.07	3,080.35	3,765.50
<b>Preference Share Liability</b>			
Non-cumulative redeemable preference shares (refer note B)	160.00	-	-
Non-cumulative redeemable preference shares pending allotment (refer footnote)	-	160.00	-
	<b>22,151.53</b>	<b>20,505.76</b>	<b>19,022.83</b>

Note: 1,600 non-cumulative preference shares were payable as consideration pursuant to the Scheme of Arrangement “(‘the Scheme’) to demerge the Hotel Undertaking and the Retail Undertaking of Genext Hardware & Parks Private Limited (‘Transferor Company’) with the Company (refer note 41). These shares were issued and allotted during the year ended March 31, 2018.

**A) Terms of repayment****Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
<b>TERM LOANS- Rupee Loans</b>						
<b>From Banks</b>						
The Ratnakar Bank Ltd	1,500	9.77%	10.55%	10.65%	Repayable quarterly instalment starting from August 2015 to May 2020.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.
Standard Chartered Bank	2,000	9.00%	10.45%	10.45%	Repayable monthly instalment over 84 month starting from April 2016 to February 2023 and balance amount is bullet payment on March 2023.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II. Standard Chartered Bank has charge on the ISRA account created in respect of security.
Standard Chartered Bank	1,950	9.20%	NA	NA	Repayable half yearly starting from March 2018 to March 2022 and balance amount is bullet payment on November 2022.	

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**20 LONG-TERM BORROWINGS (CONTD.)**
**A) Terms of repayment (Contd.)**
**Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
ICICI Bank Ltd	3,080 (Term Loan - ₹ 2,285 million with ₹ 300 million OD as a sub-limit of term loan)	9.25%	10.00%	10.80%	Repayable quarterly instalment starting from December 2017 to September 2026.	It is secured by (i) Pari-passu charge on immovable and moveable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari-passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
Bank of Baroda	900	8.85%	11.20%	11.25%	Repayable monthly instalment from April 2018 to October 2026 of ₹8.30 million and remaining amount bullet payment on November 2026.	
Standard Chartered Bank	2,567	9.25%	10.80%	12.28%	Repayable monthly instalment over 60 month starting from November 2017 to September 2022 and balance amount is bullet payment on October 2022.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre and office Block Sahar, Mumbai. (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre and office Block, Sahar Mumbai.
Yes Bank Ltd	1100 (Term Loan - ₹ 900 million and OD sub-limit - ₹ 200 million of sanction)	9.25%	10.43%	NA	Repayable in quarterly 28 instalments from March 2020 to December 2026.	It is secured by exclusive charge on Land for Powai Phase III land.
Union Bank of India	1,000	NA	NA	11.15%	Repayable within 3 years starting from 2015 .	It is secured by (i) Exclusive charge on land pertaining to Powai Phase III- (ii) Second charge on the current assets of the company.

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****20 LONG-TERM BORROWINGS (CONTD.)****A) Terms of repayment (Contd.)****Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
Other Loans from Banks - Vehicle	45.06	11%	10.50% to 10.75%	10.50% to 10.75%	Repayable in monthly instalments till year ending June 2019.	It is secured against hypothecation of vehicles financed by those banks.
Other Loans from Banks - Vehicle		NA	10.50% to 10.75%	10.50% to 10.75%	Repayable in monthly instalments till year ending June 2017.	It is secured against hypothecation of vehicles financed by those banks.
Standard Chartered Bank	900 (Term Loan - ₹ 750 million and OD ₹ 150 million)	8.85%	NA	NA	Repayable monthly instalment over 144 months starting from July 2017 to July 2029	It is secured by (i) Exclusive charge on immovable property and receivables at Retail Block at Bengaluru (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Retail Block at Bengaluru (iii) Charge over DSRA amounting to ₹ 50 million.
Standard Chartered Bank	1000 (Term Loan - ₹ 700 million and OD ₹ 300 million)	NA	10.25%	NA	Of the term loan amount, ₹ 96.16 million is repayable in 51 monthly instalments from June 2012 ranging between ₹ 4.50 to ₹ 10.40 million and a bullet payment of ₹ 608.00 million in last instalment.	It is secured by (i) first charge by way of equitable mortgage in favour of lender on the premises being Retail Block at Bengaluru having a built up area of approximately 29,803.90 sq. mtrs together with proportionate land appurtenant thereto being a portion of immovable property on a first pari- passu basis and (ii) first pari- passu charge over all the present and future book debts, outstanding moneys receivable, claims and bills and (iii) cash shortfall undertaking from, Chalet Hotels Limited (formerly known as Chalet Hotels Private Limited.), (iv) Charge over DSRA amounting to ₹ 50 million.



**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**20 LONG-TERM BORROWINGS (CONTD.)**
**A) Terms of repayment (Contd.)**
**Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
ICICI Bank Ltd	1,900	9.25%	10%	NA	Repayable quarterly instalment from September 2016 to June 2025.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield.
Citi Bank NA	500	8.20%	NA	NA	Repayable in Monthly instalments from May 2017 to April 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja.
Citi Bank NA	443	8.20%	9.25%	NA	Repayable in Monthly instalments from November 2016 to March 2024.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja.

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**20 LONG-TERM BORROWINGS (CONTD.)****A) Terms of repayment (Contd.)****Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
<b>From Financial Institutions</b>						
Housing Development Finance Corporation Limited	2,000	8.70%	9.75%	10.85%	Repayable monthly instalment ending on March 2019.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.
Housing Development Finance Corporation Limited	1,000	NA	9.75%	10.85%	Repayable monthly instalment ending on January 2018.	
Housing Development Finance Corporation Limited	1,350	8.70%	10.35%	10.85%	Repayable monthly instalment from April 2017 to May 2024.	It is secured by (i) Exclusive charge on immovable property and receivables at Four Points By Sheraton, Vashi (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Four Points By Sheraton, Vashi (iii) Guarantee by related party.
Housing Development Finance Corporation Limited	2,500	8.70%	9.75%	10.85%	Repayable yearly from March 2019 to March 2026.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations.
Housing Development Finance Corporation Limited	3,600	8.70%	10.10%	10.60%	Repayable monthly instalment ending on April 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Westin Hotel (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Westin Hotel.

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**20 LONG-TERM BORROWINGS (CONTD.)**
**A) Terms of repayment (Contd.)**

Particulars	Sanction Amount (USD in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
<b>Foreign Currency Loans</b>						
<b>From Banks</b>						
Standard Chartered Bank, UK	30	3.75% fixed plus 6 month LIBOR	3.75% fixed plus 6 month LIBOR	NA	Repayable in half yearly from January 2017 to July 2021.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) pari-passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield.
Standard Chartered Bank, UK	30	4.25% fixed plus 3 month LIBOR	4.25% fixed plus 3 month LIBOR	4.25% fixed plus 3 month LIBOR	Repayable in two instalments November 17 and May 18	It is secured by (i) Pari-passu charge on immovable property and receivables at Powai - Phase I and II (ii) pari-passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II. Standard Chartered Bank has charge on the ISRA account created in respect of security.
ICICI Bank Ltd - UK	15	4.75% fixed plus 3 month LIBOR	4.75% fixed plus 3 month LIBOR	4.75% fixed plus 3 month LIBOR	Repayable quarterly from April 2018 to January 2027.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) pari-passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations.
ICICI Bank Ltd - Bahrain	48 (drawn only USD 12.2 million)	4.00% fixed plus 3 month LIBOR	4.75% fixed plus 3 month LIBOR	4.75% fixed plus 3 month LIBOR	Repayable quarterly from June 2018 to March 2027.	

There are no material breaches of the covenants associated with the borrowings (referred to above) and none of the borrowings were called back during the period.



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****20 LONG-TERM BORROWINGS (CONTD.)**

(₹ in million)

**B) Preference share capital****(a) Details of the Authorised, Issued, Subscribed and Paid-up Preference Share Capital as below:**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>(i) Authorised</b>			
1,600 (March 31, 2017: Nil, April 1, 2016: Nil) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each	160.00	-	-
<b>(ii) Issued, Subscribed and paid-up</b>			
1,600 (March 31, 2017: Nil, April 1, 2016: Nil) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each *	160.00	-	-
<b>Total</b>	<b>160.00</b>	<b>-</b>	<b>-</b>

**(b) Reconciliation of the number of shares outstanding at the beginning and end of the year:**

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number	Amount	Number	Amount	Number	Amount
Number of Preference shares outstanding at the beginning of the year	-	-	-	-	-	-
Issued during the year	1,600	160	-	-	-	-
<b>Number of Preference shares outstanding at the end of the year</b>	<b>1,600</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(c) Shareholder holding more than 5% Preference shares in the Group is set out below:**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja*	1,600	100.00%	-	-	-	-
	<b>1,600</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust.

**(d) Rights, Preferences and restrictions attached to preference shares**

1,600 (March 31, 2017: Nil, April 1, 2016: Nil) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each.

The Group has only one class of preference shares having a par value of ₹ 100,000 per share. The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the Group for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of Re.1 per preference share per year.

Preference shares issued by the Group are due for redemption at par. Accordingly, the preference shares are liable to be redeemed at any time at the option of the Group but not later than December 23, 2023.

In the event of liquidation of the Group before redemption of the equity shares, the holders of redeemable preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**21 OTHER NON-CURRENT FINANCIAL LIABILITIES**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Security deposits	151.77	115.42	13.45
Retention money	-	3.56	39.58
	<b>151.77</b>	<b>118.98</b>	<b>53.03</b>

**22 PROVISIONS**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Provision for gratuity	38.11	57.62	55.74
	<b>38.11</b>	<b>57.62</b>	<b>55.74</b>

**23 TAX EXPENSE**
**(a) Amounts recognised in statement of profit and loss**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current income tax expense</b>		
Prior period tax expense	-	2.85
	-	2.85
<b>Deferred income tax liability / (asset), net</b>		
Origination and reversal of temporary differences	(405.44)	(234.26)
Utilisation of previously unrecognised tax losses	(118.52)	(526.51)
Change in tax rate	4.42	-
<b>Deferred tax credit</b>	(519.54)	(760.77)
<b>Tax credit for the year</b>	<b>(519.54)</b>	<b>(757.92)</b>

**(b) Amounts recognised in other comprehensive income**

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	22.54	(7.88)	14.66	0.20	(0.07)	0.13
	<b>22.54</b>	<b>(7.88)</b>	<b>14.66</b>	<b>0.20</b>	<b>(0.07)</b>	<b>0.13</b>

**(c) Amounts recognised directly in equity**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred income tax asset, net	14.32	-

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****23 TAX EXPENSE (CONTD.)**

(₹ in million)

**(d) Reconciliation of effective tax rate**

	For the year ended March 31, 2018	For the year ended March 31, 2017
(Loss)/profit before tax	(1,448.28)	633.18
Group's domestic tax rate	34.61%	34.61%
<b>Tax using the Group's domestic tax rate</b>	<b>(501.22)</b>	<b>219.13</b>
<b>Tax effect of:</b>		
Expenses not allowed under tax	112.39	39.13
Income not subject to tax	(0.51)	(36.36)
Utilisation of brought forward losses	(22.23)	-
Adjustment for deferred taxes (prior period)		(241.07)
Indexation of land and investment property	(118.52)	(526.51)
Difference in applicable tax rates	(13.47)	(1.25)
Deferred tax asset not recognised on current year's loss	19.60	88.34
Prior period tax expense	-	2.85
Recognised of previously unrecognised tax losses	-	(346.08)
Section 35AD deduction	-	9.33
Change in tax rate	4.42	-
Others	-	34.57
	<b>(519.54)</b>	<b>(757.92)</b>

The Group's weighted average tax rates for years ended March 31, 2018 and 2017 are 35.87% and (119.70%), respectively. The effective tax rate is primarily lower on account of indexation benefit recognised on land and unquoted equity shares. Further unabsorbed tax losses have been utilised during some years to reduce the current tax expense.

