CHALET
HOTELS

July 18, 2019

National Stock Exchange of India Limited	**BSE Limited**
Exchange Plaza	Corporate Relationship Department
Bandra Kurla Complex	1st Floor, New Trading Ring,
Bandra (East)	Dalal Street, Fort
Mumbai 400 051	Mumbai – 400 001
Scrip Code: CHALET	**Scrip Code: 542399**
ISIN No: INE427F01016	**ISIN No: INE427F01016**

Dear Sir / Madam,

Subject: **Annual Report: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015**

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 please find attached herewith Annual Report for the Financial Year 2018 -19 along with the notice convening the 34th Annual General Meeting of the Company scheduled to be held on August 13, 2019 at 3.00 p.m. at 'Boundary Hall, First Floor, MCA Recreation Centre, RG-2, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051'.

The Annual Report for the Financial Year 2018-19 is uploaded on the website of the Company at www.chalethotels.com.

You are requested to kindly take the same on record.

Thanking you.

Yours faithfully

For **Chalet Hotels Limited**

Christabelle Baptista
Company Secretary & Compliance Officer
ACS No: 17817

CHALET
HOTELS

Chalet Hotels Limited
(Formerly known as Chalet Hotels Private Limited)
Regd. Office: Raheja Tower, Plot No. C-30, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400051.
CIN: L55101MH986PLC038538
Tel: +91-22-26564000 Fax: +91-22-26565451
Email : companysecretary@chalethotels.com Website: www.chalethotels.com

NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the Members of Chalet Hotels Limited (the 'Company') will be held on Tuesday, August 13, 2019 at 3.00 p.m. at Boundary Hall, First Floor, MCA Recreation Centre, RG-2, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051, to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS:

To consider and adopt:

a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon; and

b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the report of the Auditors thereon.

2. RE-APPOINTMENT OF MR. SANJAY SETHI (DIN: 00641243) AS A DIRECTOR OF THE COMPANY, LIABLE TO RETIRE BY ROTATION:

To appoint a Director in place of Mr. Sanjay Sethi (DIN: 00641243), who retires by rotation and being eligible, offers himself for re-appointment.

3. RE-APPOINTMENT OF MR. RAJEEV NEWAR (DIN: 00468125) AS A DIRECTOR OF THE COMPANY, LIABLE TO RETIRE BY ROTATION:

To appoint a Director in place of Mr. Rajeev Newar (DIN: 00468125), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. APPROVAL OF REMUNERATION OF MR. SANJAY SETHI (DIN:00641243) AS MANAGING DIRECTOR & CEO IN EXCESS OF THE LIMITS PRESCRIBED UNDER COMPANIES ACT, 2013:

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

"WHEREAS the Members at the Annual General Meeting held on June 13, 2018 had accorded approval for appointment and payment of remuneration to Mr. Sanjay Sethi (DIN: 00641243) Managing Director & CEO (hereinafter referred to as MD or Managing Director) for a period of 3 (three) years w.e.f. February 09, 2018, as set out in the explanatory statement which forms a part of this resolution, subject to the conditions prescribed as per the provisions of Sections 197, 198 of the Companies Act 2013 ('the Act'), and other applicable provisions, if any, of the Act read with Schedule V including any statutory amendments, modifications or re-enactments thereof, as may be made thereto and for the time being in force, that the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of 5% of the net profits of the Company as applicable to each of the Managing Director/ Whole-time Director of the Company and/or 10% of the net profits of the Company for all Managing Directors/Whole-time Directors taken together.

AND WHEREAS the Members at the Annual General Meeting held on June 13, 2018 had accorded approval for grant of 200,000 options exercisable into 200,000 Equity Shares, in tranches over a period of 3 (three) years under the Scheme known as 'Chalet Hotels Limited - Employee Stock Option Plan 2018 (ESOP)' to Mr. Sanjay Sethi, Managing Director, to be vested/exercised in the manner as set out therein.

AND WHEREAS the remuneration paid to Mr. Sanjay Sethi in his capacity as Managing Director of the Company for the Financial Year 2018-19 amounts to ₹ 32,837,240 (exclusive of ESOP expense of ₹ 14,639,977), which is in excess of the statutory limits prescribed under the Act.

RESOLVED THAT approval of the Members be and is hereby accorded to payment of remuneration as mentioned hereinabove to Mr. Sanjay Sethi, Managing Director of the Company for the Financial Year 2018-19, which is in excess of the statutory limits prescribed under the Act.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 196, 197 and 198 read together with Schedule V of the Act or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year during the residual period of appointment of Mr. Sanjay Sethi, Managing Director, the salary, perquisites and statutory benefits, more particularly as approved by the Members at the Annual General Meeting on June 13, 2018, (as more particularly set out in the explanatory statement which forms a part of this resolution), be paid as minimum remuneration with the liberty to the Board/Committee to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Managing Director and subject to receipt of requisite approvals, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company, Mr. Vijay Kumar Gupta, Associate Vice President – Legal & Secretarial and Ms. Christabelle Baptista, Company Secretary be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution, including filing of the necessary forms with the Ministry of Corporate Affairs and intimating any other concerned authority or such other regulatory body and for matters connected therewith or incidental thereto."

5. APPROVAL OF REMUNERATION OF MR. RAJEEV NEWAR (DIN:00468125) AS EXECUTIVE DIRECTOR & CFO OF THE COMPANY IN EXCESS OF THE LIMITS PRESCRIBED UNDER COMPANIES ACT, 2013

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

"**WHEREAS** the Members at the Annual General Meeting held on September 22, 2017 had accorded approval for appointment and payment of remuneration to Mr. Rajeev Newar (DIN: 00468125), Executive Director & CFO (hereinafter referred to as ED or Executive Director) for a period of 3 (three) years w.e.f. August 3, 2017, as set out in the explanatory statement which forms a part of this resolution, subject to the conditions prescribed as per the provisions of Sections 197, 198 of the Companies Act 2013 ('the Act'), and other applicable provisions, if any, of the Act read with Schedule V including any statutory amendments, modifications or re-enactments thereof, as may be made thereto and for the time being in force, that the total remuneration payable in any financial year by way of salary, perquisites, commission and other allowances shall not exceed the overall limit of 5% of the net profits of the Company as applicable to each of the Managing Director/ Whole-time Director of the Company and/or 10% of the net profits of the Company for all Managing Directors/Whole-time Directors taken together.

AND WHEREAS the remuneration paid to Mr. Rajeev Newar in his capacity as Executive Director of the Company for the Financial Year 2018-19 amounts to ₹ 19,101,464, which is in excess of the statutory limits prescribed under the Act.

RESOLVED THAT approval of the Members be and is hereby accorded to payment of remuneration as mentioned hereinabove, to Mr. Rajeev Newar, Executive Director of the Company for the Financial Year 2018-19, which is in excess of the statutory limits prescribed under the Act.

RESOLVED FURTHER THAT notwithstanding anything contained in Section 196, 197 and 198 read together with Schedule V of the Act or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year during the residual period of appointment of Mr. Rajeev Newar, Executive Director, the salary, perquisites and statutory benefits, as approved by the Members at the Annual General Meeting held on September 22, 2017 and June 13, 2018 (as more particularly set out in the explanatory statement which forms a part of this resolution), be paid as minimum remuneration with the liberty to the Board/Committee to revise, amend, alter and vary the terms and conditions relating to the remuneration payable to the Executive Director and subject to receipt of requisite approvals, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company, Mr. Vijay Kumar Gupta, Associate Vice President – Legal & Secretarial and Ms. Christabelle Baptista, Company Secretary be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution, including filing of the necessary forms with the Ministry of Corporate Affairs and intimating any other concerned authority or such other regulatory body and for matters connected therewith or incidental thereto."

By Order of the Board of Directors
For Chalet Hotels Limited

Christabelle Baptista
Company Secretary
ACS No: 17817

Place: Mumbai
Date: May 10, 2019

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") relating to the Special Business under Item No. 4 and 5 to be transacted at the Annual General Meeting (AGM/Meeting) is annexed hereto.

2. Details required under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and pursuant to the provisions of the Secretarial Standard on General Meetings (SS-2), the relevant information in respect of the Directors seeking re-appointment at the AGM is attached as Annexure and forms an integral part of this Notice.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Proxy in the prescribed form (i.e. Form No. MGT-11) as enclosed herewith, in order to

be effective, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not later than 48 (Forty Eight) hours before the commencement of the Meeting.

4. A person can act as proxy on behalf of Members up to and not exceeding 50 (fifty) and holding in aggregate not more than 10% (Ten percent) of the total share capital of the Company carrying voting rights. Proxies submitted on behalf of Corporate Members must be supported by an appropriate resolution/authority, as applicable.

5. A Member holding more than 10% (Ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.

6. Corporate Members are requested to send duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting pursuant to Section 113 of the Act.

7. The Register of Directors and Key Managerial Personnel(s) and their shareholding maintained under Section 170 of the Act, will be made available for inspection by the Members at the AGM.

8. Certificate from BSR & Co LLP, Statutory Auditors of the Company with respect to implementation of Employee Stock Option Scheme, as required under the SEBI (Share Based Employee Benefits) Regulations, 2014, will be made available for inspection at the Registered Office of the Company

9. Pursuant to Section 91 of the Act, and Rule 10 of the Companies (Management and Administration), Rules, 2014 read with the Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 7, 2019 to Tuesday, August 13, 2019 (both days inclusive).

10. Pursuant to Section 101 and Section 136 of the Act read with the relevant rules and thereunder, to support the "Green Initiative" announced by the Government of India, electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by e-mail to those Members whose e-mail address is registered either with the Company or with the Depository Participant(s), unless the member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies of aforesaid documents are being sent through the permitted mode.

    Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same free of cost. For any communication, the shareholders may also send requests to the Company at companysecretary@chalethotels.com.

    Members may also note that this Notice and the Annual Report for the Financial Year 2018 – 2019 will be made available on the Company's website at www.chalethotels.com.

11. Members seeking or requiring any clarification or information may send their requests to the Company at companysecretary@chalethotels.com.

12. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

13. Pursuant to the provisions of Section 72 of the Act, Members can avail themselves of the facility of nomination in respect of shares held by them in physical form. Members desiring to avail of this facility may send their nominations in the prescribed Form No. SH-13 duly filled in, to the Company's Registrar & Transfer Agents (R & T Agents). Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

14. Members/ Proxies/Authorised representatives are requested to bring the Attendance Slip(s) duly filled in at the AGM.

15. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and public holidays) between 10.30 am to 12.30 pm upto the date of this AGM.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or to Karvy Fintech Private Limited (Karvy).

17. Members holding shares in physical mode are requested to register their e-mail address with Karvy and Members holding shares in demat mode are requested to register their e-mail addresses with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail address already registered with the Company, members are requested to immediately notify such change to Karvy in respect of shares held in physical form and to their respective DPs in respect of shares held in electronic form.

18. Members holding shares in physical mode are requested to register their e-mail address with Karvy and Members holding shares in demat mode are requested to register their e-mail addresses with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail address already registered with the Company, members are requested to immediately notify such change to Karvy in respect of shares held in physical form and to their respective DPs in respect of shares held in electronic form.

19. Voting through electronic means:

    i. In compliance with the provisions of Section 108 of the Act, the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means either by (a) remote e-voting (by using the electronic voting system provided by Karvy or (b) electronically at the AGM venue. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

ii. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Tuesday August 6, 2019 ('the cut-off date'), shall be entitled to vote in respect of the shares held, by availing the facility of remote e-voting / voting through electronic ballot at the meeting. Any person who is not a member as on the cut-off date should treat this Notice for information purposes only.

iii. The Members can opt for only one mode of voting i.e. either by remote e-voting or electronic ballot at the AGM. The Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM through electronic ballot. The Members who have cast their vote by remote e-voting are eligible to attend the AGM but shall not be entitled to cast their vote again.

iv. The remote e-voting period commences on Friday, August 09, 2019 (9:00 a.m. IST) and ends on Monday, August 12, 2019 (5:00 p.m. IST). The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

A) Instructions for remote E-Voting:

In case a Member receiving an e-mail from Karvy [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and Password). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, Click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one uppercase (A-Z), one lowercase (a-z), one numeric value (0-9) and a special character (@, #, $, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e., Chalet Hotels Limited

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date i.e, Tuesday, August 6, 2019. You may also choose the option ABSTAIN. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either heads.

viii. Members holding multiple folios/ demat accounts shall choose the voting process separately for each folio/demat account.

ix. Voting has to be done for each Resolution of the Notice of the 34th AGM separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify or change the votes cast. During the voting period, Members can login any number of times till they have voted on all the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at e-mail ID: avinash.bagul1959@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format CHALET HOTELS LIMITED_ EVENT NO. 4717"

B) Members receiving physical copy of the Notice:

In case of Members receiving physical copy of the Notice [for Members whose e-mail IDs are not registered with the Company/ Depository Participant(s)]:

i. User ID and initial password as provided.

ii. Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote by electronic means.

C) Voting at the Meeting:

The members, who have not cast their vote through Remote E-Voting can exercise their voting rights at the Meeting through Electronic voting system ("Insta poll") for all businesses specified in the accompanying Notice. Members who have already cast their votes by Remote E-Voting are eligible to attend the Meeting, however, those Members are not entitled to cast their vote again at the Meeting.

D) Other Instructions:

Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password in the manner mentioned below:

i. where the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send an SMS: MYEPWD(E-Voting Event Number) + Folio No. or DP ID Client ID to 9212993399

- Example for NSDL: MYEPWD IN12345612345678

- Example for CDSL: MYEPWD 1402345612345678

ii. If e-mail address or mobile number of the member is registered against Folio No./ DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Member may call Karvy's toll free number 1800-3454-001.

iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose e-mail address is available.

20. General Instructions for Shareholders:

a) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. Umesh Pandey, (Unit: Chalet Hotels Ltd.) of Karvy at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, or at evoting@karvy.com or phone no. 040 - 6716 2222 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications. .

b) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c) The remote e-voting period commences on Friday, August 09, 2019 (9.00 A.M. IST) and ends on Monday, August 12, 2019 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, August 06, 2019, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

d) The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut off date i.e. Tuesday, August 06, 2019.

e) The route map to the AGM venue is given herein.

21. - The Company has appointed Mr. Avinash Bagul of Avinash Bagul & Associates, Practising Company Secretary, Mumbai, to act as the Scrutinizer to scrutinise the voting and remote evoting process in a fair and transparent manner and Mr. Avinash Bagul of Avinash Bagul & Associates, Practising Company Secretary, Mumbai, has communicated its willingness to be appointed and be available for the purpose.

- The Scrutiniser shall, immediately after the conclusion of voting at the Meeting, first count the votes cast at the meeting (Insta Poll), thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, and submit the same to the Chairman or a person authorised by him in writing who shall countersign the same. The Chairman or a person authorised by him in writing will declare the result of voting forthwith.

- The Results on resolutions shall be declared not later than 48 hours from the conclusion of the Meeting of the Company and the resolutions will be deemed to be passed on the Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions

- The Results declared along with the Scrutiniser's report will be available on the website of the Company (www.chalethotels.com) and on Service Provider's website (https://evoting.karvy.com) and the same shall be communicated to National Stock Exchange of India Limited and BSE Limited within 48 hours from the conclusion of the Meeting

Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO. 4

Mr. Sanjay Sethi had been appointed as Managing Director & CEO of the Company for a period of three years w.e.f. February 9, 2018. The remuneration payable to him was recommended by the Remuneration Committee at their meeting held on February 09, 2018 by the Board at their meeting held on February 09, 2018 and approved by the shareholders at their Annual General Meeting held on June 13, 2018.

The Members at the Annual General Meeting held on June 13, 2018 had accorded approval for grant of 200,000 options excercisable into 200,000 Equity Shares under the Scheme known as 'Chalet Hotels Limited - Employee Stock Option Plan(ESOP) 2018' to Mr. Sanjay Sethi, Managing Director, to be vested/exercised in the manner as set out therein.

Brief resume of Mr. Sanjay Sethi: Mr. Sanjay Sethi holds a Diploma in Hotel Management, Catering and Nutrition from IHM Pusa. He has a rich experience of over 30 years of working in the Hotel Industry. For about 14 years, he had been working with Taj Group of Hotels at various locations in India. He was Managing Director & CEO of Berggruen Hotels.

Mr. Sanjay Sethi is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Agreement between Mr. Sanjay Sethi and the Company, setting out the terms of appointment is available for inspection at the registered office of the Company.

The Board recommends passing of the resolution as set out in Item No. 4 of this notice as a Special Resolution.

Except for Mr. Sanjay Sethi and his relatives, none of the other directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution.

Details of remuneration as approved by the shareholders at the meeting held on June 13, 2018 in respect of Mr. Sanjay Sethi is as follows:

Remuneration:	The Managing Director is entitled to:
I. Basic Salary:	₹12,540,000 per annum
II. House Rent Allowance:	₹ 6,270,000 per annum
III Flexi Balance:	₹ 9,844,224 per annum

iv. The Managing Director shall be entitled to the following perquisites and facilities:

- Transport Allowance: ₹ 1,236,000 per annum.
- Medical Reimbursement: ₹ 15,000 per annum
- Leave Travel Allowance: Upto a limit of ₹ 120,000 per annum.
- Suplementary Benefit: ₹ 416,400 per annum
- Provident Fund: 12% of the basic salary per annum
- Telephone Reimbursement: Upto a limit of ₹ 24,000 per annum.
- Bonus: ₹ 1,044,588 per annum.
- The Company shall pay or reimburse actual entertainment and travelling expenses incurred by the Managing Director in connection with the Company's business, and all the terms and conditions of his appointment and remuneration shall be governed by the HR Policy of the Company as amended from time to time.

V. The Managing Director shall be entitled to annual increments as may be decided by the Board

VI. Performance Bonus, as deemed fit, may be paid, at the discretion of the Company's Management.

VII. ESOP: 200,000 Options exercisable into 200,000 Equity Shares have been granted under the Scheme known as 'Chalet Hotels Limited - Employee Stock Option Plan 2018 (ESOP), to vest in tranches over a period of 3 (three) years.

ITEM NO. 5

Mr. Rajeev Newar had been appointed as Executive Director & CFO of the Company for a period of three years w.e.f. August 3, 2017. The remuneration payable to him was recommended by the Remuneration Committee at their meeting held on July 27, 2017, by the Board at their Meeting held on August 03, 2017 and approved by the shareholders at their Annual General Meeting held on September 22, 2017 and June 13, 2018.

Brief resume of Mr. Rajeev Newar:
Mr. Rajeev Newar holds a Bachelor's Degree in Commerce from University of Calcutta and he is also a Chartered Accountant and Company Secretary. He has over 27 years of experience, wherein he has held several leadership positions in Finance leading various functional and cross functional transformational initiatives, implementing Business Strategies and driving Digital Transformation.

Mr. Rajeev Newar is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Agreement between Mr. Rajeev Newar and the Company, setting out the terms of appointment is available for inspection during business hours at the registered office of the Company.

The Board recommends passing of the resolution as set out in Item No. 5 of this notice as a Special Resolution.

Except for Mr. Rajeev Newar and his relatives, none of the other directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution.

Details of remuneration as approved by the shareholders at the meetings held on September 22, 2017 and June 13, 2018 is as follows:

A.	Remuneration:	The Executive Director is entitled to:
I.	Basic Salary:	₹ 6,408,000 per annum
II.	House Rent Allowance:	₹ 3,204,000 per annum
III	Flexi Balance	₹ 4,944,252 per annum

IV. The Executive Director shall be entitled to the following perquisites and facilities:

- Transport Allowance: ₹ 1,116,000 per annum.
- Leave Travel Allowance: Upto a limit of ₹ 120,000 per annum
- Supplementary Benefit: ₹ 366,000 per annum.
- Provident Fund: 12% of the basic salary
- Telephone Reimbursement: Upto a limit of ₹ 24,000 per annum
- Bonus: ₹ 5,33,784 per annum.
- The Company shall pay or reimburse actual entertainment and travelling expenses incurred by the Executive Director in connection with the Company's business, and all the terms and conditions of his appointment and remuneration shall be governed by the HR Policy of the Company as amended from time to time.

V. The Executive Director shall be entitled to annual increments as may be decided by the Board.

Statement containing information as required to be attached to the Notice as prescribed under Section II of Part II to Schedule V to the Act:

I. General information:

Nature of industry	Hospitality / Real Estate Development			
Date or expected date of commencement of commercial production	Not Applicable – the Company has already commended its operations			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
(4) Financial performance	Financial Performance for last 3 years is given as under:			
	Sr. No.	Financial Year	Gross Turnover	Profit/(Loss) after Tax
	1	2016-17	₹ 7,118.04 million	₹ 1,418.13 million
	2	2017-18	₹ 8,155.80 million	(₹ 1,008.65) million
	3	2018-19	₹ 9,871.73 million	(₹ 102.07) million
(5) Foreign investments or collaborations, if any.	10.06% of the Equity Share Capital of the Company as on March 31, 2019 is held by non-resident Indians and foreign portfolio investors. There has been no foreign investments or collaborations by the Company.			
II. Information about the appointee:				
(1) Background details	Mr. Sanjay Sethi is a hotel management graduate from IHM Pusa. He is a Certified Hotel Administrator (CHA) from American Hotel and Lodging Educational Institute and has completed various management certifications from IIM-Bangalore, XLRI and Cornel. He has over 30 years of experience with leading Indian hotel chains, and across segments, in the hospitality industry. Prior to joining Chalet Hotels Limitied, Mr Sethi set up Berggruen Hotels Private Limited in 2006 as Promoter, CEO and MD along with Berggruen Holdings, New York. He has worked with ITC Limited as Chief Operating Officer for their Hotels Division and The Indian Hotels Company Limited as a General Manager to their hotel properties and Area Director for their Hyderabad hotels. He's an active member and speaker to key industry bodies and events such as FHRAI and HICSA. During his tenure in IHCL he was a trained and certified assessor of Tata Group Companies.		Mr. Rajeev Newar holds a bachelor's degree in commerce from University of Calcutta and he is also a Chartered Accountant and Company Secretary. He has held several leadership positions in Finance leading various functional and cross functional transformational initiatives, implementing Business Strategies and driving Digital Transformation. Prior to joining our Company, he has led various transformational initiatives with companies like The Indian Hotels Company Limited.	

Nature of industry	Hospitality / Real Estate Development	
(2) Past remuneration	₹ 26,316,701 for FY 2017-18	₹ 11,389,236 for FY 2017-18
(3) Recognition or awards	--	Recognition of excellence at CFO India Conference 2019.
(4) Job profile and his suitability	Considering his qualification, expertise and experience Mr. Sethi is suitable for duties and responsibilities to be discharged as Managing Director & CEO of the Company.	Considering his qualification, expertise and experience Mr. Newar is suitable for duties and responsibilities to be discharged as Executive Director & CFO of the Company.
(5) Remuneration proposed	As per Item No. 4 of the explanatory statement	As per Item No. 5 of the explanatory statement
6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	His remuneration package is commensurate with the remuneration paid to his counterparts in the industry.	His remuneration package is commensurate with the remuneration paid to his counterparts in the industry.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	None	None

III. Other information:	
(1) Reasons of loss or inadequate profits	During the year under review, the Company incurred an exchange loss due to currency fluctuations.
(2) Steps taken or proposed to be taken for improvement	Foreign Currency Borrowings have been substantially reduced from US$ 75.85 million as at March 31, 2018 to US$ 26.11 as at March 31, 2019.
(3) Expected increase in productivity and profits in measurable terms	Organic growth from the existing portfolio and commencement of invoicing for the retail and office tower at Sahar.

By order of the Board of Directors
For Chalet Hotels Limited

Christabelle Baptista
Company Secretary
ACS No.: A17817

Place: Mumbai
Date: May 10, 2019

Annexure

Details of directors seeking re-appointment at the Annual General Meeting pursuant to the provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by The Institute of Company Secretaries of India and are provided herein below:

Name of Director	Mr. Sanjay Sethi	Mr. Rajeev Newar
DIN	00641243	00468125
Type of Directorship	Managing Director & CEO	Executive Director & CFO
Date of Birth	08 – January - 1965	23 – March - 1968
Age	54 years	51 years
Date of first appointment on the Board (current term)	February 09, 2018	August 03, 2017
Qualifications	Diploma in Hotel Management, Catering and Nutrition from IHM Pusa	- B. Com (Hons.), University of Calcutta - Chartered Accountant - Company Secretary
Experience and Expertise in Specific Functional Areas	Mr. Sanjay Sethi is a hotel management graduate from IHM Pusa. He is a Certified Hotel Administrator (CHA) from American Hotel and Lodging Educational Institute and has completed various management certifications from IIM-Bangalore, XLRI and Cornel. He has over 30 years of experience with leading Indian hotel chains, and across segments, in the hospitality industry. Prior to joining Chalet Hotels Limited, Mr Sethi set up Berggruen Hotels Private Limited in 2006 as Promoter, CEO and MD along with Berggruen Holdings, New York. He has worked with ITC Limited as Chief Operating Officer for their Hotels Division and The Indian Hotels Company Limited as a General Manager to their hotel properties and Area Director for their Hyderabad hotels. He's an active member and speaker to key industry bodies and events such as FHRAI and HICSA. During his tenure in IHCL he was a trained and certified assessor of Tata Group Companies.	Mr. Newar has over 27 years of experience, wherein he has held several leadership positions in Finance leading various functional and cross functional transformational initiatives, implementing Business Strategies and driving Digital Transformation. Prior to joining our Company, he has led various transformational initiatives with companies like The Indian Hotels Company Limited.
Remuneration for the year 2018 – 19	₹ 32,837,240 (exclusive of ESOP expense of ₹ 14,639,977)	₹ 19,101,464 (₹ 19.10 million)
Terms and conditions of appointment **Remuneration proposed to be paid**	As per the resolution at Item No. 4 of the Notice read with explanatory statement thereto.	As per the resolution at Item No. 5 of the Notice read with explanatory statement thereto.
Number of Board Meetings attended during the year 2018-19	13 out of 13	13 out of 13
Directorships of other Boards	Chalet Hotels and Properties (Kerala) Private Limited	Chalet Hotels and Properties (Kerala) Private Limited
Membership/Chairmanship of Committees of other Boards as on March 31, 2019	None	None
Shareholding (as on March 31, 2019)	Nil* * 200000 Options in respect of 200000 Equity Shares have been granted. The options granted shall vest in tranches over a period of 3 (three) years, as per the Chalet Hotels Limited Employee Stock Option Plan 2018	Nil
Relationship with other Directors/ Key Managerial Personnel	Not related to any Director/ Key Managerial Personnel	Not related to any Director/ Key Managerial Personnel

By order of the Board of Directors
For Chalet Hotels Limited

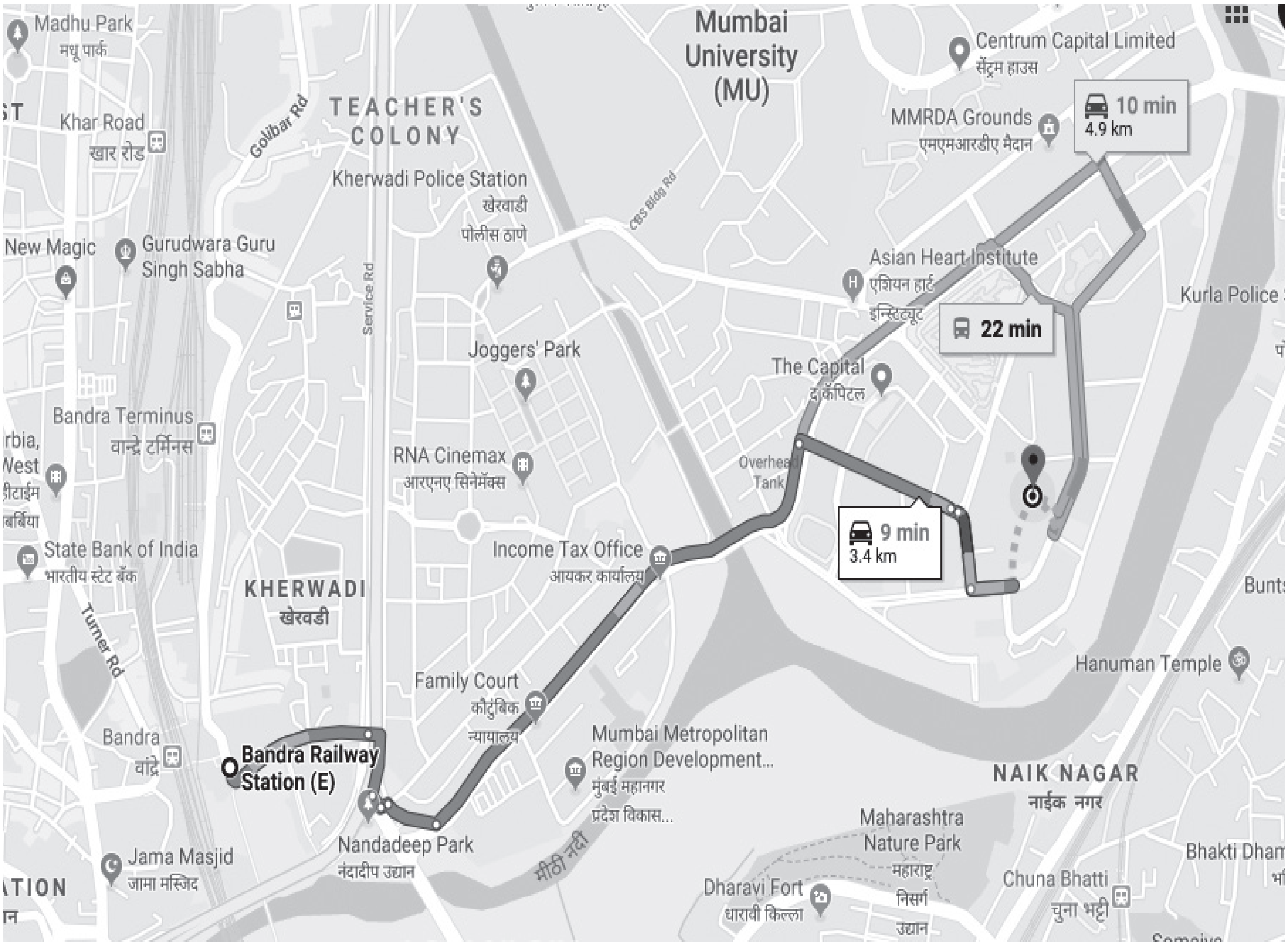
Christabelle Baptista
Company Secretary
ACS No.: A17817

Place: Mumbai
Date: May 10, 2019

Route Map For AGM Venue

Boundary Hall, First Floor, MCA Recreation Center, RG-2, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051

Landmark : Opposite ONGC Building



Chalet Hotels Limited
(Formerly known as Chalet Hotels Private Limited)
Regd. Office: Raheja Tower, Plot No. C-30, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400051.
CIN: L55101MH986PLC038538
Tel: +91-22-26564000 Fax: +91-22-26565451
Email : companysecretary@chalethotels.com Website: www.chalethotels.com

ATTENDANCE SLIP

Sr. No.:

Regd. Folio / DPID No. & Client ID No.	
Name and Address of the Shareholder(s)	
Joint Holder(s)	
Name of the Proxy/ Authorised Representative	
No. of Equity Shares held	

I / We hereby record my / our presence at the 34th Annual General Meeting of the Company held on Tuesday, August 13, 2019 at 03:00 PM at Boundary Hall, First Floor, MCA Recreation Centre, RG-2, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

SIGNATURE OF THE MEMBER/
JOINT MEMBER(S)/
PROXY / AUTHORISED SIGNATORY

Note: Shareholder / Proxy holder who wish to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance of the meeting hall duly signed.

NOTE: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING

ELECTRONIC VOTING PARTICULARS

EVENT (E-Voting Event Number)	User ID	Password

Note:
Please read the instructions printed under the Note No.19 to the Notice dated May 10, 2019 of 34th Annual General Meeting. The e-voting period starts from 9:00 a.m. (IST) on Friday, August 9, 2019 and ends at 5:00 p.m. (IST) on August 12, 2019. The e-voting module shall be disabled by Karvy for voting thereafter.

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CHALET
HOTELS

Chalet Hotels Limited
(Formerly known as Chalet Hotels Private Limited)
Regd. Office: Raheja Tower, Plot No. C-30, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400051.
CIN: L55101MH986PLC038538
Tel: +91-22-26564000 Fax: +91-22-26565451
Email : companysecretary@chalethotels.com Website: www.chalethotels.com

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): ....

Registered Address: ....

E-mail Id: ....

Folio No. / Client ID:..DP. ID: ....

I / We, being the Member(s) of Chalet Hotels Limited holding __________ equity shares of the Company, hereby appoint:

(1) Name: .... Address:..

E-mail id: .... Signature..or failing him/her;

(2) Name: ....Address:..

E-mail id: .... Signature..or failing him/her;

(3) Name: .... Address:..

E-mail id: .... Signature..

whose signatures is/are appended below, as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on August 13, 2019 at 3:00 P.M. at Boundary Hall, First Floor, MCA Recreation Centre, RG-2, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 and at any adjournment thereof in respect of such resolution as indicated below:

Sr. No.		Resolution	Optional*
Ordinary Business:		For	Against
1	Adoption of Financial Statements: a) the audited standalone financial statement of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon; and b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2019 together with the report of the Auditors thereon		
2	Re-appointment of Mr. Sanjay Sethi (DIN: 00641243) as a Director of the Company liable to retire by rotation		
3	Re-appointment of Mr. Rajeev Newar (DIN: 00468125) as a Director of the Company liable to retire by rotation		
Special Business:		For	Against
4	Approval of remuneration of Mr. Sanjay Sethi (DIN:00641243) as Managing Director & CEO in excess of the limits prescribed under Companies Act, 2013		
5	Approval of remuneration of Mr. Rajeev Newar (DIN:00468125) as Executive Director & CFO in excess of the limits prescribed under Companies Act, 2013		

Signature of Proxy Holder(s)

Signature of Member(s)

Affix Revenue Stamp

Notes:
*It is optional to indicate your preference in the appropriate column. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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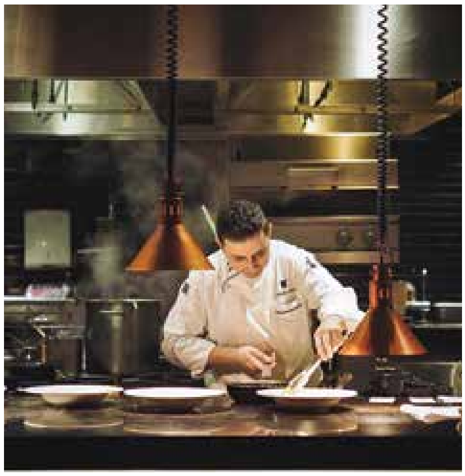
Notes

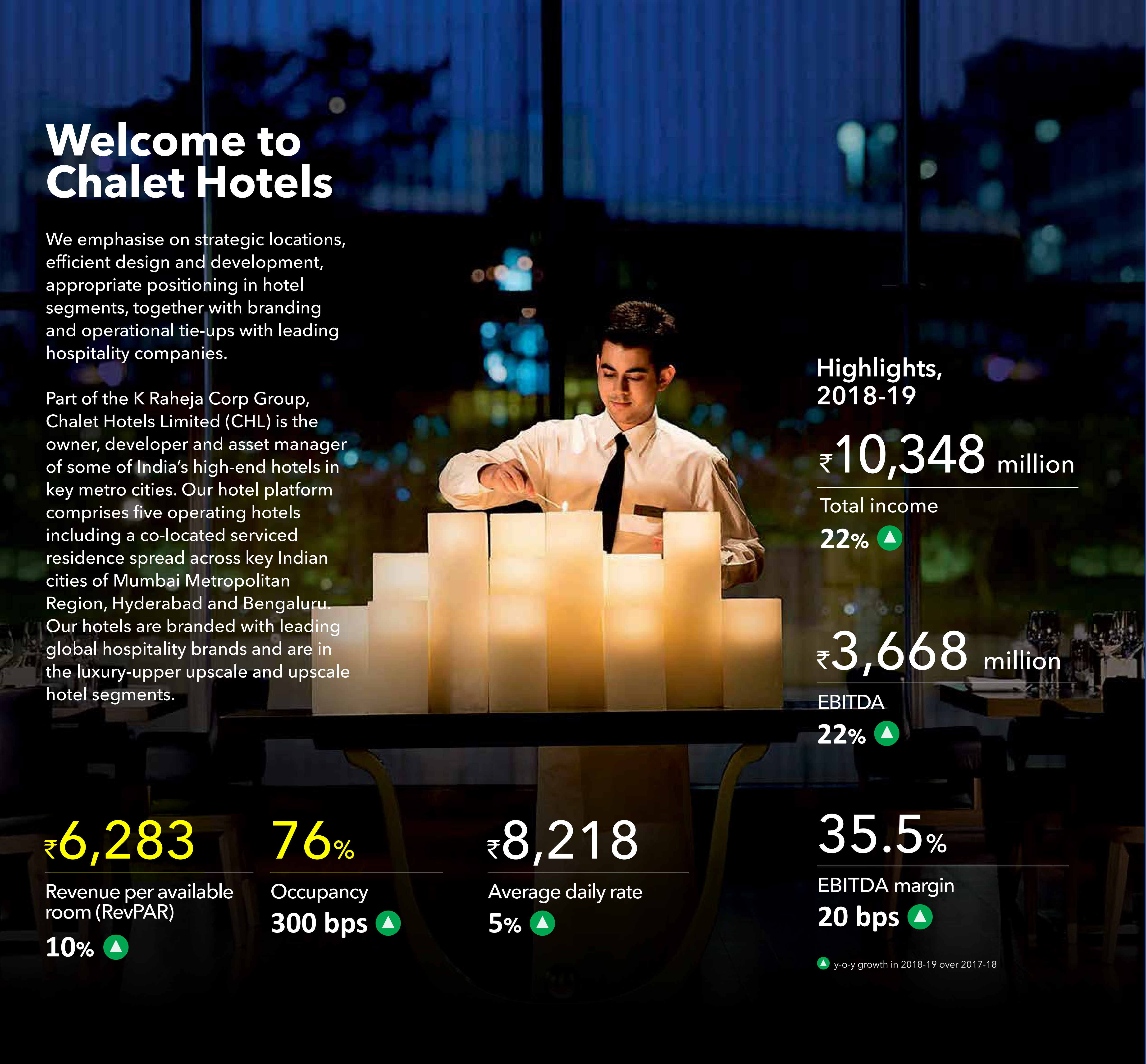
Notes

CHALET
HOTELS



Pedigree
Proficiency
Performance

Chalet Hotels Limited
Annual Report 2018-19



Welcome to Chalet Hotels

We emphasise on strategic locations, efficient design and development, appropriate positioning in hotel segments, together with branding and operational tie-ups with leading hospitality companies.

Part of the K Raheja Corp Group, Chalet Hotels Limited (CHL) is the owner, developer and asset manager of some of India's high-end hotels in key metro cities. Our hotel platform comprises five operating hotels including a co-located serviced residence spread across key Indian cities of Mumbai Metropolitan Region, Hyderabad and Bengaluru. Our hotels are branded with leading global hospitality brands and are in the luxury-upper upscale and upscale hotel segments.

Highlights, 2018-19

₹10,348 million

Total income

22% ▲

₹3,668 million

EBITDA

22% ▲

35.5%

EBITDA margin

20 bps ▲

₹6,283

Revenue per available room (RevPAR)

10% ▲

76%

Occupancy

300 bps ▲

₹8,218

Average daily rate

5% ▲

▲ y-o-y growth in 2018-19 over 2017-18

ABOUT K RAHEJA CORP GROUP

K Raheja Corp Group is India's leading real estate conglomerate, and a success story spanning six decades. The Group focuses on transforming spaces and develops state-of-the-art structures that deliver both innovation and functionality.

Having pioneered the concepts of self-contained townships and commercial business districts in the country, K Raheja Corp Group strives towards providing aspirational spaces with distinct characteristics and attributes, making each offering inimitable. From exquisite residences, adaptive workplaces and creatively designed hotels to skillfully crafted convention centres and retail destinations, the Group has made a significant impact on the evolution of modern-day living.

Inside this Report

We believe that the world of hospitality is forever evolving. Therefore, our approach is to take inspiration from life itself, nurture great ideas and partner the changing aspirations of our patrons.

We seek to expand our portfolio of assets organically and inorganically by leveraging our pedigree and applying our proficiency in order to achieve industry-leading performance.

Over the years, we have worked towards building our niche by benchmarking with global standards.
(Read more on page 8)

Our properties are located in metro cities and come with global standards of service.
(Read more on page 12)

Our active asset management capabilities ensure our properties are well maintained and efficient.
(Read more on page 18)

The result is that we have favourable return ratios and robust financials.
(Read more on page 26)

Chalet in a nutshell

5
Properties

2,331
Keys

6
Brands

3
Cities

20
Years of experience in the hospitality industry

Numbers as on March 31, 2019

Pedigree.

The rich legacy of our Group instils a sense of identity and purpose to our vision and encourages us to deliver sustainable returns to all our stakeholders.

- Gaining a first-mover advantage at prime metro locations backed by the shared knowledge of our Group
- Expertise in development of luxury hotels and commercial properties in India
- Ability to derive best practices and synergies from our Group

About the Group

Rich Lineage

Backed by one of the leading Indian developers, the K Raheja Corp Group

The Group was established with the vision of making a name for itself as a trusted real estate leader. Over the preceding six decades, K Raheja Corp Group has grown into a multi-faceted business with presence across commercial real estate, hospitality, malls, residential real estate and retail, among others, redefining the way people live and work. Decades of experience and expertise of the Group have resulted in deep insight of industry and market trends.

The Group continues to play an important role in the future growth and development of CHL. Our association with K Raheja Corp Group also inculcates a sense of confidence among our hospitality partners, lenders and other stakeholders. The skilled and efficient design team of the Group work with us closely, facilitating the development of our hotel properties, commercial offices and malls.

Leveraging synergies

Our promoter Group's decades of rich experience and expertise help us to develop hotels at optimal cost with best-in-class facilities. We benefit from the overall land bank of the Group. The combination has helped us achieve one of the lowest development cost per key in the industry, without compromising on facilities or aesthetics.

K RAHEJA CORP GROUP PROPERTY PORTFOLIO

Commercial

Developing business districts across India – Mindspace, Commerzone

Residential

Leading developer with brands such as 'Vivarea', 'Artesia', 'Raheja Vistas', 'VIVA', etc

Hospitality

Experience of over 40 years

Malls

Leading Brand - Inorbit

Retail

'Shoppers Stop' - Leading Indian Departmental Store Brand

'Crossword' - leading retail bookstore chain

Power Distribution

Pioneer in the concept of self-contained townships and commercial business districts

IDENTIFICATION OF LOCATION AND LAND ACQUISITION

- Comprehensive market selection process
- Management's expertise in commercial development and know-how plays a vital role in location selection

PROJECT PLANNING

- In-house teams that cater to various facets of project planning
- Extensive use of technologies and products to drive efficiencies

EXECUTION AND CONSTRUCTION

- Maintain global standards in designs, defined process, streamlining cost and timelines
- Obtain requisite approvals and clearances
- Monitor development process, costs and quality

Corporate Identity

Experience differentiation

Over the years, we have developed our hotels at strategic locations with high-entry barriers and proximity to airports, major business centres or commercial districts. We use our experience to actively manage the hotel assets to drive performance. In addition, we have developed commercial and retail spaces, in proximity to some of our hotels.

We generally develop our hotels on large land parcels, allowing us to build more rooms, as well as provide a wide range of amenities, such as fine dining, speciality restaurants, large banquet and outdoor spaces. Our objective is to attain high service standards, targeting the luxury-upper upscale and upscale hotel segments at an efficient gross built-up area and development cost per key.

We seek to associate with leading global hospitality brands, which are well matched to the location, size, target customer base and intended hotel segment of our hotel properties. This allows us to save time and cost required to build, develop and maintain our 'own hotel brand'.