**(e) Movement in deferred tax balances****Movement in deferred tax balances for the year ended March 31, 2018**

	Net balance April 1, 2017	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance March 31, 2018
<b>Deferred tax asset/(liabilities)</b>					
Property, plant and equipment	(3,241.40)	47.18	-	(14.32)	(3,208.54)
Investment property	59.48	126.16	-	-	185.64
Assets classified as held for sale	0.03	0.01	-	-	0.04
Real estate inventory	-	(34.28)	-	-	(34.28)
Expenditure on specified business u/s 35 AD	2,328.27	22.60	-	-	2,350.87
Investments	(0.28)	-	-	-	(0.28)
Provisions	135.04	246.56	(7.88)	-	373.72
Borrowings	(71.76)	12.14	-	-	(59.62)
Other current liabilities	(154.36)	33.83	-	-	(120.53)
Other items	(106.18)	109.74	-	-	3.56
Unabsorbed depreciation/ carry forward tax losses	865.20	(44.40)	-	-	820.80
<b>Deferred tax assets/(liabilities)</b>	<b>(185.96)</b>	<b>519.54</b>	<b>(7.88)</b>	<b>(14.32)</b>	<b>311.38</b>



**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**23 TAX EXPENSE (CONTD.)**

(₹ in million)

**Movement in deferred tax balances for the year ended March 31, 2017**

	Net balance April 1, 2016	Recognised in profit or loss credit/ (charge)	Recognised in OCI	Recognised in equity	Acquired in business combina- tions	Net balance March 31, 2017
<b>Deferred tax asset/(liabilities)</b>						
Property, plant and equipment	(1,908.12)	(1,450.68)	-	-	117.40	(3,241.40)
Investment property	64.72	(5.24)	-	-	-	59.48
Assets classified as held for sale	110.30	(110.27)	-	-	-	0.03
Real estate inventory	-	-	-	-	-	-
Expenditure on specified business u/s 35 AD	-	2,328.27	-	-	-	2,328.27
Investments	2.22	(2.50)	-	-	-	(0.28)
Provisions	108.53	22.13	(0.07)	-	4.45	135.04
Borrowings	(51.41)	7.34	-	-	(27.69)	(71.76)
Other current liabilities	(60.06)	(94.30)	-	-	-	(154.36)
Other items	107.90	(163.86)	-	-	(50.22)	(106.18)
Unabsorbed depreciation/ carry forward tax losses	635.32	229.88	-	-	-	865.20
<b>Deferred tax assets/(liabilities)</b>	<b>(990.60)</b>	<b>760.77</b>	<b>(0.07)</b>	<b>-</b>	<b>43.94</b>	<b>(185.96)</b>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

**Unrecognised deferred tax assets**

Deferred tax assets (DTA) have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	March 31, 2018			March 31, 2017		
	Gross amount	DTA not recognised	Expiry date	Gross amount	DTA not recognised	Expiry date
House property loss	84.39	29.49	March 31, 2026	489.45	169.39	March 31, 2024
Business Loss	0.26	0.09	March 31, 2019	47.65	16.49	March 31, 2025
Business Loss	0.31	0.11	March 31, 2020	-	-	NA
Business Loss	0.59	0.21	March 31, 2021	-	-	NA
Business Loss	0.64	0.22	March 31, 2022	-	-	NA
Business Loss	0.08	0.03	March 31, 2023	-	-	NA
Business Loss	0.06	0.02	March 31, 2025	-	-	NA
Unabsorbed depreciation	0.93	0.32	NA	-	-	NA
<b>Total</b>	<b>87.26</b>	<b>30.49</b>		<b>537.10</b>	<b>185.88</b>	

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****23 TAX EXPENSE (CONTD.)**

(₹ in million)

	April 1, 2016		
	Gross amount	DTA not recognised	Expiry date
Business loss	36.12	12.50	March 31, 2023
Business loss	1,453.33	502.97	March 31, 2024
Long term capital loss	6.19	1.43	March 31, 2023
Long term capital loss	4.60	1.06	March 31, 2022
Long term capital loss		-	
Long term capital loss	2.55	0.59	March 31, 2018
Long term capital loss	0.21	0.05	March 31, 2017
Long term capital loss	8.46	1.95	March 31, 2019
<b>Total</b>	<b>1,511.46</b>	<b>520.55</b>	

Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

The Group has recognised deferred tax asset to the extent that the same will be recoverable using the estimated future taxable income based on the approved business plans and budgets of the Group. The Group is expected to generate taxable income from the financial year ended March 31, 2018 onwards. The business losses can be carried forward for a period of 8 years as per the tax regulations and the Group expects to recover the losses.

The Retail block at Sahar, Mumbai became operational during the financial year ended March 31, 2017 and was expected to generate profits for the Group. Further, the Group also had plans to merge the hotel and retail undertaking from Genext Hardware & Parks Private Limited for which the Scheme was filed in the financial year ended March 31, 2017. The said Scheme received the approval of the National Company Law Tribunal (NCLT) at Mumbai and Bangalore and other statutory and regulatory authorities and became effective from October 1, 2017.

Further, the Group had incurred losses in relation to the residential project at Bengaluru pursuant to litigation which arose during the financial year ended March 31, 2014. During the financial year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Group, decided that the Group should proactively consider re-commencement of construction up to the permissible limits and engage with the buyers above the 10th floor for evaluating possible options. Consequently, the Group has made a provision for estimated losses on such cancellations pertaining to all flats above 10 floors and recognised the same during the financial year ended March 31, 2018 (refer note 35). Further, the Group does not expect any further material losses to be incurred in relation to the said project.

Accordingly, the Group, has recognised deferred tax asset on the carried forward business losses after considering the relevant facts and circumstances during each financial year to the extent that the Group had convincing evidence based on its business plans and budgets to the extent that the deferred tax asset will be realised. Consequently, the Group has recognised deferred tax asset of ₹ 828.80 million as at March 31, 2018 (March 31, 2017: ₹ 865.20 million, April 1, 2016: ₹ 519.12 million) on the carried forward losses of the Group.

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**24 OTHER NON-CURRENT LIABILITIES**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deferred finance income	28.08	21.15	-
	<b>28.08</b>	<b>21.15</b>	-

**25 BORROWINGS**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Borrowings</b>			
<b>Secured</b>			
Cash credit /over draft accounts from banks	433.19	108.48	763.24
<b>Unsecured</b>			
From related parties	948.68	2,813.24	1,133.20
From Directors	-	74.00	-
Buyer's credit	252.29	251.73	686.73
	<b>1,634.16</b>	<b>3,247.45</b>	<b>2,583.17</b>

**A) Terms of repayment**
**Rate of interest**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	500	10.90% to 10.05%	11.75% to 10.90%	12% to 11.75%	Renewal every year.	Secured against land parcel admeasuring 6,826 sq. mtrs. at Powai and future receivable from Renaissance Hotel and Marriott Executive Apartments at Powai, Mumbai .
Yes Bank Ltd	1,100 (Term Loan - ₹ 900 million and OD sub-limit - ₹ 200 million of sanction)	9.90% to 9.60%	9.90%	NA	Repayable in quarterly 28 instalments from March 2020 to December 2026.	It is secured by exclusive charge on land for Powai Phase III land
ICICI Bank Ltd	3,080 (Term Loan - ₹ 2,285 million with ₹ 300 million OD as a sub-limit of term loan)	10.60% to 9.35%	10.85% to 10.60%	12% to 10.85%	Repayable quarterly to instalment starting from December 2017 to September 2026.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.



**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**25 BORROWINGS (CONTD.)**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest as at March 31, 2018	Carrying rate of Interest as at March 31, 2017	Carrying rate of Interest as at April 1, 2016	Repayment/ Modification of terms	Security Details
Indian Overseas Bank	50	12.95%	12.95%	13.50% to 12.95%	Renewal every year.	Cash Credit is secured by hypothecation of inventories, crockery, cutlery, and linen held by the Company at its property in Powai, both present and future.
ICICI Bank Ltd	1,900 (Term Loan - 1,530 million and OD 150 million)	10.05% to 9.25%	12.85% to 10.05%	NA	Repayable quarterly instalment from September 2016 to June 2025.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield
Standard Chartered Bank	900 (Term Loan - 700 million and OD 300 million)	11.95% to 8.85%	11.95% to 12.25%	NA	Repayable monthly instalment over 144 months starting from July 2017 to July 2029.	It is secured by (i) Exclusive charge on immovable property and receivables at Retail Block at Bengaluru (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Retail Block at Bengaluru (iii) Charge over DSRA amounting to ₹ 50 million.
Standard Chartered Bank	300 (Term Loan - 210 million and OD 90 million)	NA	NA	12.50% to 12.25%	Repayable ₹ 300.00 million bullet payment after 27 months (i.e. July 2015).	Secured by charge over IT / Commercial at whitefield through Escrow Mechanism, securing a minimum security cover of 1.75x
K Raheja Corp Private Limited	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured
Genext Hardware & Parks Private Limited	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**25 BORROWINGS (CONTD.)**

Particulars	Sanction Amount (₹ in million)	Carrying rate of Interest	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
		as at March 31, 2018	as at March 31, 2017	as at April 1, 2016		
New Found properties Private Limited	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured
K.Raheja Corporate Services Private Limited	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured
Mindspace Business Parks Private Limited	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured
From Directors	NA	10.50% to 11.00%	12.00%	12.50%	Repayable on demand	Unsecured
Buyers credit	NA	1% to 5%	1% to 5%	1% to 5%	Repayable within 1 years	Unsecured

There are no material breaches of the covenants associated with the borrowings (referred to above) and none of the borrowings were called back during the period.

**26 TRADE PAYABLES**

Particulars	(₹ in million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Due to micro and small enterprises	4.55	1.86	0.70
Due to other than micro and small enterprises (refer note 43)	854.25	844.88	651.19
	<b>858.80</b>	<b>846.74</b>	<b>651.89</b>

**27 CURRENT - OTHER FINANCIAL LIABILITIES**

Particulars	(₹ in million)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturity of long term debt (refer note 20)	3,467.40	2,605.52	1,900.39
Creditors for capital expenditure			
- Retention payable	48.64	82.54	122.09
Security deposits	47.79	35.02	21.23
Mark to market derivative contracts	37.83	104.56	107.15
Other liabilities	159.98	210.49	167.99
	<b>3,761.64</b>	<b>3,038.13</b>	<b>2,318.85</b>

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**28 OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Acceptances for capital expenditure	-	-	1.04
Income received in advance (unearned revenue)	208.36	800.42	846.51
Advances from customers towards sale of residential flats	1,026.35	92.84	121.21
Advances from customers towards hospitality services	170.97	106.77	84.26
Statutory dues payable	580.47	153.03	147.87
Deferred government grant (refer note 38)	-	-	134.29
	<b>1,986.15</b>	<b>1,153.06</b>	<b>1,335.18</b>

Advances from customers towards sale of residential flats includes amount refundable to customers on estimated cancellation of flats for the year ended March 31, 2018 above 10 floors of ₹ 944.07 million (refer note 36).

Statutory dues payable includes ESIC, TDS payable, provident fund payable, indirect taxes payable etc.

**29 SHORT TERM PROVISIONS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for compensated absences	56.72	53.86	55.18
Provision for gratuity	27.21	23.73	15.22
Provision for estimated / actual cancellation and alteration cost (refer footnote and note 36)	874.73	196.76	150.70
	<b>958.66</b>	<b>274.35</b>	<b>221.10</b>

**Bengaluru Residential Project**

During the year 2013-14, Hindustan Aeronautics Limited (HAL) had raised an objection with regard to the permissible height of buildings of the Group's Bengaluru residential project. Pursuant to an interim order passed by the Karnataka High Court, in the petition filed by the Group, the Group had suspended construction activity at the Project and sale of flats.

Pending the outcome of the proceedings and a final closure of the matter, the Group suspended revenue recognition based on the percentage completion method after financial year ended March 31, 2014. Further, in case of cancellations subsequent to March 31, 2014, the Group reversed the revenue and derecognised margins in the respective year of cancellation. The Group also recompensed flat owners, in accordance with mitigation plans framed by the Group on account of the delay in completion of the project.

During the year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Group, decided that the Group should proactively consider re-commencement of construction up to the minimum permissible limits and engage with the buyers above the 10th floor for evaluating possible options. Accordingly, the Group has reassessed the estimated cost of completion of the project upto 10th floor as per the aforementioned plan and has recognised a provision towards the following:

- cost of alteration of superstructure
- estimated costs in relation to potential cancellations

Further, cost of actual cancellation (where applicable) has also been provided for and included in the provision referred to above.

**Movement for provision for estimated / actual cancellation and alteration cost**

	As at March 31, 2018	As at March 31, 2017
<b>Provision for cost of alteration of super structure</b>	<b>250.00</b>	-
<b>Provision for estimated/actual cancellation</b>		
Opening balance	196.76	-
Provisions made during the year	802.42	323.30
Provisions utilised during the year	(374.45)	(126.54)
<b>Closing balance</b>	<b>624.73</b>	<b>196.76</b>
<b>Total</b>	<b>874.73</b>	<b>196.76</b>

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**30 REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(a) Sale of service</b>		
<b>Hospitality:</b>		
Room income	4,855.89	3,961.01
Food, beverages and smokes	2,821.93	2,327.42
Others	717.11	518.42
<b>Retail &amp; commercial:</b>		
Lease rent	166.37	114.23
<b>(b) Sale of products</b>		
<b>Real estate :</b>		
Sale of residential flats	(680.23)	(144.05)
<b>(c) Other operating revenues</b>		
<b>Hospitality:</b>		
Export benefits and entitlements (refer note 38)	200.33	314.74
<b>Retail &amp; commercial:</b>		
Maintenance and other recoveries	49.09	18.01
Revenue from other services	25.31	8.27
	<b>8,155.80</b>	<b>7,118.05</b>

**31 OTHER INCOME**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income from instruments measured at amortised cost	197.39	228.70
Interest income from amortised cost measurement of preference shares	-	17.29
Gain on foreign exchange fluctuation (net)	4.63	213.66
Net mark to market gain on derivative contracts	21.54	35.00
Profit on sale of fixed assets (net)	1.23	3.85
Profit on sale of investments.	114.57	1,301.24
Interest on income tax refund	-	13.61
Fair value gain on instruments measured at FVTPL	-	10.82
Miscellaneous income	17.62	47.66
	<b>356.98</b>	<b>1,871.83</b>



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**32a REAL ESTATE DEVELOPMENT COST**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>I. Cost of construction</b>		
Opening project work in progress	2,659.87	2,533.02
Inventory of unsold flats	312.47	388.96
<b>Expenditure incurred during the year:</b>		
<i>Addition during the year</i>		
Materials Consumed	0.24	(5.36)
Contractors labour and other charges	16.80	(1.00)
Other Expenses	-	0.05
	<b>2,989.38</b>	<b>2,915.67</b>
<b>Less: Closing stock</b>		
Transferred to Inventory of unsold flats	247.25	312.47
Transferred to project work in progress	3,031.94	2,659.87
Provision for reversal of margin on estimated cancellations	-	69.02
<b>Cost of construction</b>	<b>(289.81)</b>	<b>(125.69)</b>
<b>II. Cost of mitigation program compensation</b>	<b>211.54</b>	<b>303.98</b>
<b>Total real estate development cost</b>	<b>(78.27)</b>	<b>178.29</b>

**32b FOOD AND BEVERAGES CONSUMED\***

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Food and beverages materials at the beginning of the year	112.46	97.14
Purchases	758.62	682.67
Food and beverages materials at the end of the year	<b>105.43</b>	112.46
	<b>765.65</b>	<b>667.35</b>

\*Includes complimentary ₹ 94.83 million ( March 31, 2017 : ₹ 59.23 million.)

**32c OPERATING SUPPLIES CONSUMED**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating supplies materials at the beginning of the year	-	3.28
Purchases	<b>256.17</b>	215.12
Operating supplies materials at the end of the year	-	-
	<b>256.17</b>	<b>218.40</b>

**33 EMPLOYEE BENEFITS EXPENSE**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	1,085.03	986.60
Contributions to provident fund and other funds	50.48	53.54
Staff welfare expenses	160.08	148.11
	<b>1,295.59</b>	<b>1,188.25</b>

**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**34 FINANCE COSTS**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expenses	2,076.35	2,137.84
Other borrowing cost	42.86	41.74
	<b>2,119.21</b>	<b>2,179.58</b>

**35 OTHER EXPENSES**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Travelling and conveyance expenses	111.51	95.06
Power and fuel *	627.40	544.96
Rent	22.83	32.37
Repairs and maintenance		
- Buildings	136.88	116.63
- Plant and machinery	216.10	179.94
- Others	96.15	84.89
Insurance	29.69	26.03
Rates and taxes	417.07	182.32
Business promotion expenses	383.14	336.32
Commission	229.14	212.96
Royalty and management fees	375.28	304.69
Legal and professional charges	114.49	118.51
Loss on sale of export benefits and entitlements	-	0.40
Provision for impairment on export benefits and entitlements	-	0.96
Provision for stock obsolescence	-	8.33
Stock obsolescence	0.52	-
Provision for doubtful debts	7.85	1.38
Bad debt written off	-	0.48
Fixed assets written off	-	29.96
Manpower contract	19.55	15.49
Donations	0.50	0.13
Director sitting fees	0.40	0.39
Payment to auditors (refer note 45)	5.61	8.95
Buyout labour	116.75	88.82
Miscellaneous expenses **	358.01	265.10
	<b>3,268.87</b>	<b>2,655.07</b>

\*Net of ₹ 47.70 million (March 31, 2017: 15.92 million) on account of recoveries.

\*\*Net of ₹ 1.98 million (March 31, 2017: (1.45) million) on account of recoveries.

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**36 EXCEPTIONAL ITEMS**

Particulars	March 31, 2018	March 31, 2017
<b>Provision for impairment loss on super structure</b>	(350.89)	-
Provision for cost of alteration of super structure	(250.00)	-
Provision for impairment loss on inventories	(25.76)	-
Provision for estimated cost in relation to potential cancellation	(590.87)	-
<b>Total</b>	<b>(1,217.52)</b>	<b>-</b>

**Notes**

During the year 2013-14, Hindustan Aeronautics Limited (HAL) had raised an objection with regard to the permissible height of buildings of the Group's Bengaluru Residential Project ("Project"). Pursuant to an interim order passed by the Karnataka High Court, in the petition filed by the Group, the Group had suspended construction activity at the Project and sale of flats.

Pending the outcome of the proceedings and a final closure of the matter, the Group suspended revenue recognition based on the percentage completion method after financial year ended March 31, 2014. Further, in case of cancellations subsequent to March 31, 2014, the Group reversed the revenue and derecognised margins in the respective year of cancellation. The Group also recompensed flat owners, in accordance with mitigation plans framed by the Group on account of the delay in completion of the Project.

During the year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Group, decided that the Group should proactively consider re-commencement of construction up to permissible limits and engage with buyers above the 10th floor for evaluating possible options. Accordingly, the Group has reassessed the estimated cost of completion of the Project up to 10th floor as per the aforementioned plan and has recorded the following adjustments as exceptional items as at March 31, 2018.

- Provision towards impairment of super structure of ₹ 350.89 million and expected cost of alteration of super structure of ₹ 250 million;
- Provision for interest compensation and related expenses of ₹ 590.87 million in relation to potential cancellations referred to in above, net of compensation already provided for; and
- Impact of revised estimated cost of completion of the project on the net realisable value of inventory resulting in write down of ₹ 25.76 million.
- In the event all the buyers of flats above 10th floor decide to exercise exit option, the Group has to refund ₹ 944.07 million which is presently being accounted as an advance from customers.

Construction of and sales in the Project have been suspended due to an on-going litigation relating to the Project. Parties who have booked flats in the Project, are paid compensation for delay in delivery of their respective units and those who seek to cancel their bookings are repaid the advances / deposits made by them together with interest thereon, leading to considerable cash out flows for the Group.

Subsequent to the Balance Sheet date, the Promoter-Directors of the Company have agreed to provide funds to the Company either by themselves or through their Nominees, to meet its cash flow requirements for the Project to the extent of ₹ 200 Crores by way of subscription to '0%' Non-Cumulative Redeemable Preference Shares of the Company, for which a Subscription Agreement has been executed by them.

The proceeds of issue of Preference Shares will be deposited in a separate Designated Bank Account of the Company and will be utilised for meeting future cash outflows of the Project. The redemption of Preference Shares shall be 20 years from the date of issue, or earlier, out of surplus from the Project, subject to applicable law/s.

**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**37 EARNINGS PER SHARE**
**Calculation of weighted average number of equity shares - Basic and diluted**

Particulars	March 31, 2018	March 31, 2017
<b>Basic and diluted earnings per share for ordinary shareholders.</b>		
1 (Loss)/profit attributable to equity shareholders	(928.74)	1,391.10
<b>2 Calculation of weighted average number of equity shares - Basic and diluted</b>		
(a) Number of shares at the beginning of the year	171,095,293	152,142,253
(b) Add: on account of share pending allotment (refer note 41)	-	7,788,921
<b>Weighted average number of equity shares outstanding during the year</b>	<b>171,095,293</b>	159,931,174
3 Basic and Diluted Earnings per share (₹)	(5.43)	8.70
4 Nominal Value of Shares (₹)	10	10

**Note:** Weighted average number of shares is the number of equity shares outstanding at the beginning of the period/ year adjusted by the number of equity shares issued during period/ year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

**38 GOVERNMENT GRANT**
**Export Promotion Capital Goods (EPCG) scheme**

The Group under the EPCG scheme receives a grant from the Government towards import of capital goods without any levy of import duty. The Group has an obligation towards future exports of the Group.

The Group has recognised a deferred grant at the point of waiver of import duty in relation to import of capital goods. Given that the grant is conditional on fulfillment of future export obligation, the same is treated as a revenue grant and is accordingly recognised in the Statement of Profit and Loss on fulfillment of such obligation.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Opening balance	-	134.29	178.94
Grants received during the year	10.00	138.21	50.49
Less: Released to statement of profit and loss	(10.00)	(272.49)	(95.14)
Closing balance	-	-	<b>134.29</b>

**Served from India scheme (SFIS)/Service exports from India scheme (SEIS)**

The Group under SFIS / SEIS receives an entitlement / credit to be sold separately (only in case of SEIS) or utilised against future imports.

The Group recognises income in respect of duty credit entitlement arising from export sales under the SFIS/SEIS of the Government of India in the year of exports, provided there is no significant uncertainty regarding the entitlement and availment of the credit and the amount thereof. Export credit entitlement can be utilized within specified benefit period, by way of adjustment against duties payable on purchase of capital equipments, spare parts and consumables or sale of such licenses.

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Opening balance	27.92	-	11.66
Grants received during the year	190.33	42.25	-
Less: Utilisation / written off	(25.40)	(14.33)	(11.66)
Closing balance	<b>192.85</b>	<b>27.92</b>	-
Income recognised in Statement of Profit and Loss on account of EPCG (A)	10.00	272.49	
Income recognised in Statement of Profit and Loss on account of SFIS/SEIS (B)	190.33	42.25	
<b>Total income recognised in the Statement of Profit and Loss (A+B)</b>	<b>200.33</b>	<b>314.74</b>	



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**39 EMPLOYEE BENEFITS****a) Defined contribution plan**

The contributions paid/payable to Provident Fund, Employees State Insurance Scheme, Employees Pension Schemes, 1995 and other funds, are determined under the relevant approved schemes and/or statutes and are recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

The Group has recognised the following amounts in the statement of profit and loss for the year

Particulars	March 31, 2018	March 31, 2017
Employer's contribution to Provident Fund and ESIC	50.48	53.54
	<b>50.48</b>	<b>53.54</b>

**b) Defined benefit plan****Gratuity**

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972.

The Group follows unfunded gratuity except for one of its Hotel division (Westin, Hyderabad) where fund is maintained with Life Insurance Corporation of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation and the plan assets as at balance sheet date:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Defined benefit obligation	66.73	82.56	72.36
Less: Fair value of plan assets	(1.41)	(1.22)	(1.40)
<b>Net defined benefit obligations</b>	<b>65.32</b>	<b>81.35</b>	<b>70.96</b>

**Fair value of the plan assets and present value of the defined benefit liabilities**

The amount included in the Balance sheet arising from the Group's obligations and plan assets in respect of its defined benefit schemes is as follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>1 Movement in defined benefit obligations:</b>			
At the beginning of the year	82.56	72.36	64.51
Liabilities assumed on business combination	-	1.53	-
<i>Recognised in profit or loss</i>			
Current service cost	8.22	10.59	10.12
Interest cost	5.52	5.57	5.10
<i>Recognised in other comprehensive income</i>			
<i>Actuarial (gains)/losses on obligations -</i>			
Due to change in demographic assumptions	(8.64)	2.95	(1.13)
Due to change in financial assumptions	(1.15)	(4.24)	5.42
Due to experience	(12.75)	1.09	(6.22)
Benefit paid	(7.03)	(7.29)	(5.44)
<b>At the end of the year</b>	<b>66.73</b>	<b>82.56</b>	<b>72.36</b>

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**39 EMPLOYEE BENEFITS (CONTD.)**

(₹ in million)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>2 Movement in fair value of plan assets:</b>			
At the beginning of the year	1.22	1.40	1.79
Recognised in profit or loss			
Interest income	0.08	0.11	0.14
Expected return on plan assets	(0.04)	(0.11)	(0.07)
Employer contributions	1.20	1.84	0.76
Benefit paid	(1.05)	(2.03)	(1.22)
<b>At the end of the year</b>	<b>1.41</b>	<b>1.22</b>	<b>1.40</b>
<b>3 Recognised in profit or loss</b>			
Current service cost	8.22	10.58	10.12
Interest expense	5.52	5.57	5.10
Interest income	0.08	0.11	0.14
<b>For the year</b>	<b>13.66</b>	<b>16.05</b>	<b>15.08</b>
<b>4 Recognised in Other Comprehensive Income</b>			
Actuarial (gains)/losses on obligations	(22.54)	0.20	
<b>For the year</b>	<b>(22.54)</b>	<b>0.20</b>	

**5 Plan assets for this Fund are insurance funds (100%)**

**6** The principal actuarial assumptions used for estimating the Group's benefit obligations are set out below (on a weighted average basis):

**(i) Employees of Chalet Hotels Limited (formerly known as Chalet Hotels Private Limited)**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Rate of increase in salaries (%)	7.00% - 8.00%	5.89 % - 10.00%	8.50% - 13.00%
Discount rate (%)	6.63%	6.85%	7.54%
Rate of employee turnover(%)	26.00%-51.85%	16.8% - 41.5%	15.59% - 63.60%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

**(ii) Employees of undertaking demerged from Genext Hardware & Parks Private Limited (Refer note 41)**

Particulars	March 31, 2017
Rate of increase in salaries	7.00%
Discount rate	6.35%
Rate of employee turnover	45.00%-55.31%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****39 EMPLOYEE BENEFITS (CONTD.)**

(₹ in million)

**7 Sensitivity of the defined benefit obligation**

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.16)	1.21	(2.91)	3.21
Rate of increase in salaries (1% movement)	1.18	(1.16)	3.10	(2.88)
Rate of employee turnover (1% movement)	(0.31)	0.30	(0.74)	0.79

	April 1, 2016	
	Increase	Decrease
Discount rate (1% movement)	(2.81)	3.07
Rate of increase in salaries (1% movement)	2.97	2.77
Rate of employee turnover (1% movement)	(0.63)	0.68

The above sensitivity analysis have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**8** Expected contributions to gratuity fund for the year ended March 31, 2019 is ₹6.37 million.

**9 The expected future cash flows as at 31st March were as follows:**

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
<b>March 31, 2018</b>	23.01	15.14	25.87	10.47	74.49
<b>March 31, 2017</b>	16.78	13.77	34.54	23.98	89.06
<b>March 31, 2016</b>	11.95	10.01	28.07	31.23	81.26

**c) Short term compensated absences**

Compensated absences, classifies as long term benefits is recognised as an expense and included in "Employee benefits expense" in the Statement of Profit and Loss during the year. The following table provides details in relation to compensated absences.

Particulars	March 31, 2018	March 31, 2017
Expenses for the year	12.81	3.51
Closing balance	56.72	53.85

**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**40 OPERATING LEASES**
**A. Leases as lessor**

The Group leases out its investment property on operating lease basis (Refer note 4). Also, the Group leases office premises and shops in hotel premises.