OUR MILESTONES

2000
Lakeside Chalet, Mumbai – Marriott Executive Apartments, Powai

2001
Renaissance Mumbai Convention Centre Hotel, Powai

2009
Four Points by Sheraton Navi Mumbai, Vashi

2009
The Westin Hyderabad Mindspace

2012
Inorbit Mall, Whitefield, Bengaluru

2013
Bengaluru Marriott Hotel Whitefield

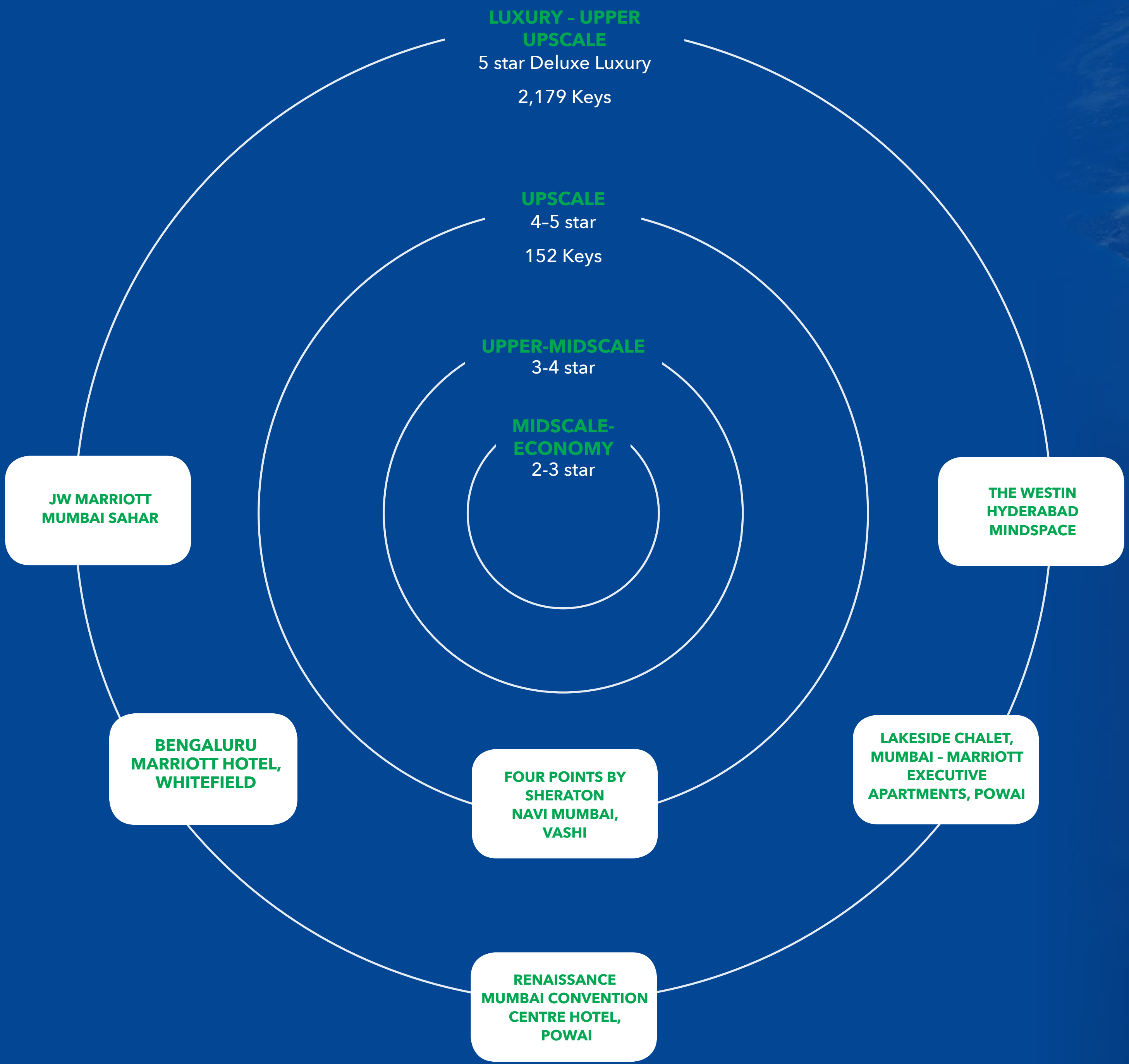
2014
Commercial Tower, Whitefield Bengaluru

2015
JW Marriott Mumbai Sahar

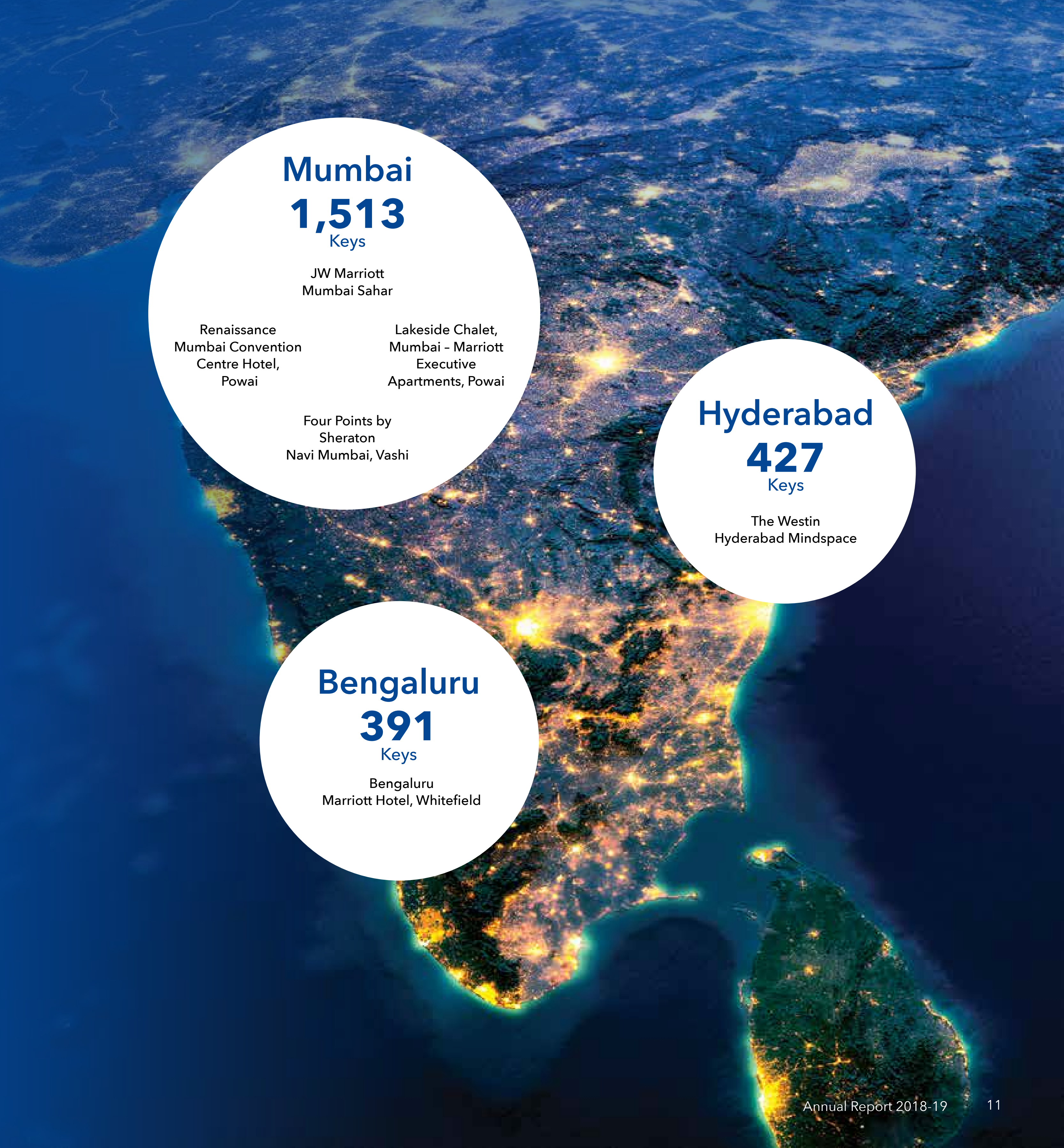
2018
The Orb and Business Centre & Office, Sahar, Mumbai

Corporate Identity (Contd.)

PORTFOLIO OF HIGH-END, GLOBALLY RECOGNISED, BRANDED HOTELS



STRATEGICALLY LOCATED ACROSS RIGHT MARKETS



Our Properties At a Glance

Showcasing our businesses

HOTELS

Brands that connect with the guests

JW Marriott Mumbai Sahar

Possesses 5-star luxury rooms and a prime city hotel, location near the airport. (Andheri East).

588
Keys

~2,800 sq. mts
Banqueting space

DINING

JW Café
Multi-cuisine restaurant

Romano's
Italian speciality restaurant

JW Lounge
Café by day and lounge in the evening

JW Baking Company
Delicatessen and Pastry shop

Bengaluru Marriott Hotel Whitefield

Share an exceptional luxury stay close to corporate offices, attractions and entertainment centres, at the New Business district of Bengaluru.

391
Keys

~1,600 sq. mts
Banqueting space

DINING

M Café
All day dining

Alto Vino
Contemporary Italian speciality restaurant

Whitefield Bar and Grill
Poolside eatery

M Bar
Stylish Bar

Whitefield Baking Co
Delicatessen and pastry shop

The Westin Hyderabad Mindspace

Uncomplicated relaxation for business and leisure travellers alike, in the heart of Hyderabad's city centre.

427
Keys

~1,400 sq. mts
Banqueting space

DINING

Seasonal Tastes
International cuisine all day dining

Casbah
Mediterranean lounge

Daily Treats
Delicatessen

Kangan
Refined Peshwari fine dining restaurant

Prego
Italian speciality restaurant

Mix Bar
Contemporary bar

Renaissance Mumbai Convention Centre Hotel, Powai

Designed to complement your lifestyle with luxury accommodation and upscale location, amid 15 acres green land on the banks of Powai lake.

600
Keys

~3,600 sq. mts
Banqueting space

DINING

Emperor's Court
Cantonese speciality

Lake View Café
Coffee shop

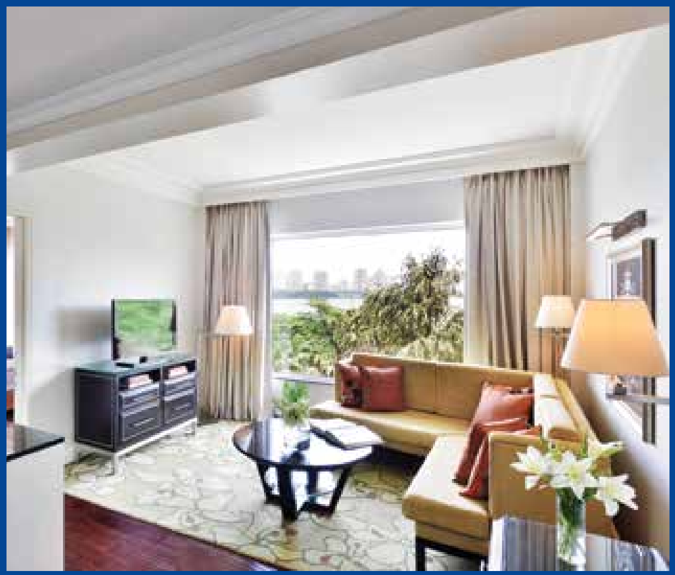
Nawab Saheb
Indian speciality

A Bar
Lobby level bar

Fratelli Fresh
Contemporary Trattoria

Mumbai Express
Delicatessen and Pastry shop

Our Properties At a Glance (Contd.)



Lakeside Chalet, Mumbai – Marriott Executive Apartments, Renaissance Complex, Powai

Set along the banks of the scenic Powai Lake, feel at home in an extended stay apartment with the amenities of a five-star hotel.

173
Keys

DINING

Crimson
3-meal restaurant

Four Points by Sheraton Navi Mumbai, Vashi

Offering contemporary living in the corporate hub of Navi Mumbai metropolis, we meet the requirements of discerning travellers.

152
Keys

~1,100 sq. mts
Banqueting space

DINING

Asian Kitchen
All day dining multi-cuisine restaurant

Wrapped
24-hour coffee shop

Tipplers
Café by day and evening lounge

COMMERCIAL AND RETAIL

We have developed, hotel-led complementary mixed-use commercial and retail projects.

COMMERCIAL PROJECTS

Business Centre & Office
Sahar, Mumbai

Commercial
Whitefield, Bengaluru

RETAIL PROJECTS

The Orb
Sahar, Mumbai

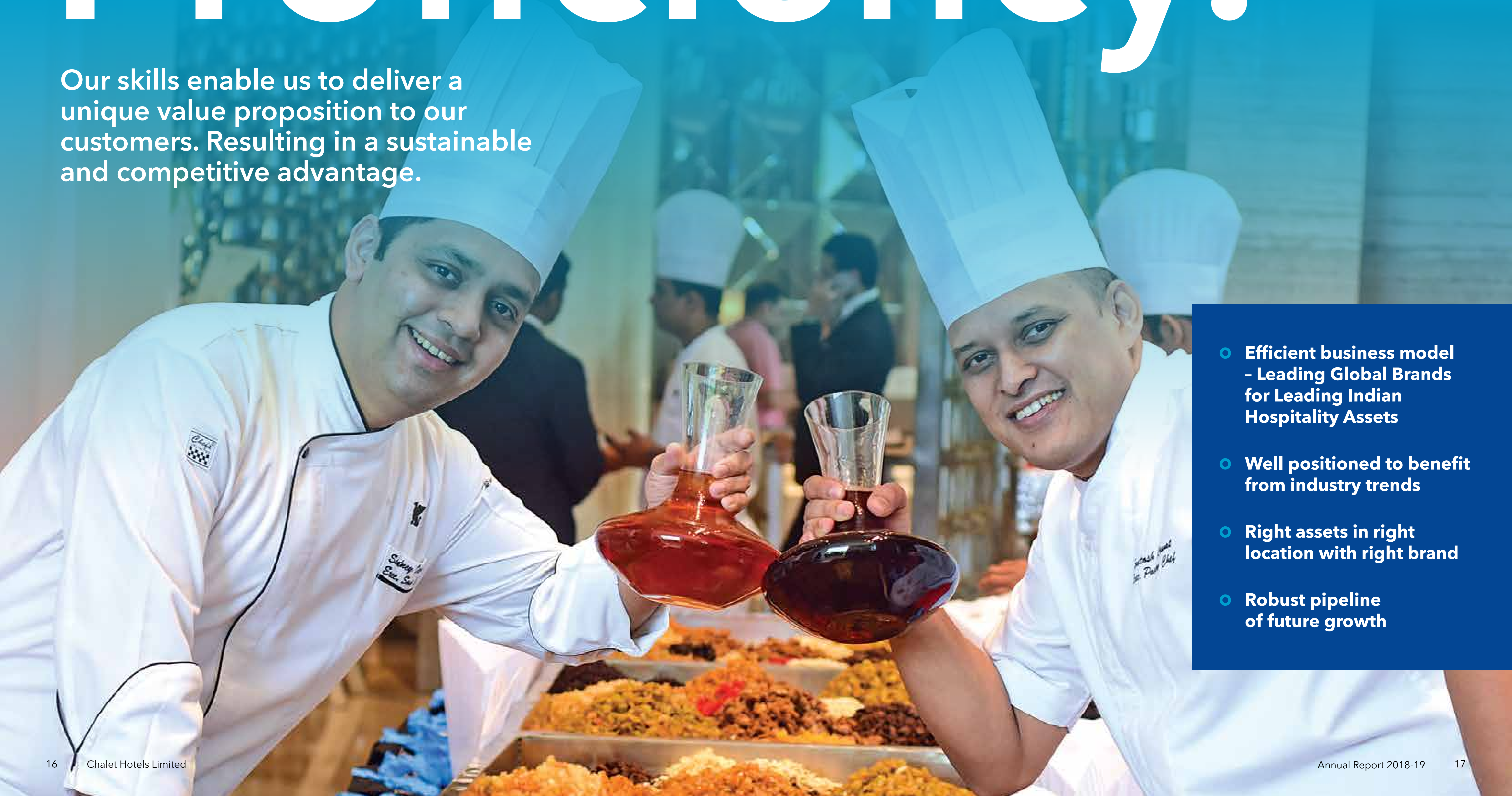
Inorbit Mall
Whitefield, Bengaluru

RESIDENTIAL

We have two residential projects, one in Madhapur, Hyderabad and one in Koramangala, Bengaluru.

Proficiency.

Our skills enable us to deliver a unique value proposition to our customers. Resulting in a sustainable and competitive advantage.



- **Efficient business model – Leading Global Brands for Leading Indian Hospitality Assets**
- **Well positioned to benefit from industry trends**
- **Right assets in right location with right brand**
- **Robust pipeline of future growth**

Active Asset Management Model

Leading global brands for leading hospitality assets

Our active management approach ensures we closely monitor and contribute to the performance of our hotel properties.

We have agreements with leading global hospitality players to operate our hotels and provide global standards of services. Our model facilitates close monitoring and exercising of regular oversight to be able to enhance the performance of our hotels. As a part of this strategy, we perform the following functions:

- Actively engage with management teams at each hotel and set operational and financial targets
- Drive performance through structured monthly performance review
- Review and execute renovation plans
- Conduct periodic meetings with hotel operator's leadership teams
- Review competitor's performance and penetration

We believe that our active asset management model, coupled with our functionally efficient relationship with leading international hospitality brands has enabled us to attain competitive financial and operational parameters – Average Daily Rate (ADR), occupancies and Revenue Per Available Room (RevPAR) – vis-à-vis the average of other hotels in their respective micro-markets.

We plan to leverage the full potential of this model and maximise the performance of our existing portfolio. A critical part of our future strategy is maximising cost-efficiency through our five-step plan:

- Optimal use of hotel spaces to maximise revenues from rooms, food and beverage, meeting rooms, club floors, conferences, events and commercial or retail space
- Timely renovations and upgradation exercises to facilitate best-in-class experience across our hotels
- Engage in energy-saving initiatives that are both cost-efficient and eco-friendly
- Explore shared service opportunities for hotels located in the same city
- Emphasis on developing talent to enhance performance

Opportunity Landscape

Megatrends that unveil opportunities

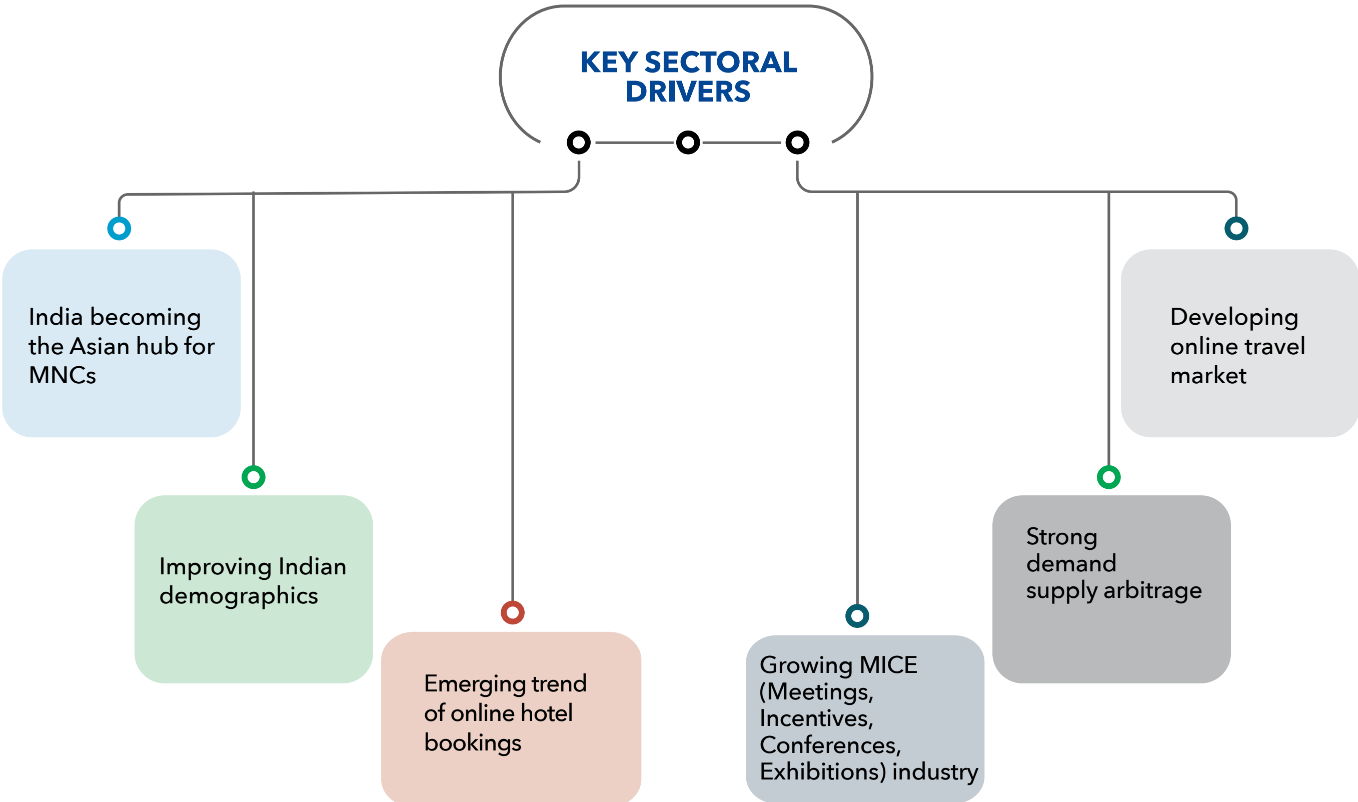
India's urban population will nearly double in the next decade. More than half a billion people will live and work in Indian cities. Growth in hospitality sector is correlated with economic growth. As India remains one of the world's fastest growing major economies, the hospitality industry continues to grow.

Besides, with the country's enhanced global integration and branding as a tourist destination where time-honoured heritage and culture blend with modernity seamlessly, the leisure and business tourism segment is growing attractively.

Becoming a lucrative business destination, expanding domestic tourism, increasing foreign tourist arrivals, high airline passenger loads and forex earnings growth collectively contribute to this sector. In the near term, the demand-supply gap in India is likely to expand with demand exceeding supply and there will be a need for more hotels. India, after China remains one of the most lucrative markets for the hospitality industry and has the second largest construction pipeline in Asia.

At Chalet Hotels, our operating strategy has been to develop high-end properties in key metro cities of India catering to business travel demand. The Company's hotels present in the three metro cities of Mumbai, Bengaluru and Hyderabad have a total of 2,331 keys as on March 31, 2019. We believe that we have a competitive advantage owing to our early-mover strategy.

Our in-depth knowledge of demand in these specific micro-markets and availability of unutilised land in some of our hotel properties provide us a distinct advantage over peers.



CITY-WISE SECTORAL PERFORMANCE

PARAMETERS	MUMBAI	BENGALURU	HYDERABAD
Market dynamics	• Corporates account for 80% of total room demand • Demand is backed by strong corporate travel along with upswing in MICE demand in major commercial hubs • Mumbai's market recorded highest occupancy in the last few years • Mumbai is expected to add ~4,000 rooms by FY23 (CARE Ratings)	• Business travellers account for about 85-90% of the premium segment room demand • The city is likely to add ~5,700 rooms in phases over the next five years (CARE Rating)	• Around 85-90% of the demand for premium segments come from corporates • Demand is expected to increase with the opening of Grade-A commercial spaces • ~1,150 rooms are expected to be added to the existing supply between FY18 and FY23 (CARE Rating)
Upcoming city-wise infrastructural development	• Metro Line • Flyover widening on Eastern Expressway • Mumbai Trans Harbour Project • Coastal Road • New Business District in Navi Mumbai	• Metro Line • New Business Centre moving towards Whitefield	• Metro Line • Improved road infrastructure • New Business Centre shifting towards Madhapur

FAVOURABLE DEMAND-SUPPLY DYNAMICS AND INFRASTRUCTURE OPPORTUNITIES AUGURS WELL FOR CHALET

PARAMETERS	MUMBAI	BENGALURU	HYDERABAD
Chalet value proposition	Properties located in central business district and new business centres of Mumbai Metropolitan Region **Current Inventory** 1,513 Keys **Proposed Inventory Pipeline** ~410 keys	Property located in new business centres **Current Inventory** 391 Keys	Property located in new business centres **Current Inventory** 427 Keys **Proposed Inventory Pipeline** ~170 keys

(Source: CARE Ratings)

Expansion Roadmap

Leveraging market opportunities

We are in the process of developing three additional hotels with a total of ~580 keys. In enhancing business demand and optimally using available land, we are developing two commercial office spaces, co-located within our hotel land parcels with a combined built-up area of around 1.1 million square feet.

Our properties (hotels and commercial) are in metro cities at key locations, which are characterised by high entry barriers, due to a significant time and capital outlay needed to erect and establish profitable properties in these prime micro markets.

Our presence in the existing markets, coupled with an early-mover advantage, has positioned us favourably. Strengthening our competitive advantage is the fact that there is adequate land availability, proximate to our establishments, providing a scope for further expansion. In the coming years, our retail and commercial space under construction is likely to generate regular rental income.

MEGATRENDS WITHIN HOSPITALITY SECTOR
+
CHALETS MARKET POSITION

Right promoter
Backed by leading real estate developer

Right Asset
Efficiently designed assets

Right Location
Locational advantages - properties located in new business centres

Right Partnership
Leading global hospitality brands

Right Team
Experienced team driving efficiencies

OUR EXPANSION PIPELINE

PROJECT	LOCATION	ABOUT
Hotel	**Airoli,** Navi Mumbai	• Proposed brand: Hyatt Regency[3] • Keys: ~260 • Ownership: Leasehold[1]
Hotel and convention centre	**Renaissance Complex** Powai, Mumbai	• Proposed Brand: 'W'[2] • Keys: ~150 • Convention centre: ~40k sq.ft. • Ownership: 100%; Freehold
Hotel	**Mindspace,** Hyderabad	• Proposed Brand: Westin[2] • Keys: ~170 • Ownership: Leasehold[4]
Commercial	**Renaissance Complex** Powai, Mumbai	• Total Built Up Area: ~700K sq.ft. • Ownership: 100%; Freehold
Commercial	**Marriott Complex** Whitefield, Bengaluru	• Total Built Up Area: ~400K sq.ft. • Ownership: 100%; Freehold

Note
1. MoU for lease executed
2. MoU executed for the brand
3. Letter of intent executed for the brand
4. Letter of intent entered for lease deed

Performance.

In a dynamic operating context, our operational performance defines us.

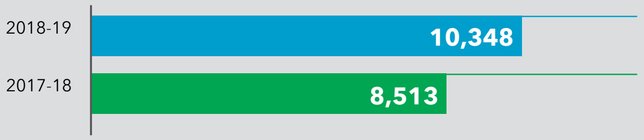
- **Strong operating performance delivered by a lean and efficient cost structure**
- **Efficient active asset management model**
- **Consistent improvement in operating margins**

Key Performance Indicators

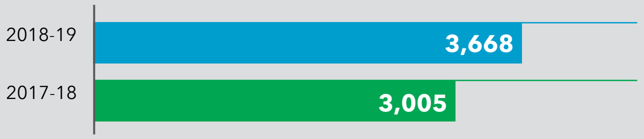
Growing with focus

We earn revenue from our hospitality operations and derive lease income from our commercial and retail properties as well as other real estate income.

Total income[4] (₹ in million)



EBITDA[5] (₹ in million)



EBITDA margin (%)

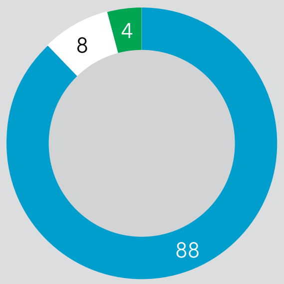
ADR[1] (₹)	2018-19	2017-18
MMR*	8,086	7,629
Bengaluru	8,756	8,620
Hyderabad	8,205	7,896
Combined	8,218	7,840

Occupancy[2] (%)	2018-19	2017-18
MMR*	76%	73%
Bengaluru	77%	75%
Hyderabad	76%	72%
Combined	76%	73%

RevPAR[3] (₹)	2018-19	2017-18
MMR*	6,178	5,543
Bengaluru	6,757	6,447
Hyderabad	6,234	5,694
Combined	6,283	5,716

*MMR- Mumbai Metropolitan Region

Consolidated total income mix in 2018-19 (%)

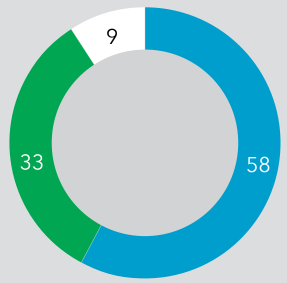


Hospitality
(Income earned through hotel operations)

Retail and commercial
(Income earned through leasing of commercial and retail properties)

Other income

Hospitality revenue mix in 2018-19 (%)



Room Revenue
(Income earned through sale of rooms)

Food & Beverage Revenue
(Income from sale of Food and Beverages) and Banqueting)

Others

[1] ADR represents revenue from room rentals at the hotel divided by total number of room nights.

[2] Average occupancy represents the total number of room nights sold divided by the total number of room nights available.

[3] RevPAR is calculated by multiplying ADR and average occupancy available at the Hotels.

[4] Total revenue comprises of revenue from hotel including room revenue, food and beverage revenue, revenue from retail & Commercial, Real estate segment and other income from hotel operations.

[5] EBITDA is post charge of operating expenses comprising operating expenses towards food and beverage consumed, operating supplies, real estate development cost employee benefit cost, power and fuel and other expenses.

Chairman's Address

A new chapter with a renewed vision

I am also happy to share that, during financial year 2018-19 your Company entered the ₹1,000+ crore club in terms of total income.

Ladies and Gentlemen,

It gives me immense pleasure to present the 34th Annual Report of the Company for the financial year 2018-19.

The Company successfully concluded its Initial Public Offering (IPO) in January 2019 followed by listing of its shares on February 7, 2019. This represents a major milestone in the evolution of the Company since the opening of your Company's iconic hotel property on the banks of Powai Lake, Mumbai in 2001. The equity shares of the Company are now actively traded on the National Stock Exchange of India Limited and BSE Limited. I am also happy to share that, during financial year 2018-19 your Company entered the ₹1,000+ crore club in terms of total income.

Notwithstanding the global events that impacted the year that went by, the Indian economy continued to deliver steady growth of around 7%, much higher than the global economic growth. Further an air of reassurance has set in with the results of the Election being declared. With a majority government at the Centre and expectations of tangible policy reforms, the next few years should augur well for business growth in India.

Over the past few years the industry has seen a positive movement in occupancy levels complemented with moderate increase in room rates. Financial year 2018-19 was a good year for the Hospitality sector. For your Company, the room rates grew by 5% and the annual occupancy increased by ~300 basis points to 76% during the financial year 2018-19.

Financial year 2018-19 was a good year for the Hospitality sector. For your Company, the room rates grew by 5% and the annual occupancy increased by ~300 basis points to 76% during the financial year 2018-19.

We are now moving forward with optimism and an enhanced vision 'To create extraordinary shareholder value through enduring experiences for our guests, partners and colleagues', supported by our values of - Integrity, Agility, Efficiency, Collaboration, Sustainable Development and Respect for Colleagues.

On behalf of my colleagues on the Board, I extend my sincere gratitude for the continued support of all the stakeholders. I am keenly looking forward to welcome all the new shareholders at our first Annual General Meeting (AGM) post listing.

Hetal Gandhi
Chairman and Independent Director

OUR VISION

To create extraordinary shareholder value through enduring experiences for our guests, partners and colleagues.

OUR VALUES

Our values are the basis on which we build a strong and shared culture across all aspects of the business

Integrity- Do the right thing
We uphold the highest standards of integrity in all of our actions.

Agility- Think, Decide, Act proactively
We strive to add value and inspire our customers because we recognise that they come to us by choice

Efficiency- Transform optimally
We focus on results, act with ambition to be operationally competitive

Collaboration- Work as one
We harness differences and interdependencies to unleash the power of collaboration

Sustainable Development- We grow responsibly
Focus on growth tempered with respect owards the environment and local communities

Respect colleagues- Recognising and enabling individual contribution and growth
We respect individual beliefs & diversity to provide a nurturing environment for our colleagues to grow

MD & CEO Speak

Delivering profitability through knowledge and experience

Dear Shareholders,

It is indeed an honour for me to present the first annual report of Chalet Hotels after its successful listing on the stock exchanges.

The past 12 months have been some of the most exciting times for Chalet Hotels. On January 29, 2019, your Company's Initial Public Offering issue opened, which raised ₹16,412 million and was subscribed 1.57 times on account of strong interest shown. The Fresh Issue component was of ₹9,500 million. The offer price band was at ₹275 - 280 per equity share and the issue was subscribed at ₹280 per equity share – 28 times its face value. This gave your Company an opportunity to pare down its debt and create an ability to grow its business in the future. Our endeavour now is to keep a strong and clear focus on both organic and inorganic growth.

While 2018-19 has been a milestone year for Chalet Hotels, it has also been a year in which the economy witnessed a healthy growth of a little more than 7%. The growth for the Indian economy was driven by domestic consumption which accounts for 60% of India's GDP today and is expected to grow to $6 trillion by 2030 according to a joint report by World Economic Forum and Bain & Co in January 2019. The Indian government has also taken several steps to boost the tourism and hospitality sector. The government has introduced e-tourist visa to facilitate arrivals of nationals; as of December 2018, this facility has been extended to 166 countries. Tourist arrivals through e-tourist visa increased at a CAGR (Compounded Annual Growth Rate) of 179.12% during 2014-18 to reach 2.37 million tourists in 2018 and overall foreign tourist arrivals during 2018 grew by 5.2% to 10.55 million. The government has also encouraged domestic air travel through initiatives such as UDAN scheme (Ude Desh ka Aam Naagrik) and the opening of regional airports. These initiatives along with rising aspiration for travelling have helped domestic air travel register a double-digit growth of 18.6% with domestic air passengers surging to 139 million in 2018. (Source: IBEF Tourism and Hospitality report April 2019).

On the hospitality front, in 2018, the industry witnessed RevPAR growth of 9.6% to arrive at an absolute RevPAR of ₹3,927 and ADR grew by approximately 6% as per HVS Anarock - India Hospitality Review 2018, outpacing occupancy growth rate after several years. As per the report, supply is anticipated to grow by 4.0% and demand by 7.0% in 2019, creating an arbitrage in favour of demand, which continues to spur the upcycle.

Catering to this growing demand, your Company continued to deliver a healthy performance in the year with its five operating hotels and a serviced residence, located in the Mumbai Metropolitan Region, Hyderabad and Bengaluru. This was driven by strong topline growth and active focus on costs. Your 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 across the world and in India. Our relationship with such leading international hospitality brands along with premium locations and high quality of our hotel properties, enable us to attract our target customer base including large corporate accounts, deliver enhanced customer experience, encourage repeat business and drive customer loyalty.

However, even with the economy growing, rising consumption, tourist arrivals and domestic air travel being on the rise, the number of rooms being added by branded hotels have dropped significantly. According to a report by CARE (Indian Hotel Industry – Review and Prospects, January 2019), the expected future inventory in 11 major markets of India is just around 49,400 rooms for the next five years (FY18 to FY23), this number has fallen significantly from the proposed new room supply at 114,466 rooms in FY08.

The contraction in the supply of hotel rooms has its origins in the issues faced by the real estate sector, as many ambitious hotel projects are now stifled by restricted liquidity forcing developers to either scrap them or convert hotel projects into residential or commercial projects in order to improve their cash flows. Announcements of new hotel projects have also reduced compared to the past. With increasing demand and lower room additions, occupancy and room rates for existing hotels are expected to be higher in the coming years, giving a significant advantage to an established company like Chalet Hotels.

We at Chalet Hotels believe, that in the hospitality sector, we have four clear and distinct advantages that help us in delivering superior value to all our stakeholders. These four pillars have been given below.

Ability to acquire land in great locations at competitive price

Backed by a leading real-estate conglomerate, K Raheja Corp Group, your Company has the advantage of identifying opportunities for land acquisitions and hotel development in key markets and at the right price points much before others. This is the outcome of our deep understanding of the real estate sector and on-ground knowledge of growth vectors in such markets as well as the direction in which they are expanding.

The Group's knowledge and experience of over six decades has helped your Company to establish hotels in the vicinity of key business districts and travel hubs creating a distinct advantage. As a result, your Company's properties are located in lucrative catchment areas with high barriers to entry, thus, translating into a sustainable competitive advantage.

With the economy growing, consumer and business spending rising and new projects coming on stream, Chalet Hotels is well geared to continue this path of growth and profitability and create value for all stakeholders.

Ability to deliver efficient Development Costs

Your Company leverages its Group's advantage effectively to maximise returns from every square foot of hotel real estate development, thereby, creating a highly effective cost per key structure. This has resulted in a beneficial position for your Company to achieve better payback returns on its hotel investments and creating a higher value for its shareholders going forward. The Company has been prudent in allocating capital and kept a close watch on ROCE (Return on Capital Employed) while making investment decisions.

Chalet Hotels also has an in-house team that leads various aspects of project planning – from obtaining approvals and clearances on time to standardising designs and processes, the team overlooks implementation and execution and ensures that the hotel is completed on-time and at an optimum cost.

Ability to partner with some of the best global hotel operators

Hotels operations, unlike other real estate assets, is a highly specialised business and your Company strongly believes in leveraging the strengths of the best firms internationally for its hotel assets. Your Company has tied up with global brands such as Marriott to operate its properties. They bring in world class standards and best practices to make your properties leaders in their respective markets. As and when your Company develops and acquires hotels, we will partner with brands that will be the best fit for the locations and products that we develop.

Ability to Manage Hotel Assets

The fourth and an important pillar is your Company's Hotel Asset Management capabilities, developed internally to effectively manage the hotel assets. The senior management team at Chalet Hotels comprises individuals with 15-30 years of experience in asset management and hotel operations, which helps drive the performance of the properties. They ensure your Company's properties deliver exceptional guest experience, operate at optimal capacity, are well maintained and renovated at the right time.

Your Company collaborates with the hotel management teams to optimise operating performance, to grow revenues and market share. We are constantly striving to efficiently manage various cost heads including manpower and energy costs, which helps us in generating good return ratios and strong segment profitability.

Going ahead, Chalet Hotels plans to continue outperforming itself and has three hotels and two commercial projects in the pipeline. The hotel pipeline includes a ~170-key property in Hyderabad that is expected to open in the year 2020 and two hotels in Mumbai – ~150 key property in Powai and ~260 key property in Airoli both of which are seen commencing operations in the year 2021. The commercial projects pipeline includes a ~700,000 square feet project next to the existing hotel at Powai in Mumbai and a ~400,000 square feet project at Whitefield in Bengaluru.

With the economy growing, consumer and business spending rising and new projects coming on stream, Chalet Hotels is well geared to continue this path of growth and profitability and create value for all stakeholders.

I want to take this opportunity to thank our colleagues at the hotels of the Company and at the corporate office, for the tremendous work they have put in over the years. They have worked hard in a 24/7 industry to deliver exceptional guest experiences and financial results.

On behalf of all my colleagues at Chalet Hotels, I extend a heartfelt gratitude and appreciation to the shareholders for their support through the IPO journey and thereafter.

Sanjay Sethi
Managing Director & Chief Executive Officer

Spirit to Excel

We nurture a growing talent pool with a winning mindset

We believe, that our talent pool represents one of our most important assets. We focus on building a robust and rewarding work culture that encourages our people to pursue excellence in thought and action and sustain the winning spirit.

Our credo is to blend passion and commitment in serving our brand patrons. Building on this philosophy, we have undertaken various initiatives at CHL to encourage employee engagement.

Joy of Week (JOW)

JOW is celebrated in each hotel, including our managed hotels on an annual basis for five days. These five days are dedicated to our employees and include daily themed lunches, live games, cultural activities and various fun competitions followed by grand finale.

Parichay – The Buddy Programme

'Parichay' is an initiative where the reporting manager of a new colleague and the HR team ensure that another colleague from the same department is assigned to them as a work buddy. This ensures that new recruits can settle down in their new jobs without much hassle.

Town Halls

Quarterly Town Halls in the presence of the senior management helps bridge the communication gap among people and strengthens a culture of transparency. Healthy two-way and interactive discussions are encouraged with the objective that every employee can gain insightful learning and a solution-oriented mindset.

LEAP – Leadership Execution Accelerated Programme

A HOD (Head of Department) drives the execution, while a leader leads with example. At CHL, we believe in nurturing individuals with strong leadership attributes, while harnessing their ability to be compassionate towards the team. LEAP is an initiative that propagates a leadership development model called 'Leadership Speedometer'.

Development Programme for Rank & File to Manager grade

Talent Development Programme have been designed as a stepping stone for associates with potential to grow professionally and become part of the Company's management team of tomorrow. It provides necessary training to assume higher responsibilities and progress within our Company. This programme is specially designed for Rank & File grade who would be groomed for an Executive Grade and Executive to Assistant Manager level. Development Programme will have a constant pool of talent within the unit/company.

Aanchal – The Maternity Programme

We at CHL understand that balancing aspirations, demands, responsibilities and trying to do your best may not be easy at all times and could take a toll on an individual. This is especially true for expectant mothers who face the dual responsibility of nurturing a new life and being on track in their career.

Our value proposition

Impactful employer branding

A large part of our employee workforce comprises millennials. To ensure maximum outreach to all potential candidates, we ensure our social media platforms are always updated.

Efficient on-boarding process

We have a proper system in place, which ensures that new hires are smoothly onboarded in our organisation right from his/her first interview call with us to his/her first working day, ensuring they have a positive brand experience.

Whistle blower policy

At CHL, we are conscious of our responsibility to conduct business in a fair and transparent manner. To attain this, we have adopted the highest standards of professionalism, honesty, integrity, and ethical behaviour.

Policy on Sexual Harassment (POSH)

At CHL, we respect our colleagues irrespective of the demographics and the background that they come from. Gender unbiased, we strive to uphold a healthy and congenial working environment that enables our fellow colleagues to work without fear of prejudice. Any inappropriate encounters at work are taken up by the POSH Committee and resolved justly.

Hiring the optimal talent mix

Our hiring processes have been designed keeping in mind a complete integration of our potential colleagues' expectations with the organisation's culture. To ensure that our recruits are the right cultural fit, we use BEI (Behavioural Event Interviewing) framework and the STAR Model (Situation, Tack, Action, and Result).

Equal Opportunity Policy

This policy is designed to provide equal employment opportunities without any discrimination on the grounds of age, race, religion, gender, colour, marital status, nationality, disability and sexual orientation.

Socially Responsible

Driving enduring community impact

Community development continues to be one of our key focus areas as a part of our broader sustainability strategy. We believe that need-based, timely and effective interventions can play a pivotal role in community welfare. Our intervention areas comprise promoting skill based education, healthcare and livelihood creation among others to help drive community impact.

- Christmas Party with Maniketan

- Showcasing different talents

- Engaging with the children from Sneha Sadan

- Engaging with children from Girija Bal Mandir

- Donation drive with Girija Bal Mandir

- Cupcake decoration activity with Sneha Sadan

- Food Cart where proceeds were given to Rising Star

- Children's day celebration

- Holi celebration with the children of Girija Bal Mandir

Board of Directors

Standing (Left to right)	**Rajeev Newar** Executive Director and CFO	**Neel C. Raheja** Promoter, Non-Executive Director	**Hetal Gandhi** Chairman and Independent Director	**Ravi C. Raheja** Promoter, Non-Executive Director	**Joseph Conrad D'Souza** Independent Director
Seated (Left to right)	**Arthur William De Haast** Independent Director	**Radhika Piramal** Independent Director	**Sanjay Sethi** Managing Director and CEO		

Board of Directors (profiles)

Hetal Gandhi
Chairman and Independent Director

Mr. Hetal Gandhi is a Chartered Accountant and holds a bachelor's degree in commerce from the University of Mumbai. He is the co-founder and managing director of Tano India Advisors Private Limited (TIA). TIA is the India sub-Advisor for Private Equity Funds set up and managed by Tano Capital, USA for investing in Indian companies. He was previously associated with a diversified financial services company as its Head - Financial Services and with ORIX Auto and Business Solutions Limited as its Chief Executive Officer. He has over 31 years of experience in the financial services industry. Mr. Gandhi has been on our Board since March 20, 2003 and was been appointed as an Independent Director and Chairman of our Company with effect from June 12, 2018.