- i) Amount recognised in the Consolidated Statement of Profit and Loss

Description	March 31, 2018	March 31, 2017
Income from lease of shops in hotels included in revenue from operations	4.72	11.39
Income from lease of office premises included in revenue from operations	49.71	57.53
Income from lease of investment properties included in revenue from operations	111.94	45.31
<b>Total</b>	<b>166.37</b>	<b>114.23</b>

- ii) Future minimum lease receivables under non cancellable operating lease of shops in Hotels and office premises

Future minimum lease receivables	March 31, 2018	March 31, 2017
Less than one year	16.44	35.75
Between one and five years	45.97	27.62
More than five years	19.13	-
	<b>81.54</b>	<b>63.37</b>

- iii) Future minimum lease receivables under non cancellable operating lease of investment properties

Future minimum lease receivables	March 31, 2018	March 31, 2017
Less than one year	122.42	51.12
Between one and five years	401.76	225.56
More than five years	281.30	295.26
<b>Total</b>	<b>805.48</b>	<b>571.94</b>

**B. Leases as lessee**

The Group has taken land on lease on which the Four Points by Sheraton Vashi hotel is situated. All agreements are cancellable at short notice.

	March 31, 2018	March 31, 2017
Lease expense in the Consolidated Statement of Profit and Loss	22.83	32.37

**41 SCHEME OF ARRANGEMENTS**

The Board of Directors of the Company at its meeting held on January 5, 2017, approved the demerger proposal and approved the "Scheme of Arrangement" ("the Scheme") to demerge the Hotel Undertaking and the Retail Undertaking of Genext Hardware & Parks Private Limited ("Transferor Company") with the Company ("Transferee Company") under Section 230 to 232 of the Companies Act, 2013, with effect from November 1, 2016, ("the Appointed Date") subject to obtaining necessary approvals of National Company Law Tribunal (NCLT) at Mumbai.

The said Scheme received the approval of the National Company Law Tribunal (NCLT) at Mumbai and Bangalore and other statutory and regulatory authorities on September 11, 2017. The Scheme has become effective October 1, 2017.

The scheme has been accounted in a manner prescribed by the Hon'ble court order. The book values of the assets, liabilities and reserves of the Transferor company as of November 1, 2016 have been recorded and the identity of the reserves have been maintained. The consideration for such merger was ₹ 189.53 million in the form of equity shares. Such equity shares were issued during the year ended March 31, 2018 and accordingly has been presented as shares pending allotment in the financial statements for the year ended March 31, 2017. Further, the effect of shares pending allotment has been appropriately considered for computation of basic and diluted earnings per share from the Appointed Date.



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****41 SCHEME OF ARRANGEMENTS (CONTD.)**

The excess of book value of the net assets and reserves of the Transferor Company taken over, amounting to ₹ 189.53 million over the face value of the shares issued by the transferee Company has been debited to the Goodwill as per the Scheme. Further, the results of the operations of the hotel and retail undertaking have been incorporated with effect from November 1, 2016. Accordingly, the results for the periods covered by Restated Consolidated Summary Statement of Profit and Loss may not be comparable.

Book value of assets and liabilities related to the commercial business transferred to Company i.e. 1 November 2016 are as under:

(₹ in million)

<b>Particulars</b>	<b>Amount</b>
<b>Assets</b>	
<b>Non-current assets</b>	
Property plant & equipments	2,524.06
Capital work in progress	13.58
Other Intangible assets	2.39
Investment property	1,433.55
Investment property under construction	301.52
Non current investment	1.00
Loans	26.79
Non-current tax assets (net)	58.28
Other non- current assets	18.37
<b>Current assets</b>	-
Inventories	31.36
Trade receivables	89.98
Cash and cash equivalents	40.37
Bank balances other than above	58.22
Loans	0.06
Other financial assets	0.64
Other current assets	21.57
	<b>4,621.74</b>
<b>Liabilities</b>	
Other equity	(1,964.42)
<b>Non-current liabilities</b>	
Borrowings	3,263.44
Provisions	0.15
<b>Current liabilities</b>	
Borrowings	2,120.15
Deferred tax liability	43.93
Trade and other payables	85.69
Other financial liabilities	929.95
Other current liabilities	65.56
Provisions	77.29
	<b>4,621.74</b>

For the five months ended March 31, 2017, Transferor company contributed revenue of ₹ 716.65 million and loss (after tax) of ₹ 34.29 million to the Group's results.

If the acquisition had occurred on April 1, 2016, management estimates that consolidated revenue would have been higher by ₹ 847.97 million and consolidated profit after tax would have been lower by ₹ 73.41 million.

**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**42 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

	March 31, 2018	March 31, 2017	April 1, 2016
<b>Contingent liabilities</b>			
<b>Claims against the Group not acknowledged as debts</b>			
Disputed service tax demands	96.57	145.17	148.96
Disputed income tax demands	-	0.47	0.82
Disputed VAT demands	12.70	3.53	10.58
Disputed provident funds demands	5.80	5.80	3.78
Disputed excise demands	-	-	1.36
Property tax	27.55	27.25	-
ESIC	0.35	-	-
SFIS/SEIS Scheme	5.74	5.74	-
Claim from third party	-	1.95	-

- The Group is a party to various other proceedings in the normal course of business and does not expect the outcome of these proceedings to have an adverse effect on its financial conditions, results of operations or cash flows.
- Further, claims by parties in respect of which the Management has been legally advised that the same are frivolous and not tenable, have not been considered as contingent liabilities as the possibility of an outflow of resources embodying economic benefits is highly remote.
- In December 2005, the Group had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. The Group has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the restated consolidated financial information. The balance of prepaid lease rental in relation to such leasehold land as of March 31, 2018 is ₹ 54.52 million (March 31, 2017: ₹ 55.71 million, April 1, 2016: ₹ 56.91 million) and carrying value of property, plant and equipment as at March 31, 2018 is ₹ 449.27 million (March 31, 2017: ₹ 474.47 million, April 1, 2016: ₹ 510.23 million).

**Commitments**

	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	60.82	46.26

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**43 DUES TO MICRO AND SMALL SUPPLIERS**

	March 31, 2018	March 31, 2017
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
Principal	4.55	1.86
Interest	0.23	0.04
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)		-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year		-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006		-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.75	0.55
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006		

**44 SPECIFIED BANK NOTES**

Schedule III of the Companies Act, 2013 was amended by Ministry of Corporate Affairs vide Notification G.S.R. 308(E) dated 30 March 2017. The said amendment requires the Group to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. For the purpose of this clause, the term 'Specific Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are provided in the table below:-

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	3.51	1.83	5.34
(+) Permitted receipts	-	26.73	26.73
(-) Permitted payments	0.01	12.67	12.68
(-) Amount deposited in Banks	3.50	12.45	15.95
Closing cash in hand as on 30.12.2016	-	3.45	3.45

**45 PAYMENT TO AUDITORS**

Particulars	March 31, 2018	March 31, 2017*
Audit fees	4.64	6.89
Tax audit fees	0.40	1.00
Other services	0.57	0.85
Out of pocket expenses	-	0.21
Amount debited to Consolidated Statement of Profit and Loss	5.61	8.95
Service tax	0.10	1.34
<b>Total</b>	<b>5.71</b>	<b>10.29</b>

\* payment made to erstwhile auditors.

**46 CORPORATE SOCIAL RESPONSIBILITY**

The Group in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the years ended March 31, 2018 and March 31, 2017.

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

(₹ in million)

**47 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT**
**(A) Accounting classification and fair values**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>March 31, 2018</b>							
<b><u>Non-current financial assets</u></b>							
Investment in equity shares	43.04	-	43.04			43.04	43.04
Other investments		0.13	0.13		0.13		0.13
Loans	-	114.05	114.05		114.05		114.05
Others	-	50.00	50.00		50.00		50.00
<b><u>Current financial assets</u></b>							
Trade receivables	-	551.70	551.70				-
Cash and cash equivalents	-	295.21	295.21				-
Other bank balances	-	21.50	21.50				-
Loans	-	2,349.29	2,349.29				-
Other current financial assets	-	388.18	388.18				-
Derivative asset	14.38	-	14.38		14.38		14.38
	<b>57.42</b>	<b>3,770.06</b>	<b>3,827.48</b>	<b>-</b>	<b>178.56</b>	<b>43.04</b>	<b>221.60</b>
<b><u>Non-current financial liabilities</u></b>							
Borrowings	-	22,151.53	22,151.53		22,151.53		22,151.53
Other non-current financial liabilities	-	151.77	151.77		151.77		151.77
<b><u>Current financial liabilities</u></b>							
Borrowings	-	1,634.16	1,634.16				-
Trade payables	-	858.80	858.80				-
Other financial liabilities	-	3,723.81	3,723.81				-
Derivative liability	37.83	-	37.83		37.83		37.83
	<b>37.83</b>	<b>28,520.07</b>	<b>28,557.90</b>	<b>-</b>	<b>22,341.13</b>	<b>-</b>	<b>22,341.13</b>

	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
March 31, 2017							
Non-current financial assets							
Investment in equity shares	2.95	-	2.95			2.95	2.95
Other investments	-	0.13	0.13		0.13		0.13
Loans	-	105.48	105.48		105.48		105.48
Others	-	-	-		-		-
Current financial assets		-					
Trade receivables	-	404.67	404.67				-
Cash and cash equivalents	-	228.30	228.30				-
Other bank balances	-	103.44	103.44				-
Loans	-	1,793.47	1,793.47				-
Others	-	136.77	136.77				-
Derivative assets	8.72	-	8.72		8.72		8.72
	11.67	2,772.26	2,783.93	-	114.33	2.95	117.28



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****47 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

	Carrying amount			Fair value			Total
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	
<b>March 31, 2017</b>							
<b><u>Non-current financial liabilities</u></b>							
Borrowings	-	20,505.76	20,505.76		20,505.76		20,505.76
Other non-current financial liabilities	-	118.98	118.98		118.98		118.98
<b><u>Current financial liabilities</u></b>							
Borrowings	-	3,247.45	3,247.45				-
Trade payables	-	846.74	846.74				-
Other financial liabilities	-	2,933.57	2,933.57				-
Derivative liability	104.56		104.56		104.56		104.56
	<b>104.56</b>	<b>27,652.50</b>	<b>27,757.06</b>	<b>-</b>	<b>20,729.30</b>	<b>-</b>	<b>20,729.30</b>

	Carrying amount			Fair value			Total
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	
<b>April 1, 2016</b>							
<b><u>Non-current financial assets</u></b>							
Investment in equity shares	331.40	-	331.40			331.40	331.40
Other Investments	-	142.84	142.84		142.84		142.84
Loans	-	117.17	117.17		117.17		117.17
<b><u>Current financial assets</u></b>							
Trade receivables	-	289.84	289.84				-
Cash and cash equivalents	-	214.75	214.75				-
Other bank balances	-	131.82	131.82				-
Loans	-	1,355.59	1,355.59				-
Others	-	103.53	103.53				-
	<b>331.40</b>	<b>2,355.54</b>	<b>2,686.94</b>	<b>-</b>	<b>260.01</b>	<b>331.40</b>	<b>591.41</b>
<b><u>Non-current financial liabilities</u></b>							
Borrowings	-	19,022.83	19,022.83		19,022.83		19,022.83
Other non-current financial liabilities	-	53.03	53.03		53.03		53.03
<b><u>Current financial liabilities</u></b>							
Borrowings	-	2,583.17	2,583.17				-
Trade payables	-	651.89	651.89				-
Other financial liabilities	-	2,211.70	2,211.70				-
Derivative liability	107.15	-	107.15		107.15		107.15
	<b>107.15</b>	<b>24,522.62</b>	<b>24,629.77</b>	<b>-</b>	<b>19,183.01</b>	<b>-</b>	<b>19,183.01</b>

**(ii) Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include :

- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach.
- the fair value for the currency swap is determined using forward exchange rate for balance maturity.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. 'The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

The investments included in level 3 of the fair value hierarchy have been valued using the discounted cash flow technique to arrive at the fair value.

**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**
**47 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

**(iii) Fair value measurements using significant unobservable inputs (level 3)**

Reconciliation of level 3 fair values

Particulars	FVTPL equity shares
Balance at 1 April 2017	2.95
Additions during the year	40.09
<b>Balance at March 31, 2018</b>	<b>43.04</b>
Balance at April 1, 2016	331.40
Sale/Disposal during the year	(328.45)
<b>Balance at March 31, 2017</b>	<b>2.95</b>

**(iv) Valuation inputs and relationships to fair value**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation techniques adopted.

Particulars	Significant unobservable inputs	
	March 31, 2018	March 31, 2017
Discount rate	21.00%	21.00%
Capitalisation rate	11.00%	11.00%

**(v) Sensitivity analysis**

For the fair values of FVTPL equity shares, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	Profit or loss			
	March 31, 2018		March 31, 2017	
	Increase by 100 bps	Decrease by 100 bps	Increase by 100 bps	Decrease by 100 bps
Discount rate	(0.05)	0.05	(0.05)	0.05
Capitalisation rate	(0.05)	0.06	(0.05)	0.06

**Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk;

**Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****47 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

**(B) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents and other bank balances, derivatives and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

**(a) Trade receivables from customers**

The Group does not have any significant credit exposure in relation to revenue generated from hospitality business. For other segments the company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group.

**Impairment**

The ageing of trade and other receivables that were not impaired was as follows.

	March 31, 2018	March 31, 2017	April 1, 2016
Past due not impaired			
1-90 days	421.34	375.85	265.30
90-180 days	57.98	13.16	15.55
180-365 days	48.21	14.29	6.78
More than 365 days	28.00	10.58	8.50
<b>Total</b>	<b>555.52</b>	<b>413.89</b>	<b>296.13</b>

**The movement in the allowance for impairment in respect of other receivables during the year was as follows:**

	March 31, 2018	March 31, 2017
Balance as at April 1	9.22	6.29
Impairment loss recognised / (reversed)	(5.92)	2.45
Amounts written off	0.52	0.48
<b>Balance as at March 31</b>	<b>3.82</b>	<b>9.22</b>

**(b) Cash and cash equivalents and other bank balances**

The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit rating.

**(c) Derivatives**

The derivatives are entered into with banks, financial institutions and other counterparties with good credit ratings. Further exposures to counter-parties are closely monitored and kept within the approved limits.

**(d) Other financial assets**

Other financial assets are neither past due nor impaired.

**(C) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**47 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

March 31, 2018	Contractual cash flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
<b>Non current, non derivative financial liabilities</b>						
Borrowings (including current maturity of long term debt)	25,618.93	34,700.30	5,585.68	4,637.83	17,249.46	7,227.33
Security deposits	151.77	151.77	-	151.77	-	-
<b>Current, non derivative financial liabilities</b>						
Borrowings	1,634.16	1,634.16	1,634.16	-	-	-
Trade payables	858.80	858.80	858.80	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	256.41	256.41	256.41	-	-	-
<b>Derivative financial liabilities</b>						
Interest rate swap	(17.29)	(17.29)	(17.29)	-	-	-
Forward exchange contract (gross settled)						
- Outflow	1,351.18	1,351.18	1,351.18	-	-	-
- Inflow	(1,300.88)	(1,300.88)	(1,300.88)	-	-	-
<b>Total</b>	<b>28,570.37</b>	<b>37,651.73</b>	<b>8,385.34</b>	<b>4,789.60</b>	<b>17,249.46</b>	<b>7,227.33</b>

March 31, 2017	Contractual cash flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
<b>Non current, non derivative financial liabilities</b>						
Borrowings (including current maturity of long term debt)	23,111.28	33,382.96	4,597.17	5,082.33	12,317.33	11,386.13
Security deposits	115.42	115.42	-	115.42	-	-
Retention money	3.56	3.56	-	3.56	-	-
<b>Current, non derivative financial liabilities</b>						
Borrowings	3,247.45	3,247.45	3,247.45	-	-	-
Trade payables	846.74	846.74	846.74	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	328.05	328.05	328.05	-	-	-
<b>Derivative financial liabilities</b>						
Currency swap	40.18	40.18	40.18	-	-	-
Interest rate swap	23.73	23.73	23.73	-	-	-
Forward exchange contract (gross settled)						
- Outflow	1,391.45	1,391.45	1,391.45	-	-	-
- Inflow	(1,296.77)	(1,296.77)	(1,296.77)	-	-	-
<b>Total</b>	<b>27,811.09</b>	<b>38,082.77</b>	<b>9,178.00</b>	<b>5,201.31</b>	<b>12,317.33</b>	<b>11,386.13</b>



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****47 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

March 31, 2016	Contractual cash flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
<b>Non current, non derivative financial liabilities</b>						
Borrowings (including current maturity of long term debt)	20,923.22	32,112.27	3,991.03	4,150.85	11,415.40	12,554.98
Security deposits	13.45	13.45	-	13.45	-	-
Retention money	39.58	39.58	-	39.58	-	-
<b>Current, non derivative financial liabilities</b>						
Borrowings	2,583.17	2,583.17	2,583.17	-	-	-
Trade payables	651.89	651.89	651.89	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	311.31	311.31	311.31	-	-	-
<b>Derivative financial liabilities</b>						
Currency swap	104.45	104.45	104.45	-	-	-
Interest rate swap	2.70	2.70	2.70	-	-	-
<b>Total</b>	<b>24,629.77</b>	<b>35,818.82</b>	<b>7,644.55</b>	<b>4,203.88</b>	<b>11,415.40</b>	<b>12,554.98</b>

The gross outflows / (inflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

**(D) Market risk**

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivative to manage market risk.

**(E) Currency risk**

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recognized liabilities. The Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

Following are the derivative financial instruments outstanding:

Particulars	Buy / Sell	Currency	Cross Currency	March 31, 2018	March 31, 2017	April 1, 2016
Forward contract	Buy	USD	INR	USD 20 Million	USD 20 Million	Nil
Currency swap	Buy	INR	USD	Nil	USD 14.31 Million	USD 14.31 Million

**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**
**47 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

**Exposure to currency risk**

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

The amounts reflected in the table below represent the INR exposure to the respective currency.

	March 31, 2018			March 31, 2017		
	USD	EUR	GBP	USD	EUR	GBP
<b>Financial liabilities</b>						
Foreign currency loans (including interest accrued)	5,000.06	-	-	5,696.26	-	-
Trade payables	331.09	0.74	-	264.67	0.12	-
Buyers' credit	249.76	2.53	-	231.11	13.43	7.19
	<b>5,580.91</b>	<b>3.26</b>	<b>-</b>	<b>6,192.04</b>	<b>13.55</b>	<b>7.19</b>
<b>Derivatives</b>						
Foreign currency forward exchange contract	(1,300.88)	-	-	(1,296.77)	-	-
Currency swap	-	-	-	(927.75)	-	-
	<b>(1,300.88)</b>	<b>-</b>	<b>-</b>	<b>(2,224.52)</b>	<b>-</b>	<b>-</b>
<b>Net exposure</b>	<b>4,280.03</b>	<b>3.26</b>	<b>-</b>	<b>3,967.51</b>	<b>13.55</b>	<b>7.19</b>

The amounts reflected in the table below represent the INR exposure to the respective currency.

	April 1, 2016		
	USD	EUR	GBP
<b>Financial liabilities</b>			
Foreign currency loans (including interest accrued)	3,819.96	-	-
Trade payables	185.51	0.23	-
Buyers' credit	640.00	53.30	8.47
	<b>4,645.47</b>	<b>53.53</b>	<b>8.47</b>
<b>Derivatives</b>			
Currency swap	(949.14)	-	-
	<b>(949.14)</b>	<b>-</b>	<b>-</b>
<b>Net exposure</b>	<b>3,696.33</b>	<b>53.53</b>	<b>8.47</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss before tax					
	March 31, 2018		March 31, 2017		April 1, 2016	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
<b>Effect in INR (before tax)</b>						
<b>USD (1% movement)</b>	42.80	(42.80)	39.68	(39.68)	36.96	(36.96)
EUR (1% movement)	0.03	(0.03)	0.14	(0.14)	0.54	(0.54)
GBP (1% movement)	-	-	0.07	(0.07)	0.08	(0.08)
	<b>42.83</b>	<b>(42.83)</b>	<b>39.88</b>	<b>(39.88)</b>	<b>37.58</b>	<b>(37.58)</b>

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****47 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

**(F) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The Group adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

**Particulars of outstanding interest rate swaps as at**

March 31, 2018	USD 48.65 million
March 31, 2017	USD 63 million
April 1, 2016	USD 30 million

**Exposure to interest rate risk**

The interest rate profile of the Group's interest-bearing financial instruments is as follows.

	Carrying amount		
	March 31, 2018	March 31, 2017	March 31, 2016
<b>Fixed-rate instruments</b>			
<b>Loans given</b>			
Loans to related parties	(2,326.55)	(1,779.16)	(1,345.82)
<b>Non current borrowings</b>			
Vehicle loan from bank	5.21	15.85	24.69
Non-cumulative redeemable preference shares	160.00	160.00	-
<b>Current borrowings</b>			
Loan from directors	-	74.00	-
Loan from related parties other than directors	948.68	2,813.24	1,133.20
Buyer's credit	252.29	251.73	686.73
<b>Total</b>	<b>(960.37)</b>	<b>1,535.66</b>	<b>498.80</b>
<b>Variable-rate instruments</b>			
<b>Non current borrowings</b>			
Rupee term loans from banks	12,760.60	12,433.93	8,229.92
Rupee term loans from financial institutions	5,975.65	4,815.63	7,002.72
Foreign currency term loans from banks	3,250.07	3,080.35	3,765.50
Current maturity of long term debt	3,467.40	2,605.52	1,900.39
<b>Current borrowings</b>			
Cash credit/overdraft accounts from banks	433.19	108.48	763.24
Unsecured loans from others	-	-	-
For financial institution	-	-	-
Less: Interest rate swaps	(3,164.40)	(4,084.83)	(1,989.99)
<b>Total</b>	<b>22,722.51</b>	<b>18,959.08</b>	<b>19,671.78</b>
<b>TOTAL</b>	<b>21,762.14</b>	<b>20,494.74</b>	<b>20,170.58</b>

**Fair value sensitivity analysis for fixed-rate instruments**

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107 Financial Instruments: Disclosures, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**
**47 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

(₹ in million)

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Group's income statement over the remaining life of the related fixed assets.

	Profit or loss before tax	
	100 bps increase	100 bps decrease
<b>March 31, 2018</b>	(227.23)	227.23
<b>March 31, 2017</b>	(189.59)	189.59

**48 CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings, less cash and cash equivalents and bank deposits. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at is as follows:

	March 31, 2018	March 31, 2017	April 1, 2016
Total borrowings	27,253.09	26,358.73	23,506.39
Less : Cash and cash equivalents	295.21	228.30	214.75
Less : Bank deposits	21.50	103.44	131.82
<b>Adjusted net debt</b>	<b>26,936.38</b>	<b>26,026.99</b>	<b>23,159.82</b>
Total equity	4,955.06	5,883.46	6,267.14
Adjusted net debt to adjusted equity ratio	5.44	4.42	3.70

**49 SEGMENT REPORTING**
**A. General Information**
**(a) Factors used to identify the entity's reportable segments, including the basis for segmentation**

For management purposes, the company is organised into business units based on its products and services and has three reportable segments, as follows:

- Hospitality (Hotels) comprises of the income earned through Hotel operations
- Real estate comprises of income from sale of residential flats
- Retail comprises of the income earned through leasing of commercial properties

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as the performance indicator for all of the operating segments, and does not review the total assets and liabilities of an operating segment.

**(b) Following are reportable segments**
**Reportable segment**

Hospitality (Hotels)

Real Estate

Commercial and retail bock



**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**49 SEGMENT REPORTING (CONTD.)**

(₹ in million)

**B. Information about reportable segments****For the year ended March 31, 2018**

Particulars	Reportable segments				
	Hospitality (Hotels)	Real Estate	Commercial and retail bock	Unallo- cated	Total
<b>Revenue</b>					
External Customers	8,595.26	(680.23)	240.79	-	8,155.80
Inter-segment	-	-	-	-	-
<b>Total Revenue</b>	<b>8,595.26</b>	<b>(680.23)</b>	<b>240.79</b>	<b>-</b>	<b>8,155.80</b>
<b>Segment profit / (loss) before tax</b>	<b>2,619.61</b>	<b>(1,862.44)</b>	<b>(76.56)</b>	<b>-</b>	<b>680.61</b>
<b>Unallocated expenses</b>					
Interest Expenses	-	-	-	(2,119.21)	(2,119.21)
Depreciation	-	-	-	(5.94)	(5.94)
Other Expenses	-	-	-	(360.73)	(360.73)
<b>Total Unallocated Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,485.88)</b>	<b>(2,485.88)</b>
<b>Unallocated income</b>					
Interest Income	-	-	-	197.39	197.39
Other Income	-	-	-	159.60	159.60
<b>Total Unallocated Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>356.98</b>	<b>356.98</b>
<b>Profit before Taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,448.28)</b>
Tax Credit					(519.54)
<b>Profit after taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(928.74)</b>
<b>Segment assets</b>	23,151.33	3,000.22	6,949.04	4,059.38	37,159.97
<b>Segment liabilities</b>	1,541.39	2,188.89	219.15	28,255.47	32,204.91
<b>Other disclosures</b>					
Capital Expenditure	733.10	-	440.70	1.96	1,175.76
Depreciation and amortization	979.56	1.01	129.82	5.94	1,116.33
Non cash expenses other than depreciation and amortization	21.50	1,251.37	6.83	(105.19)	1,174.52

**For the year ended March 31, 2017**

Particulars	Reportable segments				
	Hospitality (Hotels)	Real Estate	Commercial and retail bock	Unallo- cated	Total
<b>Revenue</b>					
External Customers	7,121.58	(144.05)	140.51	-	7,118.05
Inter-segment	-	-	-	-	-
<b>Total Revenue</b>	<b>7,121.58</b>	<b>(144.05)</b>	<b>140.51</b>	<b>-</b>	<b>7,118.05</b>
<b>Segment profit / (loss) before tax</b>	<b>1,621.74</b>	<b>(389.31)</b>	<b>(64.32)</b>	<b>-</b>	<b>1,168.11</b>
<b>Unallocated expenses</b>					
Interest Expense	-	-	-	(2,179.58)	(2,179.58)
Depreciation	-	-	-	(7.70)	(7.70)
Other Expenses	-	-	-	(219.48)	(219.48)
<b>Total Unallocated Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,406.76)</b>	<b>(2,406.76)</b>
<b>Unallocated income</b>					
Interest Income	-	-	-	245.99	245.99
Other Income	-	-	-	1,625.85	1,625.85
<b>Total Unallocated Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,871.84</b>	<b>1,871.84</b>

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**49 SEGMENT REPORTING (CONTD.)**

(₹ in million)

For the year ended March 31, 2017

Particulars	Reportable segments				Total
	Hospitality (Hotels)	Real Estate	Commercial and retail bock	Unallo-cated	
<b>Profit Before Taxation</b>	-	-	-	-	<b>633.18</b>
Provision for taxation					(757.92)
<b>Profit after taxation</b>	-				<b>1,391.10</b>
<b>Segment assets</b>	22,794.87	3,196.68	6,694.51	3,163.73	35,849.79
<b>Segment liabilities</b>	1,426.52	1,164.44	110.39	27,264.98	29,966.33
<b>Other disclosures</b>					
Capital expenditure during the year	306.81	-	721.75	1.63	1,030.19
Depreciation and amortization	1,169.10	1.26	91.69	7.70	1,269.76
Non cash Expenses other than Depreciation and Amortization	18.55	196.76	0.32	8.19	223.83

For the year ended March 31, 2016

Particulars	Reportable segments				Total
	Hospitality (Hotels)	Real Estate	Commercial and retail bock	Unallo-cated	
Segment assets	20,536.68	6,479.71	4,545.65	2,029.74	33,591.49
Segment liabilities	(614.25)	1,194.25	129.54	26,614.81	27,324.35

**50 DETAILS OF INTERESTS IN SUBSIDIARIES AND ASSOCIATES**
**Subsidiaries**

The details of the Company's subsidiaries at March 31, 2018 is set below. The country of incorporation is also the principal place of business

Name of entity	Country of Incorporation	Shareholding % As on		
		March 31, 2018	March 31, 2017	April 1, 2016
Magna Warehousing & Distribution Private Limited	India	-	100%	100%
Grandwell Properties & Leasing Private Limited	India	-	100%	100%
Chalet Hotels & Properties (Kerala) Private Limited	India	90%	90%	90%

The carrying amount of investments was written off in the year of dissolution.