Joseph Conrad D'Souza
Independent Director

Mr. Joseph Conrad D'Souza has been associated with HDFC Limited since 1984, where his responsibilities include corporate planning and budgeting, corporate finance and investor relations. He is currently a member of executive management and is Chief Investor Relations Officer. He holds a master's degree in commerce and a diploma in financial management from the University of Mumbai and a master's degree in business administration from South Gujarat University. He is also a graduate of the Senior Executive Programme from the London Business School.

Radhika Piramal
Independent Director

Ms. Radhika Piramal is Executive Director and Vice Chairperson of VIP Industries since 2017. She 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 was Managing Director of VIP Industries, India's leading luggage company, from 2010 – 2017 and was previously associated with Bain and Company, and Carlton Travel Goods Limited.

Arthur William De Haast
Independent Director

Mr. Arthur William De Haast has been associated with Jones Lang LaSalle incorporated since August 4, 1987 in a variety of senior roles, including the global chief executive officer and then chairman of its hotels and hospitality group. Currently, he is Chairman, Global Capital Markets Board. He 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 over 34 years of experience in the hospitality sector and has led many transactional and advisory assignments.

Ravi C. Raheja
Promoter, Non-Executive Director

Mr. Ravi C Raheja is an alumnus of the London Business School with over 25 years' experience across real estate, hospitality and retail. His multivariate experience and inherent acumen for judging correctly, has led him to spearhead business development for the real estate arm of the Group. Ravi is actively involved in charting the future growth of K Raheja Corp Group and each of its businesses and has been a catalyst in the Company's evolution from a family owned business to a well-diversified conglomerate, while playing a key role in guiding the hospitality and other divisions of the Group. Ravi has held important positions on several key forums, such as Mumbai Chairman of the Indian Green Building Council and member of the World Economic Forum. Known for his benevolence, Ravi plays a key role in the Group's philanthropic initiatives through K Raheja Foundation, Sadhana Education Society and S. L. Raheja Hospital.

Neel C. Raheja
Promoter, Non-Executive Director

Mr. Neel Raheja, a Graduate in Law from the Mumbai University, and an alumnus of the Harvard Business School, Boston, Massachusetts, joined the family empire at the young age of 18. With a larger vision for the Group, Neel, has piloted its diversification beyond the realms of real estate. He has been instrumental in setting up premium hotels in the country and been the cornerstone in establishing retail brands Shoppers Stop, Inorbit Mall and Crossword. Neel plays an active role in the Group's philanthropic initiatives through K Raheja Foundation, Sadhana Education Society and S. L. Raheja Hospital. He also drives the Group's growth through Green Building initiatives in sustainable development. Neel chairs some important committees such as he is co-chair at CII-National Committee on Real Estate and Housing, Chairman, India Chapter of APREA, and was President, NAREDCO West. He is also Vice Chairman of CORENET, and Advisory Committee member of MCHI-CREDAI. Neel has been appointed on the Govt of India Committee to suggest changes in the Special Economic Zone policy and was one of the members of the Champions of Change invited by the Prime Minister of India.

Sanjay Sethi
Managing Director and CEO

Mr. Sanjay Sethi is a hotel management graduate from IHM Pusa. He is a Certified Hotel Administrator (CHA) from American Hotel and Lodging Educational Institute and has completed various management certifications from IIM-Bangalore, XLRI and Cornel. He has over 30 years of experience with leading Indian hotel chains, and across segments, in the hospitality industry. Prior to joining Chalet Hotels, Sanjay set up Berggruen Hotels in 2006 as promoter CEO and MD along with Berggruen Holdings, New York. He has worked with ITC Limited as Chief Operating Officer for their Hotels Division and The Indian Hotels Company Limited as a general manager to their hotel properties and area director for their Hyderabad hotels. He's an active member and speaker to key industry bodies and events such as FHRAI and HICSA. During his tenure in IHCL he was a trained and certified assessor of Tata Group Companies.

Rajeev Newar
Executive Director and CFO

Mr. Rajeev Newar is a Chartered Accountant, Company Secretary and Bachelor of Commerce (Hons.) from Calcutta University. Over the past 27 years, Mr. Rajeev Newar has held several leadership positions in Finance leading various functional and cross functional transformational initiatives, implementing business strategies and driving digital transformation. Prior to joining our Company, he was Vice President Finance with The Indian Hotels Company Limited and a Director on the Board of some of its subsidiaries. He has been recognised on various forums and recently received recognition of excellence at the CFO India Conference, 2019. He is an active speaker at industry events such as HICSA and various CFO forums.

Awards and Recognitions

Hotelier India Award 2018
PR person of the year - Monica Edara, Renaissance Mumbai

Best MICE Hotel
– Renaissance Mumbai

Best European Restaurant
– Alto Vino, Bengaluru Marriott Hotel Whitefield

2018 Luxury Airport Hotel
– J W Marriott, Mumbai Sahar

Indian Wine Awards 2018
Outstanding World-Class Wine List
– Romano's, J W Marriott Mumbai Sahar
– Fratelli Fresh, Renaissance Mumbai

Offering the best Wine Experience
– Romano's, J W Marriott Mumbai Sahar

BBC Good Food Award 2018
Best Convention Hotel
– Renaissance Mumbai

World on a Plate People's choice award for WBG
– Bengaluru Marriott Hotel Whitefield

Report of the Board of Directors

Dear Members

Chalet Hotels Limited,

The Board of Directors are pleased to present your Company's Thirty Fourth Annual Report and the Audited Financial Statements of your Company for the Financial Year ended March 31, 2019.

Financial Results

Your Company's financial performance for the Financial Year ended March 31, 2019 is summarized below:

(₹ in million)

Particulars	Standalone		Consolidated	
	For the year ended		For the year ended	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
Revenue from Operations	**9,871.73**	7,955.47	**9,871.73**	7,955.47
Other Income	**436.03**	447.44	**476.08**	557.31
Total Income	**10,307.76**	8,402.91	**10,347.81**	8,512.78
Total Expenses	**6,670.40**	5,504.65	**6,679.47**	5,508.01
Earnings before Interest, Depreciation, Amortisation & Tax before Exceptional Items	**3,637.36**	2,898.26	**3,668.34**	3,004.77
Depreciation and Amortisation Expenses	**1,154.17**	1,116.33	**1,154.17**	1116.33
Finance Costs	**2,651.51**	2,092.60	**2,656.69**	2119.21
(Loss) / Profit before Exceptional Items and Tax	**(168.32)**	(310.67)	**(142.52)**	(230.77)
Exceptional Items	**(40.96)**	(1,217.52)	**(40.96)**	(1,217.52)
(Loss) / Profit before Income Tax	**(209.28)**	(1,528.19)	**(183.48)**	(1,448.29)
Tax Expense	**(107.21)**	(519.54)	**(107.21)**	(519.54)
(Loss) / Profit for the year	**(102.07)**	(1,008.65)	**(76.27)**	(928.75)
Other Comprehensive Income / (Expense) for the year net of tax	**(7.68)**	14.66	**(7.68)**	14.66
Total Comprehensive Income / (Expense) for the year	**(109.75)**	(993.99)	**(83.95)**	(914.09)
Total Comprehensive Income / (Expense) attributable to Owners of the Company	**-**	-	**(83.95)**	(914.09)

Dividend

No dividend has been recommended by the Board of Directors for the year under review.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has adopted the Dividend Distribution Policy, setting out the broad principles for guiding the Board and the Management in matters concerning declaration and distribution of dividend, which is attached as **Annexure-I** hereto and is also available on the Company's website viz. www.chalethotels.com.

Capital Structure

Authorised Share Capital

At the beginning of the year, the Authorised Share Capital of your Company was ₹ 1,880 million.

An increase in the Authorised Share Capital amounting to ₹ 2,330 million was initiated by your Company. Further, an increase of ₹ 241 million took place pursuant to the Registrar of Companies giving effect to the increase in capital pursuant to the Scheme of Amalgamation (approved in the previous year under Orders passed by the National Company Law Tribunal, Mumbai Bench on August 2, 2017 and the National Company Law Tribunal, Bengaluru Bench on March 14, 2018) of Magna Warehousing & Distribution Private Limited with your Company. Pursuant to the above, the Authorised Share Capital of your Company has increased by ₹ 2,571 million to ₹ 4,451 million.

Of the above, the Authorised Share Capital in respect of Equity Shares increased from ₹ 1,720 million to 2,051 million and in respect of Preference Shares there was an increase from ₹ 160 million to 2,400 million.

Pursuant to a resolution passed by the Shareholders of your Company at their Extraordinary General Meeting held on January 9, 2019, your Company reclassified the Authorised Share Capital as summarised below:

Particulars	Face Value in ₹	Pre- Reclassification No. of Shares	Total Face Value ₹ in Million	Post-Reclassification No. of Shares	Total Face Value ₹ in Million
Equity Shares	10	205,100,000	2,051	229,100,000	2,291
0.001% Non-Cumulative Redeemable Preference Shares (2400 being reclassified as Equity & 1600 subsisting)	1,00,000	4,000	400	1,600	160
0% Non-Cumulative, Non-Convertible Redeemable Preference Shares	1,00,000	20,000	2,000	20,000	2,000
Total Authorised Share Capital			4,451		4,451

Equity Share Capital

During the year under review, your Company has made a Fresh Issue of 33,928,571 Equity Shares of ₹ 10 each aggregating to a face value of ₹ 339.28 million under the Initial Public Offering ("IPO") as detailed herein below.

Issue of Preference Shares

During the year under review, your Company has entered into Subscription Agreement dated June 4, 2018 with Mr. Ravi C. Raheja and Mr. Neel C. Raheja, Promoters of the Company, wherein they have agreed to provide your Company with funds required to meet any costs, expenses and liabilities pertaining to the Koramangala Residential project, including any costs and expenses towards the ongoing litigation and the completion of the Koramangala Residential project, by way of subscription by themselves or by their designated nominees to 20,000 Zero Coupon Non-Cumulative Non-Convertible Redeemable Preference Shares(NCRPS) of ₹ 1,00,000 each, in 2(Two) series (viz. Series A and Series B) of 10,000 each, aggregating to ₹ 2,000 million. Accordingly, the Company has allotted 20,000 NCRPS to the subscribers on June 26, 2018.

An amount of ₹ 510 million has been called up and paid as on the date of the Balance Sheet. The amounts raised have been utilised in line with the subscription agreement referred to herein above.

The Promoters of your Company have agreed that in the event that the amount required towards meeting the project expenses exceeds the initial subscription amount, the Promoters shall, either directly or through their designated nominees, subscribe to such additional number of subscription securities as may be required to meet the project expenses.

Conversion into a Public Limited Company

During the year under review 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.

Initial Public Offering

During the year under review, your Company had made its Initial Public Offering (IPO) of 58,613,571 Equity Shares of ₹ 10 each comprising of a Fresh Issue of 33,928,571 Equity Shares and an Offer for Sale (OFS) of 24,685,000 Equity Shares by some of its promoters, at a premium of ₹ 270 per Equity Share. As per the object of the offer, the net proceeds of the fresh issue were to be utilised towards repayment / prepayment of certain indebtedness and for general corporate purposes.

Your Company raised an amount of ₹ 9,500 million from the Fresh Issue and the Promoters raised ₹ 6,910 million under the OFS. Pursuant to the issue, the Equity Shares of your Company got listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on February 7, 2019.

The funds raised by your Company from the Fresh Issue have been completely utilised in accordance with the objects of the IPO. There have been no deviation or variation in the terms of utilisation.

Post the issue, 71.41% of the Equity Share Capital of your Company is held by the Promoters.

Borrowings:

The aggregate borrowings of your Company stood at ₹ 15,460.32 million (including Preference Share Capital of ₹ 518.18 million) as at March 31, 2019 as compared to ₹ 27,253.09 million (including Preference Share Capital of ₹ 160 million) as at March 31, 2018.

The foreign currency borrowings as on March 31, 2019 were lower at US$ 26.11 million as compared to US$ 75.85 million as at March 31, 2018.

Your Company has repaid borrowings amounting to ₹ 13,742.34 million during the under review, from IPO proceeds and from refund of other advances, during the year under review.

Projects Under Development

Your Company's proposed development pipeline consists of the following projects:

Hotels

The development pipeline based on conveyance/letter of intent/memorandum of understanding executed, assumes an addition of 3 (Three) hotels with a cumulative inventory of ~580 rooms. Of this, two proposed hotels would be in the Mumbai Metropolitan District and one proposed hotel at Hyderabad.

Commercial, Retail and Office Space

The proposed development pipeline assumes a construction of leasable area of over a million square feet across two locations, namely Mumbai and Bengaluru.

Re-Branding Hotels

Your Company has entered into a memorandum of understanding with Marriott Hotels India Private Limited for rebranding w.e.f. April 1, 2020, of the existing hotel viz. Renaissance Mumbai Convention Centre Hotel as 'Westin Mumbai Powai'. The product improvement plan for the proposed branding will be undertaken.

Residential Project – Koramangala, Bengaluru

The residential development project at Bengaluru is on hold as the matter is sub-judice before the Hon'ble Karnataka High Court on account of a dispute on the permissible height of the structure.

Deposits

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

Loan from Directors

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

Loans, Guarantees or Investments

Your Company falls within the definition of "Infrastructure Company" as provided under Companies Act, 2013 ("Act") and is therefore exempt from the provisions of Section 186 of the Act with regard to Loans and Guarantees. Details of investments made by your Company are given in Note 7 of the standalone Financial Statements.

Foreign Exchange Earnings and Outgo

During the year under review, your Company earned foreign exchange of ₹ 4,968.05 million as compared to ₹ 4,610.00 million in the previous year.

The total foreign exchange outgo during the year was ₹ 1,262.53 million as compared to ₹ 899.00 million in the previous year.

Subsidiaries and Associate Companies

Chalet Hotels & Properties (Kerala) Pvt. Ltd. is a subsidiary of your Company, which had insignificant or no operations during the year under review. The audited financial statements of the subsidiary company have been made available on the website of the Company viz: www.chalethotels.com

During the year under review, Chalet Hotels & Properties (Kerala) Pvt. Ltd. had issued 27,777,770 Equity Shares of ₹ 10 each at par on rights basis to the existing shareholders of your Company. Your Company subscribed to 25,000,000 Equity Shares. The amount raised by the subsidiary has been utilised towards reduction of debt.

Your Company has for securing the supply of renewable energy acquired 20.8% of the Equity Share Capital of Krishna Valley Power Private Limited and 26% of the Equity Share Capital of Sahyadri Renewable Energy Private Limited, being entities engaged in generation of hydro power. Your Company does not have the ability to participate and neither is involved in the operations and/or activities of these companies/entities, and neither has exposure or rights to variable returns. Accordingly, the financials of these companies have not been considered for the consolidation of Financial Statements.

The Consolidated Financial Statements of your Company and its Subsidiary, 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 & Associates is annexed as an **Annexure II** to this report.

Corporate Governance, Business Responsibility Report & Management Discussion & Analysis

Your Company has complied with the Corporate Governance requirements under the Act and Listing Regulations. A separate section on Corporate Governance and detailed reports on Management Discussion & Analysis and Business Responsibility form an integral part of this report.

Directors

During the course of the year under review, Mr. Chandru L. Raheja has resigned from the Board of Directors with effect from April 26, 2018 and Mr. Ramesh M. Valecha & Mr. Rajeev Chopra have resigned from the Board of Directors with effect from May 2, 2018 and have consequently ceased to be Directors of your Company.

The Board places on record its appreciation for the valuable guidance and assistance received from these Directors during their respective tenures.

Mr. Hetal Gandhi, Mr. Joseph Conrad D'Souza, Mr. Arthur De Haast and Ms. Radhika Piramal have been appointed as Non-Executive & Independent Directors on the Board of Directors for a period of 5 years with effect from June 12, 2018.

Mr. Hetal Gandhi has been appointed as the Chairman of the Board of Directors of your Company with effect from June 12, 2018.

Mr. Sanjay Sethi, Managing Director & CEO and Mr. Rajeev Newar, Executive Director & CFO are due to retire by rotation at the ensuing Annual General Meeting of your Company, and being eligible, offer themselves for re-appointment. The approval of the shareholders for their appointment / re-appointment as Directors has been sought in the Notice convening the AGM of your Company.

In view of inadequacy of profits for payment of managerial remuneration, your Company is also seeking approval of the shareholders by way of special resolutions for payment of remuneration to Mr. Sanjay Sethi, Managing Director & CEO and Mr. Rajeev Newar, Executive Director & CFO.

Annual Return

The Annual Return of your Company for the Financial Year 2018 - 2019 shall be hosted on the website of your Company, i.e. www.chalethotels.com, under the Head 'Annual Returns' in the Investor Section.

The details forming part of the extract of the Annual Return in Form no. MGT-9 as per Section 92(3) and 134(3) of the Act, read with the rules framed thereunder is annexed as **Annexure III** hereto.

Number of Board Meetings

During the Financial Year 2018-2019, the Board of Directors met 13 (thirteen) times. The details of the meetings are given in the Corporate Governance Report.

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 2018-19.

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 Financial Year ended March 31, 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(ii) The Board of 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 loss of your Company for the Financial Year ended March 31, 2019;

(iii) The Board of 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) The Financial Statements for the Financial Year ended March 31, 2019 have been prepared on a 'going concern' basis;

(v) The Board of Directors have laid down internal financial controls for the Company which it believes are adequate and are operating effectively;

(vi) The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

Accounting Treatment

The Accounting Treatment is in line with the applicable Indian Accounting Standards (IND-AS) recommended by the Institute of Chartered Accountants of India and prescribed by the Central Government.

Adequacy of Internal Financial Control Systems

The Internal Financial Control Systems including inter-alia the Internal Audit and Internal Controls are commensurate with the size and scale of your Company's operational and commercial activities.

Your Company has appointed M/s PricewaterHouse Coopers Private Limited as Internal Auditors. The reports of the Internal Auditors are placed before the Audit Committee for their review and improvements.

Details of Fraud

No material frauds were detected during the year under review.

Board Effectiveness & Board Evaluation

Annual Board Evaluation

Pursuant to the provisions of the Act and Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance including its committees, for the Financial Year under review. For the aforesaid purpose a structured questionnaire was prepared after taking into consideration the guidance note issued by SEBI on Board evaluation, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Independent Directors was carried out by the entire board (excluding the Director being evaluated). The feedback and suggestions received from all the Directors would be discussed at the subsequent Board Meeting. The Directors expressed satisfaction with the evaluation process.

All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act and Listing Regulations. They have declared that they do not fall under any disqualifications specified under the Act.

Committees

Your Company has constituted Committees of the Board as per the requirements of the Act and Listing Regulations. Details of constitution of the Committees have been enumerated in the Corporate Governance Report which forms a part of the Annual Report.

Corporate Social Responsibility (CSR)

Your Company has adopted a CSR Policy indicating the broad philosophy and objectives, which is available on the website of your Company, viz. www.chalethotels.com. A CSR Committee of the Board of Directors has been constituted, details of which are enumerated in the Corporate Governance Report which forms a part of the Annual report.

In view of your Company having inadequate average net profits in the immediately preceding three financial years, your Company did not entail any obligation towards CSR for the Financial Year under review. Your Company is however committed to the social cause, works as a responsible corporate citizen and is making all efforts to reduce its carbon footprint. The annual report on CSR activities and details about the composition of CSR committee as required by Section 135(2) of the Act is annexed as **Annexure IV** to this report.

Compensation, Nomination & Remuneration Policy

Your Company has in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, on May 10, 2019, adopted a Policy for Appointment of Directors and remuneration of Directors and Senior Management. The same is available on the website of your Company viz. 'www.chalethotels.com'

Salient features

The Compensation, Nomination & Remuneration ("CNR") Committee of your Company, while formulating the above policy, has ensured that:

- the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors and senior management of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key management personnel and senior management involves a balance between fixed and performance linked bonuses reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The compensation payable to the Wholetime Directors and Senior Management Personnel have been reviewed by the CNR Committee. The annual increment to the Wholetime Directors and Senior Management of your Company has been approved by the Board based upon recommendation of the CNR Committe. The Policy is available on the website of the Company viz: www.chalethotels.com

Employee Stock Option Scheme (ESOP)

During the year under review, the Board has based on the recommendation of the Compensation, Nomination & Remuneration Committee, granted options in respect of 2,00,000 Equity Shares of ₹ 10 each at a price of ₹ 320 each to Mr. Sanjay Sethi, Managing Director & CEO of your Company, under the Chalet Hotels Limited Employee - Stock Option Plan 2018 (ESOP).

In terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the details of the Stock Options granted under the ESOP Scheme has been made available on the website of the Company at https://www.chalethotels.com/annualreport/ Further, BSR & Co LLP, Statutory Auditors are issuing a certificate with respect to implementation of Employee Stock Option Scheme, in accordance with the said Regulations.

Statutory Auditors

At the Annual General Meeting of your 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.

The Report of the Statutory Auditor along with its Annexure forms a part of this Annual Report. The Auditors' Report to the members for the year under review was issued with unmodified opinion.

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 Auditor in their report on the financial statements for the Financial Year 2018-2019. However, the Statutory Auditor has drawn attention i.e. an Emphasis of Matter with regard to Note No 42 (c) and Note 49 of the Standalone Financial Statements, in their report, details of which are as follows:

(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 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 2019 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to ₹ 497.90 million and ₹ 503.79 million as at 31 March 2019 and 31 March 2018, respectively.

(2) We draw attention to Note 49 to the standalone annual financial results, relating to remuneration paid to the Managing Director & CEO and Executive Director & CFO of the Company for the financial year ended 31 March 2019, being and excess of the limit prescribed under section 197 of the Companies Act 2013 by ₹ 52.41 Million, which is subject to the approval of the shareholders.

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

Detailed explanation in respect of the matter at Item No. 1 has been provided under Note No 42(c) of the Standalone Financial Statements.

During the current year, the managerial remuneration paid by your Company to its Managing Director & CEO and Executive Director & CFO is in excess of limits laid down under Section 197 of the Act read with Schedule V to the Act by ₹ 52.41 million. Your Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for such excess remuneration paid.