**Non-controlling interests**

Below is the partly owned subsidiary of the Group and the share of the non-controlling interests.

Name	Country of Incorporation and Principal Place of Business	Non-controlling interest		
		March 31, 2018	March 31, 2017	April 1, 2016
Chalet Hotels & Properties (Kerala) Private Limited	India	10%	10%	10%

The balance attributable towards the non-controlling interest of Chalet Hotels & Properties (Kerala) Private Limited was Nil as at each reporting date. Accordingly, disclosures applicable to non-controlling interest have not been provided.

**Interest in Associates**

Name of entity	Country of Incorporation	Shareholding % as on		
		March 31, 2018	March 31, 2017	April 1, 2016
Genext Hardware & Parks Private Limited	India	-	-	41.05%

**Method of accounting of investment in associates**

Investment in associates was acquired exclusively with a view to resale and meets the criteria to be classified as held for sale. The investment has been accounted as per Ind AS 105 and measured at the lower of carrying amount and fair value less costs to sell and hence are not consolidated with reference to the equity method.

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW:****List of related parties**

Relationship	Name of party		
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Associates</b>	-	Genext Hardware & Parks Private Limited (Upto October 31, 2016)	Genext Hardware & Parks Private Limited
	-	-	Intime Properties Private Limited (Upto March 31, 2016)
<b>Key Managerial Personnel / Relative ((KMP)</b>	Sanjay Sethi -Managing Director & CEO (Resigned w.e.f. from October 1, 2017) (Appointed w.e.f. February 9, 2018)	Sanjay Sethi -Managing Director & CEO	Sanjay Sethi -Managing Director & CEO
	Ramesh M. Valecha , Non-Executive Director (from August 1, 2017) (Executive Director upto July 31, 2017) (Resigned w.e.f. May 2, 2018)	Ramesh M. Valecha - Executive Director	Ramesh M. Valecha - Executive Director
	Rajeev Newar, Executive Director (from August 3, 2017)	-	-
	Chandru L Raheja, Non-Executive Director (Resigned w.e.f. April 26, 2018)	Chandru L Raheja, Non-Executive Director	Chandru L Raheja, Non-Executive Director
	Ravi C Raheja, Non-Executive Director	Ravi C Raheja, Non-Executive Director	Ravi C Raheja, Non-Executive Director
	Neel C Raheja, Non-Executive Director	Neel C Raheja, Non-Executive Director	Neel C Raheja, Non-Executive Director
	Rajeev Chopra, Non-Executive Director (from June 1, 2017) (Resigned w.e.f. May 2, 2018)	-	-
	Roshan M. Chopra, relative of director	-	-
	Arthur De Haast, Independent Director (from August 3, 2017)	-	-
	Joseph Conrad D'Souza, Independent Director	Joseph Conrad D'Souza, Independent Director	Joseph Conrad D'Souza, Independent Director
	Hetal Gandhi, Independent Director	Hetal Gandhi, Independent Director	Hetal Gandhi, Independent Director
	Christabelle Baptista, Company Secretary	Christabelle Baptista, Company Secretary	Christabelle Baptista, Company Secretary
<b>Enterprises Controlled / Jointly controlled by KMPs</b>	Brookfields Agro & Development Private Limited	Brookfields Agro & Development Private Limited	Brookfields Agro & Development Private Limited
	Cavalcade Properties Private Limited	Cavalcade Properties Private Limited	Cavalcade Properties Private Limited
	Convex Properties Private Limited	Convex Properties Private Limited	Convex Properties Private Limited
	Grange Hotels And Properties Private Limited	Grange Hotels And Properties Private Limited	Grange Hotels And Properties Private Limited

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW: (CONTD.)**

Relationship	Name of party		
	March 31, 2018	March 31, 2017	April 1, 2016
	-	-	Horizonview Properties Private Limited
	Immense Properties Private Limited	Immense Properties Private Limited	Immense Properties Private Limited
	-	-	Newfound Properties & Leasing Private Limited
	Novel Properties Private Limited	Novel Properties Private Limited	Novel Properties Private Limited
	Pact Real Estate Private Limited	Pact Real Estate Private Limited	Pact Real Estate Private Limited
	Paradigm Logistics & Distribution Private Limited	Paradigm Logistics & Distribution Private Limited	Paradigm Logistics & Distribution Private Limited
	Sustain Properties Private Limited	Sustain Properties Private Limited	Sustain Properties Private Limited
	Sycamore Properties Private Limited	Sycamore Properties Private Limited	Sycamore Properties Private Limited (from November 28, 2015)
	Aqualine Real Estate Private Limited	Aqualine Real Estate Private Limited	Aqualine Real Estate Private Limited
	Feat Properties Private Limited	Feat Properties Private Limited	Feat Properties Private Limited
	-	-	KRC Infrastructure And Projects Private Limited
	Carin Properties Private Limited	Carin Properties Private Limited	-
	Flabbergast Properties Private Limited	Flabbergast Properties Private Limited	-
	The Residency Hotels Private Limited	-	-
	Sundew Real Estate Private Limited	Sundew Real Estate Private Limited	-
	K Raheja Corp Advisory Services (Cyprus) Private Limited	K Raheja Corp Advisory Services (Cyprus) Private Limited	K Raheja Corp Advisory Services (Cyprus) Private Limited
Shareholders of the Company	Anbee Constructions LLP	Anbee Constructions LLP	Anbee Constructions LLP (formerly Anbee Constructions Private Limited upto March 17, 2016)
	-	Avacado Properties And Trading (India) Private Limited (Upto December 21, 2016)	Avacado Properties And Trading (India) Private Limited
	Cape Trading LLP	Cape Trading LLP	Cape Trading LLP (formerly known as Cape Trading Private Limited upto March 17, 2016)
	Capstan Trading LLP	Capstan Trading LLP	Capstan Trading LLP (formerly known as Capstan Trading Private Limited upto March 17, 2016)
	Casa Maria Properties LLP	Casa Maria Properties LLP	Casa Maria Properties LLP (formerly known as Casa Maria Properties Private Limited upto March 17, 2016)
	Ivory Properties And Hotels Private Limited	Ivory Properties And Hotels Private Limited	Ivory Properties And Hotels Private Limited
	K. Raheja Corp Private Limited	K. Raheja Corp Private Limited	K. Raheja Corp Private Limited
	K. Raheja Private Limited	K. Raheja Private Limited	K. Raheja Private Limited



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW: (CONTD.)**

Relationship	Name of party		
	March 31, 2018	March 31, 2017	April 1, 2016
	Palm Shelter Estate Development LLP	Palm Shelter Estate Development LLP	Palm Shelter Estate Development LLP (formerly known as Palm Shelter Estate Development Private Limited upto March 17, 2016)
	Raghukool Estate Development LLP	Raghukool Estate Development LLP	Raghukool Estate Development LLP (formerly known as Raghukool Estate Development Private Limited upto March 18, 2016)
	Touchstone Properties And Hotels Private Limited	Touchstone Properties And Hotels Private Limited	Touchstone Properties And Hotels Private Limited
	Ivory Property Trust	-	-
	Genext Hardware & Parks Private Limited	Genext Hardware & Parks Private Limited (from December 22, 2016)	-
<b>Other Related parties</b>	-	Gigaplex Estate Private Limited	
	Imperial Serviced Offices & Property Management Private Limited		Imperial Serviced Offices Private Limited
	Inorbit Malls (India) Private Limited	Inorbit Malls (India) Private Limited	Inorbit Malls (India) Private Limited
	K Raheja Corporate Services Private Limited	K Raheja Corporate Services Private Limited	K Raheja Corporate Services Private Limited
	K Raheja IT Park (Hyderabad) Limited	K Raheja IT Park (Hyderabad) Limited (formerly known as K Raheja IT Park (Hyderabad) Private Limited upto November 8, 2016)	K Raheja IT Park (Hyderabad) Private Limited
	Mindspace Business Parks Private Limited	Mindspace Business Parks Private Limited	Mindspace Business Parks Private Limited (formerly known as Serene Properties Private Limited upto November 23, 2015)
	-	Stargaze Properties Private Limited	Stargaze Properties Private Limited
	Sundew Properties Limited	Sundew Properties Private Limited	Sundew Properties Private Limited
	Trion Properties Private Limited	Trion Properties Private Limited	Trion Properties Private Limited
	-	-	-
	-	Ivory Property Trust	Ivory Property Trust
	-	-	Powai Developers (Division of K. Raheja Corp Private Limited)
	-	Horizon View Properties Private Limited	-
	Intime Properties Limited	Intime Properties Limited	-
		KRC Infrastructure And Projects Private Limited	-
	Newfound Properties & Leasing Private Limited	Newfound Properties & Leasing Private Limited	-
	Challenge Properties Private Limited	-	-

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW: (CONTD.)**

(₹ in million)

**Related party disclosures for Year ended March 31, 2018**

Sr. No	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties
1	Dividend received	-	-	0.00
2	Interest income from instruments measured at amortised cost	-	-	173.54
3	Miscellaneous income	-	-	11.35
4	Sale of services - Lease rent	-	-	0.98
5	Sale of investments	-	-	0.10
6	Sales of services - Rooms income, Food, beverages and smokes	-	1.22	12.68
7	Other expenses	-	4.82	60.92
8	Interest expenses	-	-	83.59
9	Director sitting fees	-	0.40	-
10	Salaries, wages and bonus	-	52.27	-
11	Loans repaid	-	82.08	6,602.44
12	Loans taken	-	-	267.10
13	Loans given	-	2.00	6,923.70
14	Deposit received	-	-	1.90
15	Guarantees given on behalf of the Company	-	870.36	-
<b>Balances outstanding as at the year-end</b>				
16	Trade receivables	-	-	0.39
17	Loans Receivable	-	1.42	2,153.33
18	Interest receivable	-	-	171.81
19	Loans payable	-	-	868.82
20	Interest payable	-	-	80.18

\*Amount in less than ₹ 0.01 million

**Significant transactions with material related parties for Year ended March 31, 2018**

Sr. No	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties
1	<b>Loans given</b>			
	Immense Properties Private Limited	-	-	120.10
	Ivory Properties And Hotels Private Limited	-	-	450.00
	Ivory Property Trust	-	-	1,781.60
	K. Raheja Private Limited	-	-	4,572.00
2	<b>Loans repaid</b>			
	K. Raheja Corp Private Limited	-	-	245.00
	Immense Properties Private Limited	-	-	289.00
	Ivory Properties And Hotels Private Limited	-	-	449.50
	Ivory Property Trust	-	-	3,168.20
	K. Raheja Private Limited	-	-	2,450.74

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW: (CONTD.)**

(₹ in million)

Sr. No	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties
3	<b>Loans Payable</b>			
	Newfound Properties & Leasing Private Limited	-	-	628.00
	K. Raheja Corp Private Limited	-	-	267.10
4	<b>Loans Receivable</b>			
	K. Raheja Corp Private Limited			240.82
5	<b>Guarantees given on behalf of the Company</b>			
	Neel C. Raheja	-	870.36	-
6	<b>Guarantees Outstanding</b>			
	Neel C. Raheja	-	870.36	-

**Related party disclosures for Year ended March 31, 2017**

Sr. No	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Dividend received	0.00	-	-
2	Interest income from instruments measured at amortised cost	-	-	219.48
3	Interest expenses	-	-	35.53
4	Sale of services - Lease rent	-	-	0.98
5	Sale of investments	-	-	3,769.20
6	Sales of services - Rooms income, Food, beverages and smokes	16.78	-	15.57
7	Other expenses	2.10	-	50.08
8	Salaries, wages and bonus	-	51.99	-
9	Director sitting fees	-	0.19	-
10	Loans repaid	-	2.50	7,588.77
11	Loans taken	-	74.00	1,174.21
12	Loans given	-	-	7,354.03
13	Deposit given	-	-	5.00
14	Deposit received	11.98	-	-
15	Purchase of property, plant and equipment	-	-	2.05
16	Guarantees given on behalf of the Company	-	432.28	-
	<b>Balances outstanding as at the year-end</b>			
17	Trade receivables	0.11	-	2.96
18	Trade payables	10.64	-	22.34
19	Deposits outstanding as at the year-end	10.25	-	31.98
20	Investment Outstanding	-	-	0.73
21	Loans receivable	-	7.50	1,587.07
22	Interest receivable	-	-	184.59
23	Loans payable	1,925.73	74.00	846.40
24	Interest payable	-	-	41.10

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**51 RELATED PARTY DISCLOSURES, AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 (IND AS 24) ARE GIVEN BELOW: (CONTD.)**

(₹ in million)

**Significant transactions with material related parties for Year ended March 31, 2017**

Sr. No	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties
1	<b>Sale of investments</b>			
	Ivory Property Trust	-	-	3,769.20
2	<b>Loans given</b>			
	Pact Real Estate Private Limited	-	-	1,000.00
	Ivory Property Trust	-	-	3,445.33
	K. Raheja Private Limited	-	-	1,249.50
	Immense Properties Private Limited	-	-	550.00
	Convex Properties Private Limited	-	-	400.00
	Horizonview Properties Private Limited	-	-	209.20
	KRC Infrastructure And Projects Private Limited	-	-	500.00
3	<b>Loans repaid</b>			
	Pact Real Estate Private Limited	-	-	1,000.00
	K. Raheja Private Limited	-	-	2,518.86
	Ivory Property Trust	-	-	2,058.00
	Immense Properties Private Limited	-	-	381.00
	Convex Properties Private Limited	-	-	400.00
	Horizonview Properties Private Limited	-	-	209.20
	KRC Infrastructure And Projects Private Limited	-	-	500.00
	Gigaplex Estate Private Limited	-	-	521.50
4	<b>Loans taken</b>			
	Gigaplex Estate Private Limited	-	-	521.50
	Newfound Properties & Leasing Private Limited	-	-	628.21
5	<b>Loans receivable</b>			
	Immense Properties Private Limited	-	-	169.00
	Ivory Property Trust	-	-	1,387.33
6	<b>Loans payable</b>			
	K. Raheja Corp Private Limited	-	-	218.40
	Genext Hardware & Parks Private Limited	1,925.73	-	-
	Newfound Properties & Leasing Private Limited	-	-	628.00

**Related party disclosures as at April 1, 2016**

Sr. No	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
	<b>Balances outstanding as at April 1, 2016</b>			
1	Trade receivables	-	-	3.16
2	Trade payables	-	-	5.23
3	Deposits outstanding as at the year-end	-	-	26.98
4	Investment Outstanding	3,315.83	-	-
5	Loans receivable	-	10.00	1,300.10
6	Interest receivable	17.30	-	18.42
7	Interest payable	-	-	113.72
8	Loans Payable	-	-	1,018.50
9	Guarantees Outstanding	2,706.68	-	-



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**52 DISCLOSURE AS PER GUIDANCE NOTE ON ACCOUNTING FOR REAL ESTATE TRANSACTIONS**

Particulars	March 31, 2018	March 31, 2017
Gross Project Revenue recognised as revenue	(680.23)	(144.05)
Method used to determine the Project Revenue	Percentage of completion method	
Method used to determine the stage of completion of the project	Physical completion substantiated by cost incurred	
<b>In respect of all projects in progress as at</b>		
Aggregate amount of cost incurred to date	(289.81)	(125.69)
Advances received as at	1,026.35	92.84
Income received in advance (net) as at	208.36	800.42
Amount of work in progress as at	3,031.94	2,659.87
Less: Provision for impairment	(376.65)	-
Amount of work in progress as at (net)	2,655.29	2,659.87
Excess of revenue recognised over actual bills raised (unbilled revenue)	195.33	106.70

**53 BENGALURU RESIDENTIAL PROJECT**

Amounts related to the Bengaluru Residential project carried under inventories and trade receivables are as under

	March 31, 2018	March 31, 2017	April 1, 2016
Inventories	3,031.94	2,659.87	2,533.02
Less: Provisions for impairment	(376.65)	-	-
Inventories, net	2,655.29	2,659.87	2,533.02
Trade receivables	32.46	9.12	6.77
Income received in advance (unearned revenue)	208.36	334.94	381.03
Advances from customers towards sale of residential flats	967.91	86.73	121.21

**54 FIRST TIME ADOPTION OF IND AS**

These are the Group's first Consolidated financial statements prepared in accordance with Ind AS. The Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the "Previous GAAP".

The Significant Accounting Policies set out in Note No. 1 have been applied in preparing the Consolidated financial statements for the year ended 31st March 2018, 31st March 2017 and the opening Consolidated Ind AS balance sheet on the date of transition i.e. 1st April 2016.

In preparing its Ind AS Consolidated Balance Sheet as at 1st April 2016 and in presenting the comparative information for the year ended 31st March 2017, the Group has adjusted amounts previously reported in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

**Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**
**54 FIRST TIME ADOPTION OF IND AS (CONTD.)**
**1 Business combination**

The Company has applied the exemption as provided in Ind AS 101 in relation to Ind AS 103, "Business Combinations" for business combinations consummated prior to the date of transition (April 1, 2016). Pursuant to this exemption, goodwill arising from business combination has been stated at the carrying amount under previous GAAP. Ind AS 103 will be applied prospectively to business combinations occurring after its transition date.

**2 Property, plant and equipment**

On the date of transition the Group has chosen to reflect the fair value of all freehold land as of April 1, 2016 as their respective deemed cost. All other items of property, plant and equipment have been measured as per the requirements of Ind AS 16 "Property, Plant and Equipment" retrospectively.

**3 Intangible assets and Investment property**

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2016 for all the items of intangible assets and investment property.

**4 Classification and measurement of financial assets and financial liabilities**

Ind AS 101 requires an entity to assess classification of financial assets and financial liabilities on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets and financial liabilities accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets and financial liabilities based on facts and circumstances that exist on the date of transition. Measurement of the financial assets and financial liabilities accounted at amortised cost has been done retrospectively except where the same is impracticable.

**5 Estimates:**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**A. Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following table represents the equity reconciliation from previous GAAP to Ind AS:

(₹ in million)

**(I) Reconciliation of equity as at March 31, 2017**

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,2,6,7,10	18,797.54	2,908.52	21,706.06
Capital work-in-progress	2,6,7,10	65.11	146.39	211.50
Investment property	7,10	-	6,424.19	6,424.19
Goodwill	7	36.58	189.53	226.11
Other intangible assets	7	28.70	1.08	29.78
Financial assets				
(i) Investments	2,3,4,7,10	4,952.81	(4,949.73)	3.08
(ii) Loans	7	101.91	3.57	105.48
(iii) Others		-	-	-

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****54 FIRST TIME ADOPTION OF IND AS (CONTD.)**

(₹ in million)

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
Deferred tax assets (net)		-	517.13	517.13
Other non-current assets	7	19.72	74.07	93.79
Non-current tax assets (net)	7	319.08	19.92	339.00
<b>Total non current assets</b>		<b>24,321.45</b>	<b>5,334.67</b>	<b>29,656.12</b>
<b>Current Assets</b>				
Inventories	7	3,189.46	17.57	3,207.03
Financial assets				
(i) Trade receivables	7	308.96	95.71	404.67
(ii) Cash and cash equivalents	7	184.98	43.32	228.30
(iii) Bank balances other than (ii) above	7	52.94	50.50	103.44
(iv) Loans	7	1,787.04	6.43	1,793.47
(v) Others	7	141.29	4.20	145.49
Other current assets	7	293.35	17.93	311.28
<b>Total current assets</b>		<b>5,958.02</b>	<b>235.66</b>	<b>6,193.67</b>
<b>TOTAL ASSETS</b>		<b>30,279.47</b>	<b>5,570.33</b>	<b>35,849.79</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,521.42	-	1,521.42
Other equity	1-10	5,532.00	(1,169.96)	4,362.04
<b>Equity attributable to equity holders of the parent</b>		<b>7,053.42</b>	<b>(1,169.96)</b>	<b>5,883.46</b>
<b>Total Equity</b>		<b>7,053.42</b>	<b>(1,169.96)</b>	<b>5,883.46</b>
<b>Liabilities</b>				
<b>Non current liabilities</b>				
Financial liabilities				
(i) Borrowings	2,7	17,266.59	3,239.17	20,505.76
(ii) Others	7	39.14	79.84	118.98
Provisions	7	55.97	1.65	57.62
Deferred tax liabilities (net)	1,2,6,7,8,10,11	358.52	344.57	703.09
Other non-current liabilities	7	-	21.15	21.15
<b>Total non current liabilities</b>		<b>17,720.22</b>	<b>3,686.38</b>	<b>21,406.60</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	7	1,281.76	1,965.69	3,247.45
(ii) Trade payables	7	684.55	162.19	846.74
(iii) Other financial Liabilities	7	2,119.12	919.01	3,038.13
Other current liabilities	7	1,151.09	1.97	1,153.06
Provisions	7	269.31	5.04	274.35
<b>Total current liabilities</b>		<b>5,505.83</b>	<b>3,053.90</b>	<b>8,559.73</b>
<b>Total liabilities</b>		<b>23,226.05</b>	<b>6,740.29</b>	<b>29,966.33</b>
<b>Total Equity and Liabilities</b>		<b>30,279.47</b>	<b>5,570.33</b>	<b>35,849.79</b>

\*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**NOTES**

TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)

**54 FIRST TIME ADOPTION OF IND AS (CONTD.)**

(₹ in million)

**Reconciliation of equity as at April 1, 2016**

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,2,6,7,9	14,370.53	4,931.69	19,302.22
Capital work-in-progress	2,6,7,9	3,268.34	(2,952.23)	316.11
Investment property	7,9	-	4,525.03	4,525.03
Goodwill	7	36.58	-	36.58
Other intangible assets	7	37.92	-	37.92
Financial assets		-	-	-
(i) Investments	2,3,7,9	4,443.33	(3,969.09)	474.24
(ii) Loans	7	117.17	-	117.17
(iii) Others		-	-	-
Deferred tax assets (net)		-	91.96	91.96
Other non-current assets	7	42.74	55.72	98.46
Non-current tax assets (net)	7	216.47		216.47
<b>Total non current assets</b>		<b>22,533.08</b>	<b>2,683.08</b>	<b>25,216.16</b>
<b>Current assets</b>				
Inventories	7	3,140.58	-	3,140.58
Financial assets		-	-	-
(i) Trade receivables	7	289.84	-	289.84
(ii) Cash and cash equivalents	7	214.75	-	214.75
(iii) Bank balances other than (ii) above	7	131.82	-	131.82
(iv) Loans	7	1,355.59	-	1,355.59
(v) Others	7	103.53	-	103.53
Other current assets	7	267.76	1.20	268.96
<b>Total current assets</b>		<b>5,503.87</b>	<b>1.20</b>	<b>5,505.07</b>
Assets held for sale	10	-	2,870.26	2,870.26
<b>TOTAL ASSETS</b>		<b>28,036.95</b>	<b>5,554.54</b>	<b>33,591.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		1,521.42	-	1,521.42
Other equity	1-10	(229.08)	4,974.80	4,745.72
<b>Equity attributable to equity holders of the parent</b>		<b>1,292.34</b>	<b>4,974.80</b>	<b>6,267.14</b>
<b>Total Equity</b>		<b>1,292.34</b>	<b>4,974.80</b>	<b>6,267.14</b>
<b>Liabilities</b>				
<b>Non current liabilities</b>				
Financial liabilities				
(i) Borrowings	2,7	19,222.78	(199.95)	19,022.83
(ii) Others	7	53.03	-	53.03
Provisions	7	55.74	-	55.74
Deferred tax liabilities (net)	1,2,6,7,8,9,10	437.18	645.38	1,082.56
Other non-current liabilities	7	-	-	-
<b>Total non current liabilities</b>		<b>19,768.73</b>	<b>445.43</b>	<b>20,214.16</b>



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****54 FIRST TIME ADOPTION OF IND AS (CONTD.)**

(₹ in million)

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	7	2,583.17	-	2,583.17
(ii) Trade payables	7	651.89	-	651.89
(iii) Other financial Liabilities	7	2,318.85	-	2,318.85
Other current liabilities	7	1,200.89	134.29	1,335.18
Provisions	7	221.10	-	221.10
<b>Total current liabilities</b>		<b>6,975.90</b>	<b>134.29</b>	<b>7,110.19</b>
<b>Total liabilities</b>		<b>26,744.63</b>	<b>579.72</b>	<b>27,324.35</b>
<b>Total Equity and Liabilities</b>		<b>28,036.97</b>	<b>5,554.52</b>	<b>33,591.49</b>

\*Previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**(II) Reconciliation of total comprehensive income for the year 2016-17**

Particulars	Notes to First time adoption	Previous GAAP*	Ind AS adjustments	Ind AS
<b>Revenue</b>				
Revenue from operations	7	6,410.81	707.24	7,118.05
Other income	2,7	1,813.32	58.51	1,871.83
<b>Total Revenue</b>		<b>8,224.13</b>	<b>765.75</b>	<b>8,989.88</b>
<b>Expenses</b>				
Real estate development cost	2,7	345.44	(167.15)	178.29
Food and beverages consumed		620.97	46.38	667.35
Operating supplies consumed		210.07	8.33	218.40
Employee benefits expense	5,7	1,115.21	73.04	1,188.25
Other expenses	7	2,381.40	273.67	2,655.07
<b>Total expenses</b>		<b>4,673.09</b>	<b>234.27</b>	<b>4,907.36</b>
<b>Earnings before interest, depreciation, amortisation, exceptional items and tax (EBITDA)</b>		<b>3,551.04</b>	<b>531.48</b>	<b>4,082.52</b>
Depreciation and amortisation expenses	2,7	1,048.62	221.14	1,269.76
Finance costs	2,7	2,003.63	175.95	2,179.58
<b>Profit/(Loss) before exceptional items and tax</b>		<b>498.79</b>	<b>134.39</b>	<b>633.18</b>
<b>Exceptional items- Provision for estimated loss</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit before tax</b>		<b>498.79</b>	<b>134.39</b>	<b>633.18</b>
<b>Tax expense:</b>				
Current Tax		-	-	-
Deferred Tax	1,2,5,6,7,11	(78.67)	(682.10)	(760.77)
Short Term Provision for the Earlier years		2.85	-	2.85
<b>Profit/(Loss) for the year Period after Tax</b>		<b>574.61</b>	<b>816.49</b>	<b>1,391.10</b>
<b>Other comprehensive income/(expense)</b>				
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plans	5		0.20	0.20
Income tax on above	5		(0.07)	(0.07)
<b>Other comprehensive income/(expense) for the year, net of tax</b>			<b>0.13</b>	<b>0.13</b>
<b>Total comprehensive income/(expense) for the year</b>		<b>574.61</b>	<b>816.62</b>	<b>1,391.23</b>