Secretarial Audit
Pursuant to the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s. Alwyn Jay & Co., Company Secretaries in Practice (Firm Registration No. P2010MH021500) to undertake Secretarial Audit for Financial Year 2018 – 19. The Secretarial Audit Report is annexed herewith as **Annexure V**. There are no qualifications or reservations in the report.

Cost Audit
During the current year, audit of cost records as specified under section 148(2) of the Act, was not applicable to the Company.

Particulars of Contracts or Arrangements with Related Parties
In line with the requirements of the Act and in accordance with the Listing Regulations, your Company has formulated a policy on dealing with Related Party Transactions (''RPTs'') which is available of the website of your Company viz. 'www.chalethotels.com'.

All contracts, arrangements or transactions entered into during the year under review by the Company with Related Parties were in ordinary course of business and on an arm's length basis.

During the year under review, the Company had not entered into any contract/ arrangement/ transaction with Related Parties, which are materially significant as per the Policy adopted by your Company. The Policy is available on the Company's website at https://www.chalethotels.com/policies/

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report. However, the Directors draw attention of the members to Note No. 49 of the Standalone Financial Statement which sets out related party disclosures.

Risk Management
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 Policy is available on the Company's website at https://www.chalethotels.com/policies/

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.

Further, your Company has constituted a Risk Management Committee of your Company as required under the Listing Regulations as amended by the SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018.

Vigil Mechanism Policy & Whistle Blower Policy
Your Company has, in accordance with Section 177 of the Act, 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 your Company's business principles on ethics and good business practices. The said policy is available on https://www.chalethotels.com/policies/

Adequacy of Internal Financial Controls with Reference to the Financial Statements

Your 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 companies 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
During the year under review, there have been no significant and material orders passed by regulators, courts or tribunals impacting the going concern status and your Company's operations in future.

The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013
Your Company has constituted an Internal Complaints Committee in compliance with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The said policy is available on https://www.chalethotels.com/policies/

During the year under review, your Company received 4 (four) 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 from time to time 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.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this report.

Further, the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during business hours on working days of the Company, upto the date of ensuing AGM. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The Annual Report including the aforesaid information is also available on the Company's website.

Environmental Initiatives and Energy Management

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

Technology absorption: Not applicable to your Company.

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of your Company, which have occurred between the end of the financial year to which the financial statements relate and the date of this report.

Acknowledgements

Your Directors would like to thank the shareholders for the support received during the IPO and their continued confidence in the Company. Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the regulatory and statutory authorities, government and its agencies, stock exchanges, depositories, merchant bankers, monitoring agency, banks & financial institutions, legal counsels, registrar & share transfer agent, advertising agencies, auditors, hotel operators, vendors and other key stakeholders. 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

Hetal Gandhi
Chairman
(DIN: 00106895)

Place: Mumbai
Date: May 10, 2019

ANNEXURE 'I'

Dividend Distribution Policy

Objective and Philosophy

- This Dividend Distribution Policy ("the Policy") establishes the principles to ascertain amounts that can be distributed to Equity Shareholders as dividend by the Company as well as enable the Company to strike a balance between pay-out and retained earnings, in order to address future needs of the Company.

- The hospitality industry is a capital intensive industry and the hotels of the Company are owned by the Company which entails substantial capital outlays.

- The objective of this Policy is to reward its shareholders by returning a portion of its profits after retaining sufficient funds for growth of the Company thus maximizing shareholders' value.

- The Policy sets forth the broad principles for guiding the Board and the Management in matters concerning declaration and distribution of dividend, with a view to ensure fairness, transparency, sustainability and consistency in the decision for distributing profits to shareholders.

- The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits inter-alia for working capital requirements, capital expenditure to meet expansion needs, reducing borrowings, earmarking reserves for growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

- The Policy shall broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

Regulatory Framework

- The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires listed companies to formulate a Dividend Distribution Policy.

- The Company has framed this Policy to comply with the aforesaid requirements which has been approved by their Board of Directors.

- This Policy shall be effective and applicable for dividend, if any, declared for the Financial Year 2018-19 and onwards.

- Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting (AGM) of the shareholders, out of the profits of the Company for the current year or out of profits of the Company for any previous financial years or out of both, as may be permitted by the Companies Act, 2013 ("the Act").

- In the event of inadequacy or absence of profits in any year, the Board may recommend to declare dividend out of the accumulated profits earned by the Company in any previous financial years and transferred to free reserves, provided such declaration of dividend shall be in accordance with the provisions of the Act and Rules framed thereunder.

- The Board may also declare interim dividends as may be permitted by the Act.

- Subject to the provisions of the applicable laws, the Company's dividend pay-out will be determined based on available financial resources, investment and business requirements and taking into account optimal shareholder return.

- While determining the nature and quantum of the dividend pay-out, the Board would take into account the following factors:

a) Internal Factors:

- Cash flow position of the Company
- Profit after Tax during the financial year
- Working capital requirements
- Capital expenditure requirement
- Future cash requirements for Business expansion / organic growth and / or for inorganic growth
- Likelihood of crystalization of contingent liabilities, if any
- Up gradation of technology and physical infrastructure
- Debt levels and cost of borrowings
- Past dividend pay-out ratio / trends

b) External Factors:

- Business cycles
- Industry Outlook for the future
- Economic environment
- Capital markets
- Global conditions
- Changes in the government policies and regulatory provisions and guidelines

c) Circumstances under which the shareholders of the Company may or may not expect dividend

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- Proposed expansion plans, renovations and up-gradations requiring higher capital allocation
- Decision to undertake any acquisitions, amalgamations, merger, joint ventures, new launches etc. which requires significant capital outflow
- Requirement of higher working capital for the purpose of business of the Company
- Debt obligations
- Proposal for buy-back of securities
- In the event of loss or inadequacy of profit

d) Utilization of Retained Earnings

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plans
- Organic and / or inorganic growth
- Diversification of business
- Long term strategic plans for growth
- Replacement of capital assets
- Such other criteria's as the Board may deem fit from time to time.

Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.chalethotels.com

Policy review and amendments

The Board may review the Policy from time to time or when changes may be required.

ANNEXURE 'II'

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries /associate companies / joint ventures

Part "A": Subsidiaries

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

Sl. No	Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant FY in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1.	Chalet Hotels & Properties (Kerala) Pvt. Ltd.*	December 22, 2006	April 01, 2018 to March 31, 2019	Indian Rupees	277,877,700	(24,16,49,919)	60,719,241	60,719,241	NIL	71,500	(137,947,365)	NIL	(137,947,365)	NIL	90%

Notes:

* Names of subsidiaries which are yet to commence operations

Names of subsidiaries which have been liquidated or sold during the year: NIL

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	Date on which the Associate or Joint Venture was associated or acquired	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 (₹)
Krishna Valley Power Private Limited	January 8, 2019	March 31, 2018	622,960	12.54 million	20.80%	There is no significant influence.	The Company does not have the ability to participate, neither is involved in the operations and/or activities of these companies and neither has exposure or rights to variable returns. Accordingly, these Companies are not Associate Companies as defined under IND AS and hence have not been so considered in the consolidation of Financial Statements.	N.A.	N.A.	N.A.
Sahyadri Renewable Energy Private Limited	November 5, 2017	March 31, 2018	1,044,500	31.46 million	26%			N.A.	N.A.	N.A.

Notes:

1. Names of associates which are yet to commence operations - NIL
2. 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

Sanjay Sethi
Managing Director
(DIN: 00641243)

Rajeev Newar
Executive Director
(DIN: 00468125)

Christabelle Baptista
Company Secretary
ACS17817

Place: Mumbai
Date: May 10, 2019

ANNEXURE 'III'

Extract of Annual Return

As on the financial year ended on March 31, 2019

[Pursuant to Section 92(1) and of the Companies Act, 2013 and Rrule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details:

i)	CIN Registration Date	:- L55101MH1986PLC038538 06.01.1986
ii)	Category of the Company	: - Company Limited by Shares
	Name of the Company	:- Chalet Hotels Limited
iii)	Sub Category of the Company	:- Indian Non-Government Company
iv)	Whether shares listed on recognized Stock Exchange(s) -	:- Yes
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 Fintech Private Limited Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial Districts Nanakramguda, Hyderabad 500 032

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover* of the company
1	Hotels, restaurants, accommodation and related services	551 (I1)	92.56

* does not inlude other income

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	Chalet Hotels & Properties (Kerala) Pvt. Ltd. 'ICCC' Near NISH School, Village Cheruvaikkal & Village Attipra, Akkulam, Thiruvananthapuram, Kerala – 695017	U55101KL2006PTC020125	Subsidiary	90%	2(87)
2	Krishna Valley Power Private Limited No. 303, Elphinston House 17 Marzban road Mumbai 400001	U31101MH2001PTC131856	Associate	20.80%	2(6)
3	Sahyadri Renewable Energy Private Limited No. 303, Elphinston House 17 Marzban road Mumbai 400001	U40100MH2003PTC138827	Associate	26%	2(6)

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	38,933,040	600,000	39,533,040	23.11	20,652,636	0	20,652,636	10.07	(13.04)
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	131,562,253	-	131,562,253	76.89	125,757,657	0	125,757,657	61.34	(15.55)
e) Financial Institutions/Banks	-	-	-	-	-	-	-	-	
f) Others									
Sub Total (A) (1)	170,495,293	600,000	171,095,293	100.00	146,410,293	0	146,410,293	71.41	(28.59)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
f) Others	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of promoter (A) = (A)(1) + (A)(2)	170,495,293	600,000	171,095,293	100.00	146,410,293	0	146,410,293	71.41	(28.59)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	32,513,962	0	32,513,962	15.86	15.86
b) Financial Institutions/Banks	-	-	-	-	14,129	0	14,129	0.01	0.01
c) Central Government	-	-	-	-	0	0	0	0	0
d) State Government(s)	-	-	-	-	0	0	0	0	0
e) Venture Capital Funds	-	-	-	-	0	0	0	0	0
f) Insurance Companies	-	-	-	-	0	0	0	0	0
g) Foreign Institutional Investors/ Foreign Portfolio Investors	-	-	-	-					
h) Foreign Venture Capital Investors	-	-	-	-	0	0	0	0	0
i) Others: - Alternate Investment Funds									
Foreign Portfolio Investors	-	-	-	-	20,603,416	0	20,603,416	10.05	10.05
Alternate Investment Fund					12,250	0	12,250	0.01	0.01
Sub Total (B) (1)	0	0	0	0	53,143,757	0	53,143,757	25.92	25.93
2. Non-Institutions									
a) Bodies Corporate	-	-	-	-	4,849,178	0	4,849,178	2.37	2.37
i) Indian	-	-	-	-					
ii) Overseas	-	-	-	-					
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	394,857	0	394,857	0.19	0.19
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	163,938	0	163,938	0.08	0.08
c) Others									
NBFC registered with RBI	-	-	-	-	26,591	0	26,591	0.01	0.01
Non Resident Indians	-	-	-	-	16,197	0	16,197	0.01	0.01
Clearing Members	-	-	-	-	15,361	0	15,361	0.01	0.01

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	
Non Resident Indian Non Repatriable	-	-	-	-	3,692	0	3,692	0.00	0.00
Sub Total (B) (2)	0	0	0	0	5,469,814	0	5,469,814	2.67	2.67
Total Public Shareholding (B) = (B)(1) + (B)(2)	0	0	0	0	58,613,571	0	58,613,571	28.59	28.59
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A) + (B) + (C)	170,495,293	600,000	171,095,293	100.00	205,023,864	0	205,023,864	100.00	0

B) Shareholding of Promoters

Sl 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 of the company	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares of the company	
1.	Mr. Ravi C. Raheja jointly with Mr. Chandru Lachmandas Raheja and Mrs. Jyoti Chandru Raheja	13,354,374	7.81	0	0	5.04	0	
2.	Mr. Ravi C. Raheja	1,944	0.001	0	10,326,318	5.04	0	(2.77)
3.	Mr. Neel C. Raheja jointly with Mr. Chandru Lachmandas. Raheja and Mrs. Jyoti Chandru Raheja	13,354,374	7.81	0	0	5.04	0	
4.	Mr. Neel C. Raheja	1,944	0.001	0	10,326,318	5.04	0	(2.77)
5.	Mr. Chandru L. Raheja, Karta of Chandru Lachmandas HUF jointly with Mrs. Jyoti C. Raheja	600,000	0.35	0	0	0	0	(0.35)
6.	Mr. Chandru Lachmandas Raheja jointly with Mrs. Jyoti Chandru Raheja	2,213,088	1.29	0	0	0	0	(1.29)
7.	Mr. Chandru Lachmandas Raheja	6,912	0.004	0	0	0	0	(0.0040)
8.	Mrs. Jyoti Chandru Raheja jointly with Mr. Chandru Lachmandas Raheja	2,220,000	1.30	0	0	0	0	(1.30)
9.	*Mr. Chandru Lachmandas Raheja jointly with Mrs. Jyoti Chandru Raheja	7,780,404	4.55	0	0	0	0	(4.55)
10.	Raghukool Estate Development LLP	16,495,680	9.64	9.64	16,495,680	8.05	1.65	(1.59)
11.	Capstan Trading LLP	16,495,680	9.64	9.64	16,495,680	8.05	1.46	(1.59)
12.	Casa Maria Properties LLP	16,496,280	9.64	9.64	16,496,280	8.05	0	(1.59)
13.	Anbee Constructions LLP	13,116,180	7.67	7.67	13,116,180	6.40	6.40	(1.27)
14	Cape Trading LLP	13,116,180	7.67	7.67	13,116,180	6.40	6.40	(1.27)
15.	Palm Shelter Estate Development LLP	800,000	0.47	0	0	0	0	(0.47)
16.	K. Raheja Pvt. Limited	12,400,000	7.25	0	12,400,000	6.05	0	(1.20)
17.	Touchstone Properties & Hotels Pvt. Ltd.	14,500,000	8.47	8.41	14,500,000	7.07	7.02	(1.40)
18.	K. Raheja Corp. Pvt. Ltd.	14,570,000	8.52	0	3,785,824	1.85	0	(6.67)
19.	*Ivory Properties and Hotels Pvt. Ltd.	5,572,253	3.26	0	11,351,833	5.54	0	(2.28)
20.	Genext Hardware & Parks Pvt. Ltd.	8,000,000	4.68	0	8,000,000	3.90	0	(0.78)
	Total	**171,095,293**	**100**	**52.67**	**146,410,293**	**71.41**	**22.93**	

*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

C) Change in Promoters' Shareholding:

Sr. No	Name of the Shareholder	Shareholding as on April 1, 2018 (at the beginning of the year)		Datewise increase/decrease in shareholding during the year			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	Date	Reason	Increase / Decrease in shareholding	No of Shares	% of total shares of the Company
1.	Mr. Chandru Lachmandas Raheja	6,912	0.004	15.05.2018	Transfer	(6,912)	0	0
2.	Mr. Chandru Lachmandas Raheja jointly with Mrs. Jyoti Chandru Raheja	2,213,088	1.29	15.05.2018	Transfer	(2,213,088)	0	0
3.	Mrs. Jyoti Chandru Raheja jointly with Mr. Chandru Lachmandas Raheja	2,220,000	1.30	15.05.2018	Transfer	(2,220,000)	0	0
4.	Mr. Chandru L. Raheja, Karta of Chandru Lachmandas HUF jointly with Mrs. Jyoti C. Raheja	600,000	0.35	23.05.2018	Transfer	(600,000)	0	0
5.	Mr. Chandru Lachmandas Raheja jointly with Mrs. Jyoti Chandru Raheja*	7,780,404	4.55	15.05.2018	Transfer	(7,780,404)	0	0
6.	Mr. Ravi Chandru Raheja	13,356,318	7.81	15.05.2018	Transfer	2,220,000		
				23.05.2018	Transfer	300,000		
				05.02.2019	OFS	(5,550,000)	10,326,318	5.04
7.	Mr. Neel Chandru Raheja	13,356,318	7.81	15.05.2018	Transfer	2,220,000		
				23.05.2018	Transfer	300,000		
				05.02.2019	Transfer	(5,550,000)	10,326,318	5.04
8.	K Raheja Corp Private Limited	14,570,000	8.52	05.02.2019	OFS	10,784,176	3,785,824	1.85
9.	Ivory Properties and Hotels Pvt. Ltd.*	5,572,253	3.26	15.05.2018	Transfer (held on behalf of Ivory Property Trust)	7,780,404	13,352,657	5.54
				05.02.2019	OFS	2,000,824	11,351,833	5.54
10.	Palm Shelter Estate Development LLP	800,000	0.47	05.02.2019	OFS	800,000	0	0

OFS: Offer for sale pursuant to Initial Public Offer by the Company

Mr. Chandru L. Raheja and Mrs. Jyoti C. Raheja have ceased to be promoters of the Company

* Equity shares held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust

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

Sr. No	Name of the Share Holder	Shareholding as on February 8, 2019*		Datewise Increase/Decrease in shareholding during the year			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	Date	Reason	Increase / Decrease in shareholding	No of Shares	% of total shares of the Company
1.	SBI EQUITY HYBRID FUND	7,224,673	3.52	08/02/2019	-	-	7,224,673	3.52
				15/02/2019	Purchase	4,551	7,229,224	3.53
				08/03/2019	Purchase	107,000	7,336,224	3.58
				30/03/2019	Closing Balance	-	7,336,224	3.58
2.	ICICI PRUDENTIAL EQUITY & DEBT FUND	5,888,128	2.87	08/02/2019	-	-	5,888,128	2.87
				22/03/2019	Sale	(2,766)	5,885,362	2.87
				30/03/2019	-	-	5,885,362	2.87
3.	DB INTERNATIONAL (ASIA) LTD	5,668,009	2.76	08/02/2019	-	-	5,668,009	2.76
				15/02/2019	Sale	(11,979)	5,656,030	2.76
				22/02/2019	Sale	(2,679,704)	2,976,326	1.45
				01/03/2019	Sale	(778,266)	2,198,060	1.07
				08/03/2019	Sale	(829,995)	1,368,065	0.67
				15/03/2019	Sale	(67,324)	1,300,741	0.63
				22/03/2019	Sale	(118149)	1,182,592	0.58
				29/03/2019	Sale	(115,300)	1,067,292	0.52
				30/03/2019	-	-	1,067,292	0.52
4.	RELIANCE CAPITAL TRUSTEE CO LTD.A/C RELIANCE MULTI CAP FUND	5,103,509	2.49	08/02/2019	-	-	5,103,509	2.49

Sr. No	Name of the Share Holder	Shareholding as on February 8, 2019*		Datewise Increase/Decrease in shareholding during the year			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	Date	Reason	Increase / Decrease in shareholding	No of Shares	% of total shares of the Company
				15/02/2019	Purchase	4,202,000	9,305,509	4.54
				22/02/2019	Purchase	1,050,000	10,355,509	5.05
				15/03/2019	Purchase	324,697	10,680,206	5.21
				22/03/2019	Purchase	12,961	10,693,167	5.22
				30/03/2019	-	-	10,693,167	5.22
5.	FIDELITY FUNDS - INDIA FOCUS FUND	3,769,690	1.84	08/02/2019	-	-	3,769,690	1.84
				30/03/2019	-	-	3,769,690	1.84
6.	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	2,674,263	1.30	08/02/2019	-	-	2,674,263	1.30
				15/02/2019	Sale	(74,263)	2,600,000	1.27
				22/02/2019	Sale	(100,000)	2,500,000	1.22
				30/03/2019	-	-	2,500,000	1.22
7.	GOLDMAN SACHS INDIA LIMITED	2,430,968	1.19	08/02/2019	-	-	2,430,968	1.19
				30/03/2019	-	-	2,430,968	1.19
8.	KUWAIT INVESTMENT AUTHORITY FUND 225	1,115,133	0.54	08/02/2019	-	-	1,115,133	0.54
				15/02/2019	Purchase	110,668	1,225,801	0.60
				15/03/2019	Purchase	971,260	2,197,061	1.07
				30/03/2019	-	-	2,197,061	1.07
9.	HDFC SMALL CAP FUND	2,054,303	1.00	08/02/2019	-	-	2,054,303	1.00
				22/02/2019	Purchase	1,000,000	3,054,303	1.49
				01/03/2019	Purchase	768,000	3,822,303	1.86
				15/03/2019	Purchase	1,025,000	4,847,303	2.36
				30/03/2019	-	-	4,847,303	2.36
10.	DEUTSCHE BANK A.G.	1,989,066	0.97	08/02/2019	-	-	1,989,066	0.97
				15/02/2019	Sale	(1,914,803)	74,263	0.04
				22/02/2019	Sale	(74,263)	0	0.00
				08/03/2019	Purchase	838,206	838,206	0.41
				15/03/2019	Sale	(838,206)	0	0.00
				29/03/2019	Purchase	1,803	1,803	0.00
				30/03/2019	-	-	1,803	0.00

*Prior to listing on February 7, 2019 there was no non promoter shareholding

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of the Shareholder	Shareholding as on April 1, 2018 (at the beginning of the year)		Datewise increase/decrease in shareholding during the year			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	Date	Reason	Increase / Decrease in shareholding	No of Shares	% of total shares of the Company
1	Mr. Chandru Lachmandas Raheja (upto April 26, 2018)	6,912	0.004	15.05.2018	Transfer	(6,912)	0	0
2	Mr. Chandru Lachmandas Raheja jointly with Mrs. Jyoti Chandru Raheja (upto April 26, 2018)	2,213,088	1.29	15.05.2018	Transfer	(2,213,088)	0	0
5.	Mr. Chandru Lachmandas Raheja jointly with Mrs. Jyoti Chandru Raheja* (upto April 26, 2018)	7,780,404	4.55	15.05.2018	Transfer	(7,780,404)	0	0
6.	Mr. Ravi Chandru Raheja	13,356,318	7.81	15.05.2018	Transfer	2,220,000		
				23.05.2018	Transfer	300,000		
				05.02.2019	OFS	(5,550,000)	10,326,318	5.04
7.	Mr. Neel Chandru Raheja	13,356,318	7.81	15.05.2018	Transfer	2,220,000		
				23.05.2018	Transfer	300,000		
				05.02.2019	OFS	(5,550,000)	10,326,318	5.04
8.	Mr. Joseph Conrad D'Souza	0	0	05.02.2019	Purchase	639	639	0.0003

*Equity shares held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust

IV. Share Holding Pattern (Preference Share Capital Breakup as percentage of Total Preference)

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	9,300	0	9,300	43.05	43.05
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	10,700	0	10,700	49.54	49.54
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	1,600	0	1,600	100	1,600	0	1,600	7.41	(92.59)
Sub Total (A) (1)	1,600	0	1,600	100	21,600	0	21,600	100	0
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of promoter (A) = (A)(1) + (A)(2)	1,600	0	1,600	100	21,600	0	21,600	100	0
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B) (1) :-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
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	-	-	-	-	-	-	-	-	-
Sub Total (B) (2) :-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B) = (B) (1) + (B)(2) :-	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A) + (B) + (C)	1,600	0	1,600	100	21,600	0	21,600	100	0

Preference Share Capital: -

1,600 –0.001% Non-Cumulative Redeemable Preference shares of ₹ 1,00,000/-each

10,000 - Series A – Zero Coupon Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 1,00,000/-each

10,000 - Series B – Zero Coupon Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 1,00,000/-each

B) Shareholding of Promoters

Sl 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 L. Raheja jointly with Mrs. Jyoti Raheja*	1,600	100	0	1,600	7.41	0	(92.59)
2.	K. Raheja Corp. Pvt. Ltd. (Series A – 4500 NCRPS and Series B – 4500 NCRPS)	-	-	-	9,000	41.66	0	41.67
3.	Ivory Properties and Hotels Pvt. Ltd. (Series A – 850 NCRPS and Series B – 850 NCRPS)	-	-	-	1,700	7.87	0	7.87
4.	Mr. Ravi C. Raheja (Series A – 2325 NCRPS and Series B – 2325 NCRPS)	-	-	-	4,650	21.52	0	21.53
5.	Mr. Neel C. Raheja (Series A – 2325 NCRPS and Series B – 2325 NCRPS)	-	-	-	4,650	21.53	0	21.53

*held by the registered owners for and on behalf of the beneficiaries of Ivory Property Trust

C) Change in Promoters' Shareholding:

Sl No	Shareholder's Name	Shareholding as on April 1, 2018 (at the beginning of the year)		Datewise increase/decrease in shareholding during the year			Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	Date	Reason	Increase / Decrease in shareholding	No of Shares	% of total shares of the Company
1.	Mr. Ravi Chandru Raheja	0	0	26.06.2018	Subscription/ Allotment	4,650	4,650	21.53
2.	Mr. Neel Chandru Raheja	0	0	26.06.2018	Subscription/ Allotment	4,650	4,650	21.53
3.	K Raheja Corp Private Limited	0	0	26.06.2018	Subscription/ Allotment	9,000	9,000	41.67
4.	Ivory Properties and Hotels Pvt. Ltd.	0	0	26.06.2018	Subscription/ Allotment	1,700	1,700	7.87

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

NIL

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	Date	Reason	No. of Shares	% of total Shares of the company
1	Mr. Ravi C. Raheja	-	-	26.06.2018	Subscription/ Allotment	4,650	21.53
2	Mr. Neel C. Raheja	-	-	26.06.2018	Subscription/ Allotment	4,650	21.53

V. Indebtedness

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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness Indebtedness at the beginning of the financial year				
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
Total (i + ii + iii)	25,892,125,655	944,585,694	-	26,836,711,349
Change in Indebtedness during the financial year (net)				
Indebtedness at the end of the financial year				
Addtion	4,471,953,332	-	-	4,471,953,332
Reduction	15,500,971,169	889,342,739	-	16,390,313,907
Net Change	(11,029,017,837)	(889,342,739)	-	(11,918,360,575)
i) Principal Amount	14,834,237,314	53,989,671		14,888,226,985
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,88,70,504	1,253,284		30,123,788
Total (i + ii + iii)	14,863,107,818	55,242,955	-	14,918,350,774

Notes: Based on Financial Statements as at March 31, 2019
Excluding Preference Share Capital of ₹ 51,81,84,379
Processing fees paid on new loans has been considered as addition and net movement is considered in short term borrowings.

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. 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	32,837,240	19,101,464	51,938,704
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	14,639,977* (200,000 options granted)	-	14,639,977
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	47,477,217	19,101,464	66,578,681
	Ceiling as per the Act			14,165,781**

* ESOP Expense recognised for the financial year ended March 31, 2019

** Maximum remuneration as per Schedule V of the Act, as the Company has incurred a loss during the year under review.

B) Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Director					Total Amount
	Independent Directors	Mr. Hetal Gandhi	Mr. Joseph Conrad D'Souza	Mr. Arthur William De Haast	Ms. Radhika Piramal		
1.	- Fee for attending Board / Committee meetings	685,000	705,000	150,000	200,000		1,740,000
	- Commission	-	-	-	-	-	-
	- Others: Professional Fee	-	-	1,705,334	-	-	1,705,334
	Total (1)	685,000	705,000	1,855,334	200,000	-	3,445,334
2.	Other Non-Executive Directors	Mr. Chandru L. Raheja (Upto April 26, 2018)	Mr. Ravi C. Raheja	Mr. Neel C. Raheja	Mr. Ramesh M. Valecha (Upto May 2, 2018)	Mr. Rajeev Chopra (Upto May 2, 2018)	
	- Fee for attending Board / Committee meetings	-	695,000	480,000	-	10,000	1,185,000
	- Commission	-	-	-	-	-	-
	- Others, please specify	-	-	-	-	-	-
	Total (2)	-	695,000	480,000	-	10,000	1,185,000
	Total (B)=(1+2)	-	-	-	-	-	4,630,334
	Total Managerial Remuneration						71,209,015
	Overall Ceiling as per the Act						14,165,781*

* Maximum remuneration as per Schedule V of the Act, as the Company has incurred a loss during the year under review.

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	-	2,199,807	-	2,199,807
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission (as % of profit/other)	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	2,199,807	-	2,199,807

Note: Remuneration to CEO and CFO is as per (A) above

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)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Hetal Gandhi
Chairman
(DIN: 00106895)

Place: Mumbai
Date: May 10, 2019

ANNEXURE 'IV'

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

(I) Indicative list for CSR Expenditure:

(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

(iii) promoting gender equality, empowering 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 including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;

(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) measure for the benefit of armed force veterans, war widows and their dependents;

(vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics 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 Schedule 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;

(xi) slum area development ('slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force).

(II) Composition of the CSR Committee:

(i) Mr. Hetal Gandhi – Chairman

(ii) Ms. Radhika Piramal

(iii) Mr. Neel C. Raheja

(iv) Mr. Sanjay Sethi

(III) Average net profit of the Company for last three financial years:

(Amount in ₹)

Financial Year	2017-18	2016-17	2015-16
Adjusted Net Profit / (Loss)	(571,822,487)	(628,552,996)	(1,207,742,122)
Average Net Profit / (Loss)		(802,705,868)	

1.	Prescribed CSR Expenditure (two percent. of the amount as in Item III above):	N.A.
2.	Details of CSR spent during the financial year:	
	Total amount to be spent for the financial year:	N.A.
	Amount unspent, if any:	N.A.
	Manner in which the amount spent during the financial year:	N.A.

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

Hetal Gandhi
Chairman - CSR Committee
(DIN: 00106895)

Place: Mumbai
Date: May 10, 2019

ANNEXURE 'V'

Form No. MR.3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD FROM 6TH JUNE, 2018 TO 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Chalet Hotels Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Chalet Hotels Limited** (CIN-L55101MH1986PLC038538) (hereinafter called "the Company").

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct, statutory compliances and expressing our opinion thereon.

Based on the verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and have required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder **for the period 07/02/2019 to 31/03/2019**;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **as applicable;**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **for the period 07/02/2019 to 31/03/2019:-**

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

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -– **Not Applicable as the Company has not issued and listed any Debt Securities during the aforesaid period under review;**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the aforesaid period under review;**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016 - **Not applicable as the Company has not delisted / proposed to delist its equity shares from any stock exchange during the aforesaid period under review;**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the aforesaid period under review;** and

i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 – **Not Applicable as the Company has not issued Non-Convertible and Redeemable Preference Shares during the aforesaid period under review.**

(vi) Other specific business/industry related laws applicable to the Company - The Company has complied with:

(a) Food Safety and Standards Act, 2006 and Rules thereunder;

(b) Prevention of Food Adulteration Act, 1954 and Rules thereunder;

(c) The Legal Metrology Act, 2009 and Rules thereunder;

(d) The Legal Metrology (Packaged Commodities) Rules, 2011;

(e) The provisions of the Real Estate (Regulation & Development) Act, 2016 and Rules thereunder;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for **the period 07/02/2019 to 31/03/2019 as the Company got listed on National Stock Exchange of India Limited & BSE Ltd. on 07/02/2019**.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no material non-compliances that have come to our knowledge.

We further report that -

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors.

(b) The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(c) Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and at times at a shorter notice with consent of all the directors. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(d) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period, there were following specific events /actions having major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc.:

1. The Company has obtained approval of the Shareholders of the Company at the Extra Ordinary General Meeting held on 4th June, 2018 for:

   (a) Conversion of the Company from Private Limited Company into Public Limited Company and Alteration of Memorandum and Articles of Association of the Company pursuant to the Conversion of the Company into the Public Limited Company. Fresh Certificate of Incorporation consequent upon the Conversion of the Company into the Public Limited Company was issued by Registrar of Companies, Mumbai, Maharashtra on 6th June, 2018;

   (b) Adoption of new set of Articles of Association of the Company;

   (c) Increase the Authorized Share Capital of the Company from ₹ 188 Crores to ₹ 421 Crores and for consequent alteration of the Capital Clause V of the Memorandum of Association.

2. Approval of the Board of Directors of the Company at its meeting held on 12th June, 2018 was obtained to create, offer, issue and allot for cash, not exceeding ₹ 1,000 Crores pursuant to a fresh issue together with an offer for sale (Initial Public Offer) by certain existing shareholders of the Company for such number of equity shares held by them which are eligible for offer for sale in accordance with the SEBI ICDR Regulations and at such price as may be determined in accordance with the Book Building Process under the SEBI ICDR Regulations (at par, premium or discount) and as decided by the Company in consultation with the book running lead managers to the Initial Public Offer.

3. The Company has obtained approval of the Shareholders of the Company at the Annual General Meeting held on 13th June, 2018 for:

   (a) Raising of Capital through Further Issue of Shares aggregating upto ₹ 1,000 Crores under Section 62 (1) (c) of the Companies Act, 2013;

   (b) Issuance of 10,000 (Ten Thousand) 0% (Zero Percent) Non-Cumulative Non-Convertible Redeemable Preference Shares of par value of ₹ 100,000 (Rupees One Lakh only) each forming the Series A NCRPS (Series A NCRPS) and 10,000 (Ten Thousand) 0% (Zero Percent) Non-Cumulative Non-Convertible Redeemable Preference Shares of par value of ₹ 100,000 (Rupees One Lakh only) each forming the Series B NCRPS (Series B NCRPS) under Section 42,55 & 62 of the Companies Act, 2013;

(c) Borrowing in excess of the aggregate of the paid-up share capital & free Reserves of the Company but not at any time exceeding the limits of ₹ 5,000 Crores under Section 180(1)(c) of the Companies Act, 2013;

(d) Creation of charges/mortgage on the immovable and movable properties of the Company, both present and future, in respect of borrowings not exceeding ₹ 5,000 Crores under Section 180(1)(a) of the Companies Act, 2013;

(e) Approval of Chalet Hotels Limited – Employee Stock Option Plan, 2018 in one or more tranches, exercisable in aggregate into not more than 2,00,000 Equity shares of ₹ 10 each.

4. The Board of Directors of the Company at its meeting held on June 26, 2018 has approved the allotment of 10,000 (Ten Thousand) 0% (Zero Percent) Non-Cumulative Non-Convertible Redeemable Preference Shares of par value of ₹ 100,000 (Rupees One Lakh only) each forming the Series A NCRPS (Series A NCRPS) and 10,000 (Ten Thousand) 0% (Zero Percent) Non-Cumulative Non-Convertible Redeemable Preference Shares of par value of ₹ 1,00,000 (Rupees One Lakh only) each forming the Series B NCRPS (Series B NCRPS) pursuant to the Private Placement Offer.

5. Approval of the Board of Directors of the Company at its meeting held on 2nd July, 2018 was obtained for filing Draft Red Herring Prospectus with Securities Exchange Board of India and the Stock Exchanges i.e. The National Stock Exchange of India and BSE Limited. The Company got listed on The National Stock Exchange of India and BSE Limited w.e.f. 7th February, 2019.

6. The Company has obtained approval of the Shareholders of the Company at the Extra Ordinary General Meeting held on 9th January, 2019 for reclassification of Authorised Share Capital from ₹ 445,10,00,000 divided into 20,51,00,000 (Twenty Crores Fifty One Lacs) Equity Shares of ₹ 10 each, 20,000 (Twenty Thousand) 0% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 1 Lac each and 4,000 (Four Thousand) 0.001% Non-Cumulative Redeemable Preference Shares of ₹ 1 Lac each to ₹ 445,10,00,000 divided into 22,91,00,000 (Twenty Two Crores Ninety One Lacs) Equity Shares of ₹ 10 each, 20,000 (Twenty Thousand) 0% Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹ 1 Lac each and 1,600 (One Thousand Six Hundred) 0.001% Non-Cumulative Redeemable Preference Shares of ₹ 1 Lac each by reclassification of existing 2,400 (Two Thousand Four Hundred) 0.001% Non-Cumulative Redeemable Preference Shares of ₹ 1 Lac each into 2,40,00,000 (Two Crore Forty Lacs) Equity Shares of ₹ 10 each and for consequent alteration of Capital Clause of Memorandum of Association of the Company.

7. The Company has issued and allotted 3,39,28,571 Fresh Equity Shares of ₹ 10/- each, at a premium of ₹ 270/- per share on 5th February, 2019 under Initial Public Offering (IPO).

Place : Mumbai
Date : 10/05/2019

ALWYN JAY & Co.
Company Secretaries
Firm Registration No. P2010MH021500

Office Address :
Annex-103, Dimple Arcade,
Asha Nagar, Kandivali (East),
Mumbai 400101.

[Jay D'Souza FCS.3058]
(Partner)
[Certificate of Practice No.6915]

ANNEXURE 'VI'

Energy Conservation Measures undertaken by the Company during Financial Year 2018 – 19

The energy conservation measures undertaken during the financial year under review have been broadly categorized into 02 sections – Projects & Operations.

A. Projects:

Your Company is deploying the principles set out by the US Green Building Council for Leadership in Energy and Environmental Design, USGB LEED Certification while executing all the projects under development, which will result in energy efficient building models. Few of the measures are elaborated as below -

1) Chiller Plant Optimizer:
Air-conditioning plant rooms are equipped with Chiller Plant Optimizer in order to achieve highest efficiency of the HVAC equipment.

2) DOAS (Dedicated outdoor-air systems)
Using DOAS helps to reduce total installed Cooling / Heating Capacity.

3) Heat Recovery Wheels (HRW)
This helps in achieving of high performance energy saving.

4) LED Lights
Energy efficient LED type of light fixtures will be used, which will not only help reduce power consumption but also reduce heating and thus reduce the requirement for cooling for those areas.

5) Motion Sensors
Major public areas are considered with Passive Infra-Red (PIR) based Automatic Lighting Control. This has improved reduction in un-wanted burning of power in lighting.

6) Solar PV Panels
Options of Solar Energy generation are being worked out in respect for the terrace/landscape areas, to generate solar energy for captive consumption, which will in turn bring down the consumption of energy from external sources.

B. Operations:

Some of the measures that have been deployed are as follows:

1) Energy Management:

- Re-vamping of Heat Ventilation Air Conditioning (HVAC) Plant Room using complete automation through Plant Room Optimizer, high-efficient chillers, in-line pumps, low-approach cooling towers with VFDs, auto-tube cleaning system for condensers. Entire system is monitored remotely to achieve the desired results.
- Water-to-water Heat Pumps installed which not only gives hot water but also helps the air-conditioning system by getting chilled water as a by-product.
- EC Motor are introduced for bigger capacity Air Handling Units (AHUs) to achieve the accurate temperature with improved efficiency.
- Heat Recovery Wheel (HRW) are used for Reduction of ventilation and humidification for treated fresh air system (TFA).
- LEDs & Motion Sensors for Light Controls are implemented.
- Solar PV panels for generation of solar energy have been installed at some of our projects

2) Water Management:

- All the properties are designed to treat 100% waste water through Sewage Treatment Plant (STP) for efficient use of water.
- Ultra-filtration & on-line monitoring systems are used for STP treated water to achieve better quality for using for air conditioning Condenser water & flushing, apart from gardening.
- Efficient collection of terrace / periphery rainwater & routing it into rainwater harvesting tanks or re-charging/peculation pits, in order to improve the water table of surrounding.

3) Waste Management:

- Natural Organic Waste Composter installed to convert wet-waste into the manure by natural way & utilizing the same into the gardens within the properties.

Management Discussion and Analysis

Global Outlook

Global Economy

Global growth is moderating, as industrial activity and trade slows down. However, the recovery in Emerging Markets and Developing Economies has begun to take shape, owing to reliance on domestic demand, stronger policies and measures set by governments along with an increase in cross border investments in Asia and Europe. Hence, the steady pace of expansion in certain emerging economies such as India masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world, according to the *World Economic Situation and Prospects 2019*.

Indian Economy

The Indian economy is expected to register a growth rate of 7% during the 2018-19 period as per advance estimates of the Central Statistical Office.

The projections continue to be optimistic at the rate of 7.5% for 2019 and expanding further to 7.7% for 2020 as per the *IMF World Economic Outlook January 2019* update, thus placing the economy on a solid footing amidst growing global uncertainties.

As per the Finance Ministry's Monthly Economic Report for March 2019, the inflationary expectations are expected to be subdued in the near term. This is broadly in line with the *Global Macro Outlook for 2019 and 2020* report by Moody's. The US-based agency has stated that the country is less exposed to a slowdown in global manufacturing trade growth than other major Asian economies and emerging markets and is poised to grow at a relatively stable pace in the two-year period.

Hospitality Performance

Prevailing demand and supply trends seem to have resulted in a healthy demand supply arbitrage for the industry (*India Hospitality Industry Review 2018 – HVS Anarock*). Consequently, for the hospitality portfolio of your Company, the average rate appreciation has started showing a growth trajectory in the last few quarters whilst the overall occupancy levels continue to be sustained.

Indian Tourism & Hospitality Sector

Overview of Indian Hospitality Industry Performance

As per a recent report from Hotelivate, strong demand and modest supply growth resulted in healthy occupancies for the branded hotel sector in India in the year 2017 – 18. The average rate appreciation has started showing a growth trajectory only in the last few quarters. Stabilized occupancies of existing hotels and first-year occupancies of new hotels have also been showing an upward trend, indicating that demand is clearly outpacing supply. This should encourage hotels across various levels and classes to enhance their rates via sophisticated revenue management strategies, market segmentation and use of technology for accurate demand assessment.

Key Drivers

For India, the hospitality industry has played a relevant role in employment generation. The following factors have had a favorable impact on the industry:

a. Infrastructure improvements,

b. Improved propensity to pay and disposable income,

c. Demand Supply arbitrage, and;

d. Development of new business districts in key metro cities

As per the World Travel & Tourism Council (WTTC) *'Travel & Tourism Economic Impact 2019*, more people are traveling today than ever before owing to a variety of factors such as the measured strengthening of the global economy, reduction of travel barriers, enhanced connectivity and digitalization of the industry, higher disposable incomes and a proactive role of the private sector. Given these key drivers, global tourist arrivals surpassed 1.4 billion in 2018, registering a 6% year-on-year growth, the second strongest year since 2010 as per UNWTO's *International Tourism Results 2018 and Outlook 2019*.

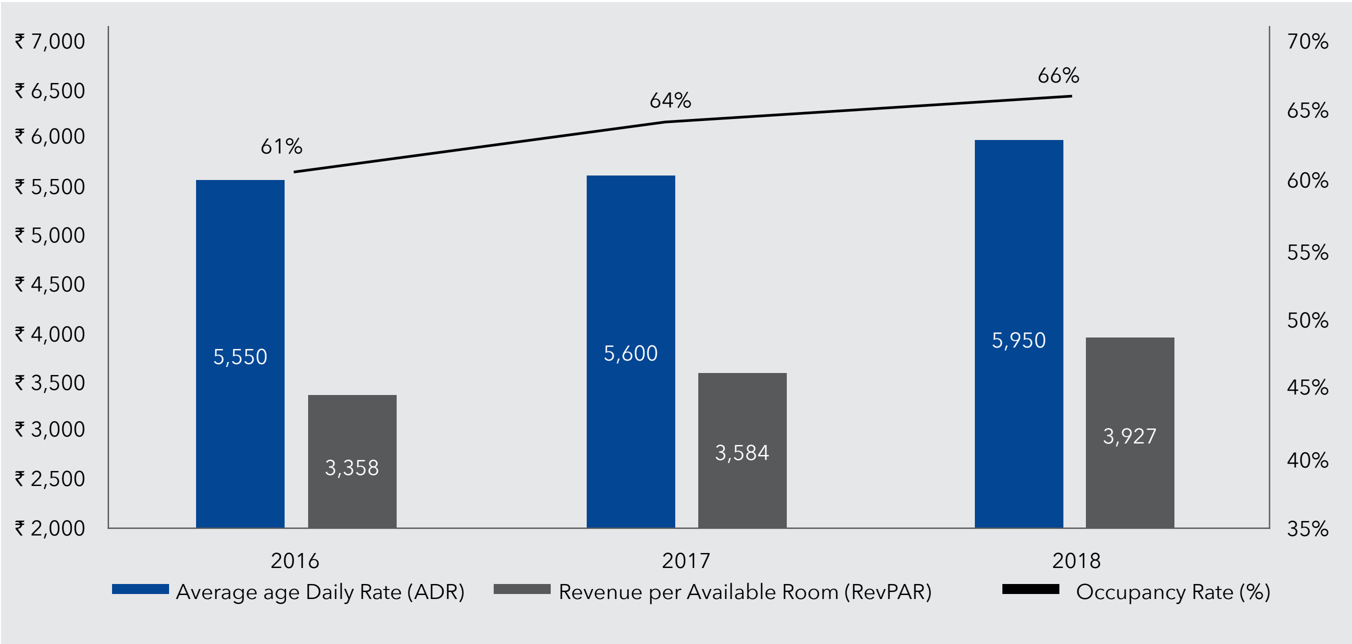
Government Initiatives

Equally significant is the role played by favorable government initiatives such as the introduction of electronic visa, expansion of visa-on-arrival scheme, the UDAN scheme that is revolutionizing air connectivity to Tier-II and Tier-III cities, identification and development of tourist sites, and the *Incredible India 2.0* campaign that promotes a wide range of tourism products including medical and spiritual tourism. The Government of Maharashtra has been initiated various steps towards ease of business which have been well received.