**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**
**54 FIRST TIME ADOPTION OF IND AS (CONTD.)**

(₹ in million)

**(III) Reconciliation of Consolidated statement of Equity as previously reported under IGAAP and Ind AS**

Particulars	Notes to First time adoption	As at March 31, 2017	As at April 1, 2016
<b>(i) Total equity as per previous GAAP</b>		<b>7,053.71</b>	<b>1,292.62</b>
<b>(ii) Prior period adjustment</b>			
Adjustment for deferred tax	9	241.07	-
<b>Total prior period adjustment</b>		<b>241.07</b>	<b>-</b>
<b>(iii) Total equity after prior period adjustment (i+ii)</b>		<b>7,294.78</b>	<b>1,292.62</b>
<b>(iv) Ind AS adjustments</b>			
Fair valuation of land treated as deemed cost	1	-	5,186.49
Accounting for transaction costs on borrowings as per effective interest method	2	83.52	114.51
Fair value movement of FVTPL investments	3	1.22	(9.60)
Investment in preference shares measured at amortised cost	4	-	38.14
Accounting of EPCG scheme as a government grant, including depreciation impact	6	378.70	198.69
Net assets acquired of hotel and retail undertaking from Genext Hardware & Parks Private Limited (Genext) under Court scheme reflected from appointed date i.e. November 1, 2016	7	(1,809.16)	-
Deferred tax on above adjustments, as applicable	8	(250.22)	(106.47)
Deferred tax impact on brought forward business losses and unabsorbed depreciation	8	865.20	635.32
Deferred tax impact on fair valuation and indexation benefit on land	8	(775.27)	(1,257.59)
Deferred tax impact on investments held for sale	8	0.03	110.30
Deferred tax impact on indexation benefit on investment property	8	94.66	64.72
<b>Total Ind AS adjustments</b>		<b>(1,411.33)</b>	<b>4,974.52</b>
<b>Total Equity as per Ind AS (iii+iv)</b>		<b>5,883.46</b>	<b>6,267.14</b>

**(IV) Reconciliation of Net profit after tax as previously reported under IGAAP and Ind AS**

Particulars	Notes to First time adoption	For the year ended 31, 2017
<b>(i) Net profit after tax as per previous GAAP</b>		<b>574.60</b>
<b>(ii) Prior period adjustment</b>		
Adjustment for deferred tax	9	241.07
<b>Total prior period adjustment</b>		<b>241.07</b>
<b>(iii) Total net profit after prior period adjustment (i+ii)</b>		<b>815.67</b>
<b>(iv) Ind AS adjustments</b>		
Accounting for transaction costs on borrowings as per effective interest method	2	(31.00)
Investment in preference shares measured at amortised cost	2	(38.14)
Fair value movement of FVTPL investments	4	10.82
Accounting of EPCG Scheme as a Government grant, including depreciation impact	6	180.01

**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)****54 FIRST TIME ADOPTION OF IND AS (CONTD.)**

(₹ in million)

Particulars	Notes to First time adoption	For the year ended 31, 2017
Net assets acquired of Hotel and Retail undertaking from Genext Hardware & Parks Private Limited (Genext) under Court scheme reflected from appointed date i.e. 1 November 2016	7	(34.29)
Deferred tax on above adjustments, as applicable	8	(143.74)
Deferred tax impact on brought forward business losses and unabsorbed depreciation	8	229.88
Deferred tax impact on fair valuation and indexation benefit on land	8	482.32
Deferred tax impact on investments held for sale	8	(110.27)
Deferred tax impact on indexation benefit on investment property	8	29.97
<b>Total Ind AS adjustments</b>		<b>575.56</b>
<b>Total comprehensive income as per Ind AS (iii+iv)</b>		<b>1,391.23</b>

**V) Impact of Ind AS adoption on the statement of Cash Flows**

There were no material differences between the Statement of Cash Flows presented under previous GAAP (as adjusted for the impact of the merger of Genext- refer note 41).

**VI) Notes to First time adoption:****1 Fair valuation of land treated as deemed cost**

On the date of transition the Group has chosen to reflect the fair value of all freehold land as of April 1, 2016 as their respective deemed cost. All other items of property, plant and equipment have been measured as per the requirements of Ind AS 16 "Property, Plant and Equipment" retrospectively. The impact of both these adjustments has been considered through retained earnings and corresponding assets/liabilities, as appropriate. The fair value has been determined with reference to residual value approach which also involves determining the business value of the respective hotel building. The fair value so determined is categorised as Level 3 in accordance with the requirements of Ind AS 113. The key unobservable inputs used for determination of the fair value referred to above includes the rate used for discounting (12.10%) and growth rate (5%).

**2 Accounting for transaction costs on borrowings as per effective interest method**

Under previous GAAP, directly attributable transaction costs were charged to the Consolidated Ind AS Statement of Profit and Loss or capitalised as part of property, plant and equipment in the year of disbursement of the loan. As per the requirements of Ind AS, the Group has measured the borrowings at amortised cost (including the directly attributable transaction costs) based on the effective interest rate of the borrowings. Accordingly, suitable restatement adjustments have been made in the Consolidated Ind AS Statement of Profit and Loss and Property, plant and equipment.

**3 Fair value movement of FVTPL investments**

Under previous GAAP, non-current investments were carried at cost less provision for diminution (other than temporary). Under Ind AS, investment in equity shares (other than subsidiaries and associates) are measured at fair value, with fair value changes being routed through the Consolidated Summary Statement of Profit and Loss.

**4 Investment in preference shares measured at amortised cost**

Under previous GAAP, non-current investments in preference shares were carried at cost less provision for diminution (other than temporary). Under Ind AS, investment in 0.001% non-cumulative redeemable preference shares of Genext Hardware & Parks Private Limited are measured at amortised cost as per Ind AS 109. Accordingly, suitable restatement adjustments have been made in the Consolidated Ind AS Statement of Profit and Loss and Investment in preference shares.

**NOTES**

**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

**54 FIRST TIME ADOPTION OF IND AS (CONTD.)**

**5 Remeasurements of defined benefit plans**

Under previous GAAP, the Company recognised Remeasurements on defined benefit plans of the Company were recognised in the statement of Profit or Loss. However, as per the requirements of Ind AS, the Company has recognised these in Other comprehensive income.

**6 Accounting of EPCG scheme as a government grant, including depreciation impact**

The Group under the EPCG scheme has received grants from the Government in form of waiver of import duty on purchase of capital goods. These, however are conditional on the Group achieving specified future export obligations.

Under previous GAAP, the Group recognised its property, plant and equipment at the net cost i.e. the import duty was excluded from the cost of the property, plant and equipment and adjusted directly with the export benefits. Under Ind AS, the Group has recognised the value of import duty waiver as part of the cost of the property, plant and equipment with the corresponding impact to deferred grant. The deferred grant is recognised in Consolidated Ind AS Statement of Profit and Loss on fulfilment of the respective export obligation.

**7 Merger of Genext Hardware & Parks Private Limited (Refer Note 41)**

The Board of Directors at their meeting held on January 5, 2017, had approved the merger proposal and approved the "Scheme of Arrangement" to merge the Hotel Undertaking and the Retail Undertaking at Bengaluru from Genext under Section 230 to 232 of the Companies Act, 2013, with effect from November 1, 2016, ("the Appointed Date") subject to obtaining necessary approvals of the Shareholders, Honourable High Court of Karnataka at Bangalore and Honourable High Court of Bombay and other statutory and regulatory authorities. The Scheme has become effective from October 1, 2017 and has been given effect to from the appointed date (in line with the accounting treatment prescribed in the Scheme).

**8 Deferred tax**

Previous GAAP requires deferred tax to be recognised with reference to the income statement approach. Ind AS 12 requires entities to determine deferred taxes with reference to the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax related adjustments in relation to certain items such as fair valuation of land, indexation benefit on land, indexation benefit on investment property, fair value of investments which were not required to be considered under the income statement approach.

Further, under the previous GAAP, deferred tax asset on carry forward business losses and unabsorbed depreciation was recognised only on existence of virtual certainty of taxable profits. The application of Ind AS 12 approach has resulted in recognition of deferred tax assets in case of reasonable certainty. The deferred tax impact of all Ind AS adjustments (as applicable) has also been considered.

**9 Adjustment for deferred tax**

The Group has recognised deferred tax credit pertaining to incorrect computation in deferred taxes for the year ended March 31, 2017.

**10 Investment property**

As per the requirements of Ind AS 40, the Company has reclassified land and building held with the intention to earn rental income as Investment property and Investment Property under construction.

**11 Assets held for sale**

The investment in associates of the Company were acquired with a view to its subsequent disposal within twelve months from the date of purchase. Accordingly the Company has not applied equity accounting for its investment in associates as per the exception under Ind AS 28 and has accounted for these as assets held for sale.



**NOTES****TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**55**

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III.

**for the year ended March 31, 2018**

	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
<b>Parent</b>								
Chalet Hotels Limited	105%	5,223.00	109%	(1,008.65)	100%	14.66	108.74%	(993.99)
<b>Subsidiary (parent's share)</b>								
Chalet Hotel & Properties (Kerala) Private Limited	-2%	(103.60)	3%	(28.00)	0%	-	3.06%	(28.00)
Grandwell Properties & Leasing Private Limited (till November 27, 2017)	0%	-	0%	(0.03)	0%	-	0.00%	(0.03)
Non-controlling interests in subsidiaries	0%	-	0%	-	0%	-	0.00%	-
Eliminations	-3%	(164.34)	-12%	107.94	0%	-	-11.81%	107.94
<b>At 31 March 2018</b>	<b>100%</b>	<b>4,955.06</b>	<b>100%</b>	<b>(928.75)</b>	<b>100%</b>	<b>14.66</b>	<b>100%</b>	<b>(914.09)</b>

**for the year ended March 31, 2017**

	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
<b>Parent</b>								
Chalet Hotels Limited	106%	6,231.31	102%	1,418.13	100%	0.13	101.94%	1,418.26
<b>Subsidiary (parent's share)</b>								
Chalet Hotel & Properties (Kerala) Private Limited	-1%	(75.60)	-2%	(26.04)	0%	-	-1.87%	(26.04)
Grandwell Properties & Leasing Private Limited	0%	4.75	0%	(0.03)	0%	-	0.00%	(0.03)
Magna Warehousing & Distribution Private Limited	-1%	(42.93)	-10%	(135.25)	0%	-	-9.72%	(135.25)
<b>Non-controlling interests in subsidiaries</b>	0%	-	0%	-	0%	-	0.00%	-
<b>Eliminations</b>	-4%	(234.08)	10%	134.29	0%	-	9.65%	134.29
<b>At 31 March 2017</b>	<b>100%</b>	<b>5,883.46</b>	<b>100%</b>	<b>1,391.10</b>	<b>100%</b>	<b>0.13</b>	<b>100%</b>	<b>1,391.23</b>

**NOTES**
**TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (Contd.)**

(₹ in million)

**56 DISCLOSURE UNDER SECTION 186 OF THE COMPANIES ACT 2013**

The operations of the Company are classified as 'infrastructure facilities' as defined under Schedule VI to the Act. Accordingly, the disclosure requirements specified in sub-section 4 of Section 186 of the Act in respect of loans given, guarantee given or security provided and the related disclosures on purposes/ utilisation by recipient companies, are not applicable to the Company.

Details of investments made during the year ended March 31, 2018 as per section 186(4) of the Companies Act, 2013:

Name of entity	March 31, 2017	Investments made	Investments Redeemed / Sold	March 31, 2018
Grandwell Properties and Leasing Private Limited	0.10	-	0.10	-
Chalet Hotels and Properties (Kerala) Private Limited	0.09	-	-	0.09
Stargaze Properties Private Limited	0.01	-	-	0.01
Intime Properties Limited	0.72	-	-	0.72
Krishna Valley Power Private Limited	-	8.64	-	8.64
Sahyadri Renewable Energy Private Limited	-	31.45	-	31.45
Renew Wind Power Energy (AP) Limited	1.00	-	-	1.00
National saving certificates	0.13	-	-	0.13

Details of investments made during the year ended March 31, 2017 as per section 186(4) of the Companies Act, 2013:

Name of entity	April 1, 2016	Investments made	Investments Redeemed / Sold	March 31, 2017
Grandwell Properties and Leasing Private Limited	0.10	-	-	0.10
Chalet Hotels and Properties (Kerala) Private Limited	0.09	-	-	0.09
Stargaze Properties Private Limited	0.01	-	-	0.01
Genext Hardware & Parks Private Limited (equity shares)	2,816.94	-	2,816.94	-
Genext Hardware & Parks Private Limited (preference shares)	157.89	-	157.89	-
Intime Properties Limited	340.99	-	340.27	0.72
Renew Wind Power Energy (AP) Limited	-	1.00	-	1.00
National saving certificates	0.13	-	-	0.13

As per our audit report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**

Partner

Membership No: 105149

Mumbai

June 12, 2018

For and on behalf of the Board of Directors

**Chalet Hotels Limited**

(formerly known as Chalet Hotels Private Limited)

(CIN No. U55101MH1986PLC038538)

**Sanjay Sethi**

Managing Director & CEO

(DIN 00641243)

Mumbai

June 12, 2018

**Rajeev Newar**

Executive Director & CFO

(DIN 00468125)

**Christabelle Baptista**

Company Secretary

Membership No. A17817









# CHALET HOTELS

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