Outlook

As per the report by HVS Anarock titled '*India Hospitality Industry Review 2018*', Average Daily Rates (ADR's) grew by approximately 6.25% in 2018, unlike in 2017 and 2016 where occupancy was the main driver of growth in RevPAR. After a long hiatus, the industrywide ADR's in 2018 grew at a rate faster than long-term inflation rate of 4.5% and the industry witnessed an India-wide RevPAR growth of 9.6% over 2017 to arrive at an absolute RevPAR of ₹ 3,927, suggesting that markets are now on a steady path to recovery.

India Wide Hotel Market Performance – 2016 To 2018



Source: India Hospitality Industry Review 2018 – HVS Anarock

Future Trends

India's tourism and hospitality industry is seeing a revival of business in almost all major sectors and key markets. Given the promising start to 2019 coupled with the general momentum built over the historical medium term, the industry will have to gear up to meet the larger challenges.

We highlight some of the future trends in the hospitality industry:

- Higher Focus on Customer-Centricity
- Making Rooms More Tech-Savvy
- Localizing Customer Experiences

Portfolio

Your Company's Portfolio include the following assets:

- **Hospitality:**

Name	Location	No. of Keys
JW Marriott Mumbai Sahar	Sahar – Mumbai	588
Bengaluru Marriott Hotel Whitefield	Whitefield - Bengaluru	391
The Westin Hyderabad Mindspace	Hitec City, Madhapur - Hyderabad	427
Four Points by Sheraton Navi Mumbai, Vashi	Vashi – Navi Mumbai	152
Renaissance Mumbai Convention Centre Hotel	Powai - Mumbai	600
Lakeside Chalet, Mumbai- Marriott Executive Apartments	Powai - Mumbai	173
Total		2,331

Retail & Commercial:

Name	Location
Commercial Building & Inorbit Whitefield	Whitefield - Bengaluru
Business Centre & Office and The Orb	Sahar – Mumbai

Strategy

Your Company's business strategy would revolve around its product offerings and effectively managing them to maximize returns for all its stakeholders. Keeping that in mind, your Company has adopted a three-pronged strategy approach to create value from its portfolio.

1. Focus on maximizing performance of existing portfolio through active asset management
2. Disciplined development of assets in the current pipeline
3. Expand portfolio by way of opportunistic and accretive acquisitions

Key Developments in 2018 – 19

The year has been an eventful with your Company getting listed on February 07, 2019 and having entered the ₹ 1000+ crore revenue club.

Your Company has seen certain key developments in the last year to gear itself for future growth and development:

1. **Initial Public Offering (IPO)**

   Your Company made its IPO of 58,613,571 Equity Shares of ₹ 10 each comprising of a Fresh Issue of 33,928,571 Equity Shares and an Offer for Sale of 24,685,000 Equity Shares by its promoters, at a premium of ₹ 270 per Equity

Share. Your Company raised ₹ 9,500 million from the IPO for paring down debt and general corporate purposes.

2. **Renovation**
Property improvement plans were undertaken at the Hotels at Powai, Navi Mumbai and Hyderabad, to offer a best-in-class experience.

3. **New Projects**
Your Company's development pipeline for new projects in the hospitality sector consists of approximately 580 rooms across three proposed new hotels. The table below provides certain details of hotels under development:

Location	Proposed keys	Ownership Interest	Proposed Brand
Hyderabad	~170	Leasehold Rights[1]	Westin[2]
Airoli, Navi Mumbai	~260	Leasehold Rights[2]	Hyatt Regency[1]
Powai, Mumbai	~150	Freehold Land	W[2]

1 Letter of Intent executed

2 Memorandum of Understanding executed

Your Company's development pipeline in terms of development of commercial in its existing hospitality projects, consists of leasable area of approximately 1.12 million square feet across two projects, as per below details:

Project Name	Location
IT Building Phase II	Whitefield, Bengaluru
Powai Office Block	Powai, Mumbai

4. **Hotel Brand Signups for Existing Projects**
With an objective of optimizing the returns for all your Company's stakeholders and repositioning your Company's hotel assets to cater to the ever-changing needs and aspirations of your Company's customers, your Company has identified an opportunity to rebrand its existing hotel at Powai as Westin, for which a Memorandum of Understanding has been entered.

Human Resources

Your Company strives, time and again to mould itself into a commendatory employer. Your Company's hiring processes are designed keeping in mind a complete integration of its potential colleagues' expectations with the organization's culture. Your Company believes in fairness and equality and aims at creating employment opportunities such that all employees achieve their full potential across levels. This policy is designed to provide equal employment opportunities without any discrimination on the grounds of age, race, religion, gender, colour, marital status, nationality, disability and sexual orientation. Your Company has initiated various programs such as Parichay - The Buddy Program which ensures that a colleague from the same department is assigned as a work buddy. Your Company conducts regular Town Halls, conducted in the presence of the senior management, bridging the gap in communication relayed to our colleagues. Healthy interactive discussions are encouraged. Your Company has also initiated LEAP (Leadership Execution Accelerated Program), which is an initiative that propagates leadership development. Number of persons on the payroll of the Company as on March 31, 2019 was 2,447.

Environmental Initiatives

Your Company has been focusing on green initiatives, which includes best industry practices in Energy Management, Waste Management and Water Management.

Energy Management

Your Company will deploy the principles set out by the US Green Building Council for Leadership in Energy and Environmental Design, USGB LEED Certification while executing the projects under development, which will result in energy efficient building models, as has always been your Company's motto.

Further, during the year under review, your Company undertook various measures across all properties, to conserve energy through various initiatives. Your Company also turned to use of renewable sources of energy such as hydropower and windpower, reducing your Company's carbon footprint.

Waste Management

Your Company lays strong emphasis on waste reduction and considers Waste Management as an important component of the business. The waste is segregated and treated as per the prevailing local laws. All portfolio hotels have Natural Organic Waste Composters onsite, converting organic waste generated into manure. The need to recycle plastics has never been more important than now, and your Company understands the importance of it.

Water Management

Once an abundant resource, water is now becoming a scarce and precious commodity. Your Company is committed to optimizing water usage. Regulatory compliances are strictly adhered to in every hotel and recycled Sewage Treatment Plant water is utilized for irrigation, air conditioning system and toilet flushes. To ensure optimal functioning of the system, STP plants are monitored continuously through online monitoring systems in some of our hotels. Ultra-Filtration system has been installed at JW Sahar, which enables the hotel to ensure 100% waste water treatment.

Rainwater harvesting system is installed in hotels and harvested rainwater is percolated in the ground thereby recharging ground water. The recharging of ground water helps improve the water table level of the area.

The hotel guests are encouraged to participate in water conservation, and they can opt out of daily bed and bath linen change. The staff members are trained on minimizing water usage. As a result of the ongoing water conservation efforts, the average consumption of hotel portfolio is 0.63 kiloliter per room per day, which is one of the lowest in the hotels of similar class.

Safety

Safety & Security has always been the top priority for your Company and over the past few years focus on it has increased. The hotels of your Company are fully compliant with local, state and central Fire & Life Safety regulations. Security procedures and risk assessments of your hotels are reviewed & updated regularly. Since each of your properties is unique in terms of location, layout & configuration, customized security measures are developed and implemented for each of them. Recurrent trainings and fire & safety drills are conducted at each property to ensure the teams are well versed with the regulatory and standard emergency procedures. Crisis Management Teams are stationed round-the-clock at every hotel to ensure effective handling of an emergency at any time.

Risk Governance

The hospitality industry is prone to the impact of changes in global and domestic economies, local market conditions, hotel room supply, international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuation in interest rates, foreign exchange rates and other social factors. Demand for hotels is affected by global economic sentiments and therefore, any change impacting the other segments / industries / geographies will invariably impact the hotel industry too.

1. **Economic Risks**

   Your Company operates in the luxury-upper upscale and upscale hotel segments in India, where consumer demand from business, leisure, MICE travelers for your Company's services is highly dependent on the general economic performance in India and globally. There is a history of increases and decreases in demand for hotel rooms, in occupancy levels and in rates realized by owners and operators of hotels through macro-economic cycles. Variability of results through some of the cycles in the past has been more severe due to changes in the supply of hotel rooms in given markets or in given categories of hotels. Any future slowdown in economic growth could affect business and personal discretionary spending levels and lead to a decrease in demand.

2. **Geographical Concentration**

   A significant portion of your Company's revenues are derived from hotels concentrated in a few geographical regions and any adverse developments affecting such hotels or regions could have an adverse effect on your Company's business, results of operations and financial condition.

   To address this risk, your Company’s growth strategy entails expanding beyond the markets that it currently operates in. Your Company’s current focus is to grow and expand the hotel portfolio in markets such as Pune, Chennai, Goa, National Capital Region (NCR) and North Central Bangalore.

3. **Competition**

   Your Company operates in a highly competitive industry and success is dependent on its ability to compete on various factors such as attractiveness and quality of its offerings, quality of accommodation, food and beverage, location, service levels, and amenities, together with the brand reputation of its 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.

4. **Seasonality and Cyclicality of Business**

   The hospitality industry is seasonal in nature. The period during which your Company's properties experience higher revenues vary from property to property, depending principally upon location and the guest base served. Your Company's 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 your Company's revenue, profit margins and earnings.

5. **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 your Company's 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 your Company's hotels. Further, adverse general economic conditions may negatively impact the demand for, and occupancies in, your Company's commercial and retail projects. As a result, changes in consumer demand can subject your Company's revenues to significant volatility.

6. **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. Your Company's 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 brand licensors 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.

Adequacy of Internal Financial Control Systems

The Internal Financial Control Systems including inter-alia the Internal Audit and Internal Controls are commensurate with the size and scale of your Company’s operational and commercial activities.

Your Company has appointed M/s PricewaterHouse Coopers Private Limited as Internal Auditors. The reports of the Internal Auditors are placed before the Audit Committee for their review and improvements.

Results of Operations for the Financial Year ended March 31, 2019

Consolidated Financial Results

The following table sets forth financial information for your Company for the year ended March 31, 2019

(₹ in million)

Particulars	Consolidated	
	For the year ended	
	March 31, 2019	March 31, 2018
Revenue from Operations	**9,871.73**	7,955.47
Other Income	**476.08**	557.31
Total Income	**10,347.81**	8,512.78
Total Expenses	**6,679.47**	5,508.01
EBITDA before exceptional items	**3,668.34**	3,004.77
Depreciation and amortisation expenses	**1,154.17**	1116.33
Finance costs	**2656.69**	2119.21
Profit/(Loss) before Exceptional items and Tax	**(142.52)**	(230.77)
Exceptional items	**(40.96)**	(1,217.52)
Profit/(Loss) before income tax	**(183.48)**	(1,448.29)
Tax Expense	**(107.21)**	(519.54)
Profit/(Loss) for the year	**(76.27)**	(928.75)

Analysis of major items of the financial statement are given below:

Revenue

The summary of total income is provided in the table below:

(₹ in million)

Particulars	For the year ended		Change %
	March 31, 2019	March 31, 2018	
Hospitality	**9,136.80**	8,394.93	9%
Room Revenue	**5,340.51**	4,855.89	10%
Food & Beverage Revenue	**3,015.82**	2,821.93	7%
Other Revenue	**780.47**	717.11	9%
Retail & Commercial	**390.69**	240.77	62%
Real Estate (Sale of residential flats)	**344.24**	(680.23)	-
Other Income	**476.08**	557.31	(15%)
Total Income	**10,347.81**	8,512.78	22%

Hospitality:

- Hospitality Income grew by 9% over the previous year.

- Room revenue grew by 10% over the previous year driven almost equally by rates and occupancy growth. The Occupancy improved by 300 basis points (Bps) to 76% for the year ended March 31, 2019.

- Food & Beverage Revenue increased by 7% over the previous year, driven by increase in both restaurant and banqueting revenues.

- Other Revenue primarily comprises of income from Spa and Health Club, Laundry, Business Centre amongst others. The revenue from this segment grew by 9% over the previous year.

Retail and Commercial:

Income from Retail and Commercial segment grew by 62% over the previous year driven by improved rentals and occupancies.

Real Estate:

- The entire segment revenue of ₹ 344.24 million was from the sale of residential flats at Hyderabad. Only three residential flats remain to be sold.

- During the previous year, the segment revenue of ₹ (680.23) million included a reversal of revenue recognition of ₹ 775.65 million in respect of Residential project at Bengaluru which is currently subjudice.

Other Income:

- Other Income for the year was lower at ₹ 476.08 million compared with ₹ 557.31 million for the previous year, as there was a profit from sale of investments to the extent of ₹ 114.57 million recognized in the previous year.

Operating Expenses:

The operating expenses increased by ₹ 1,171.46 million over the previous year. The increases are summarized in the table below:

(₹ in million)

Particulars	For the year ended		Change %
	March 31, 2019	March 31, 2018	
Real estate development cost	**194.08**	228.58	(15%)
Changes in inventories of finished goods and construction work in progress	**239.70**	(306.85)	-
Food and beverages consumed	**866.67**	805.01	8%
Operating supplies consumed	**262.83**	257.06	2%
Employee benefits expense	**1,448.08**	1,281.10	13%
Other expenses	**3,668.11**	3,243.11	13%
Total Expenses	**6,679.47**	5,508.01	21%

- Real Estate development cost was lower at ₹ 194.08 million as compared to ₹ 228.58 million in the previous year. These expenses were in respect of the Bengaluru Residential Project.

- Expenses in relation to changes in inventory are finished goods and construction work in progress which was ₹ 239.70 million for the year and it is essentially on account of the cost of sale in respect of residential flats sold. During the previous year, the expenses included an amount of ₹ 372.07 million towards reversal of partial expenses in respect of the residential project at Bengaluru.

- Food and Beverages Consumed for the period was higher by 8% and commensurate with the growth in Food and Beverage Revenue.

- Cost of Operating Supplies Consumed grew marginally by 2% for the year.

- Employee benefit expenses grew by 13% for the year. This was essentially on account of annual increments, associate hires keeping the development pipeline in perspective, employee stock options and project capitalizations.

- Other expenses increased by 13% over the previous year. This was primarily on account of Loss on Foreign Exchange Fluctuation of ₹ 199.32 million (PY NIL) and Provision for Doubtful Debts of ₹ 84.4 million.

EBIDTA

Earnings before interest, depreciation, amortization and tax (EBITDA) before exceptional items was higher by 22% at ₹ 3,668.34 million as compared with ₹ 3,004.77 million for the previous year. EBITDA margin for the period was at 35.5% against 35.3% for the previous year.

Depreciation and amortization expenses were at ₹ 1,154.17 million which is marginally higher over the previous year by 3% on account of capital additions.

Finance costs were at ₹ 2,656.69 million. The finance cost for the current year was impacted by ₹330.64 million on account of foreign exchange fluctuation on External Commercial Borrowings and Mark to Market (MTM) Losses.

Exceptional Items

(₹ in million)

Particulars	For the year ended March 31, 2019	March 31, 2018
Provision for impairment loss 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	**(40.96)**	(590.87)
Total	**(40.96)**	(1,217.52)

During the year 2013-14, Hindustan Aeronautics Limited (HAL) had raised an objection with regard to the permissible height of buildings of your Company's Bengaluru Residential Project ("Project"). Pursuant to an interim order passed by the Karnataka High Court, in the petition filed by your Company, your 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 your 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 your Company, decided that your Company should proactively consider re-commencement of construction up to permissible limits and engage with buyers above the 10th floor for evaluating possible options. Accordingly, your Company has reassessed the estimated cost of completion of the Project up to 10th floor as per the aforementioned plan and has made certain adjustments as exceptional items as at March 31, 2018.

Tax Expense

Tax credit stood at ₹ (107.21) for the year against Tax Credit of ₹ (519.54) million in the previous year. These were essentially on account of Deferred Tax Credit.

Loss for the year

Loss for the year was substantially lower at ₹ (76.27) million post accounting for tax expenses.

Return on Networth has not been calculated due to losses as mentioned above.

Equity & Debt

During the year your Company raised capital of ₹ 9,500 million by way of Initial Public Offering (IPO) against a fresh issue of 33,928,571 Equity Shares of ₹10 each at a premium of ₹ 270 each. The object of the issue was reduction of debt and general corporate purposes after the issue expenses.

(₹ in million)

Particulars	For the year ended March 31, 2019	March 31, 2018
Equity share capital	**2,050.24**	1,710.95
Other equity	**12,176.48**	3,244.11
Non controlling interests	**27.79**	-
Total equity	**14,254.51**	4,955.06
Non-cumulative redeemable preference shares	**518.18**	160.00
Gross Debt*	**14942.14**	27093.09
Debt* / Equity	**1.05**	5.47

* Gross Debt does not include preferential share capital

- During the year ₹ 12,150.95 million of net debt was repaid. The ECB exposure was reduced from USD 75.85 million at the beginning of the year to USD 26.11 million as on March 31, 2019.

Reserves & Surplus

During the year under review, your Company through its Fresh Issue under the IPO, issued and allotted 33,928,571 Equity Shares of ₹ 10 each at a premium of ₹ 270 aggregating to ₹ 9,500 million, out of which Share Premium amounted to ₹ 9,160.71 million. The amount of share premium, net of the share issue expenses of ₹ 309.65 million has been transferred to Share Premium Account.

Working Capital movement

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	Change %
Debtors Turnover [1]	**21.70**	15.43	41%
Inventory Turnover [2]	**2.62**	2.73	-3%
Current Ratio [3]	**0.83**	0.77	8%
Interest Coverage Ratio [4]	**1.38**	1.42	-3%

1: Total Income/ Trade receivable

2: Total Income / Inventories

3: Current assets/ Current liabilities

4: Finance Costs / Earnings before interest, depreciation, amortisation, exceptional items and tax (EBITDA)

Improvement in Debtors Turnover ratio is on account of higher revenue and decrease in debtors.

Cashflow:

(₹ in million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Cash from Operating Activities	**3,655.22**	2,489.11
Net Cash from Investing Activities	**1,472.40**	(1,290.97)
Net Cash from Financing Activities	**(5,228.33)**	(1,565.89)
Net Change in Cash and Cash Equivalent	**(100.71)**	(367.75)

Standalone Financials

The Total Income as per the Company's Standalone Financials accounts for 99.6% of the Total Income as per the Company's Consolidated Financial results.

The EBITDA before Exceptional Items as per the Company's Standalone financials accounts for 99.2% of the Total EBITDA before Exceptional Items as per the Company's Consolidated Financial results.

The Company's Standalone financial performance for the year ended March 31, 2019

(₹ in million)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	Change %
Revenue from Operations	**9,871.73**	7,955.47	24%
Other Income	**436.03**	447.44	(3%)
Total Income	**10,307.76**	8,402.91	23%
Total Expenses	**6,670.40**	5,504.65	21%
EBITDA before exceptional items	**3,637.36**	2,898.26	
Depreciation and amortisation expenses	**1154.17**	1116.33	
Finance costs	**2651.51**	2092.60	
(Loss)/Profit before Exceptional items and Tax	**(168.32)**	(310.67)	
Exceptional items	**(40.96)**	(1,217.52)	
(Loss)/Profit before income tax	**(209.28)**	(1,528.19)	
Tax Expense	**(107.21)**	(519.54)	
(Loss)/Profit for the year	**(102.07)**	(1,008.65)	

Standalone Revenue from Operations for the year grew by 24% to ₹ 9,871.73 million against previous year led by 9% growth in Hospitality and 62% growth in Retail and Commercial.

Earnings before Interest, Depreciation, Amortization and Tax (EBITDA) before exceptional items improved by 26% over the previous year while margins for the year were at 35.3% against 34.5% for the previous year.

Loss for the year was at ₹(102.07) million as compared to ₹(1,008.65) million for the previous year.

Report on Corporate Governance

Pursuant to the Companies Act 2013 {"the Act"} and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {"the Listing Regulations"} and forming a part of the report of the Board of Directors

Philosophy on Code of Corporate Governance

The Company believes in focusing on enhancement of long term value creation for all stakeholders without compromising on integrity, social obligations and regulatory compliances. The Company is committed to achieve and maintain higher standards of corporate governance and believes that all its actions must serve the underlying goal of enhancing the overall stakeholder value over a sustained period of time and that profitability must go hand in hand with a sense of responsibility towards all stakeholders. While the fundamentals of the values and ethics are resolute, adaptation to the evolving regulatory framework is essential. Moreover, the Company believes that compliance and governance should abide not only by the letter but also by the spirit of the law.

The Company through its Board of Directors and Management team is continuously and consistently committed to good Corporate Governance practices at all times for achieving its goals and targets, and at the same time not compromising on quality of its deliverables and ethics at any point of time. Policies and codes have been designed to imbibe the Company's values in all areas of its operations. The Board of Directors of the Company periodically reviews the policies of the Company against evolving statutory framework. The Company also seeks and applies the service and advice of experts wherever considered necessary to ensure smooth flow of operations and activities, within the statutory realm.

Board of Directors

Composition and Category of Directors:

The Company's Board of Directors comprises of eight members, of which four are Independent Directors of which one is a Woman Director, two are Promoter Directors and two are Executive Directors. Furthermore, the Chairman of the Board is also an Independent and Non-Executive Director. The four Independent Directors and the two Promoter Directors are Non-Executive Directors (''NEDs''). The Board's composition is in compliance with the requirements of The Board's composition is in compliance with the requirements of Regulation 17(1) of Listing Regulations read with Section 149 of the Act. The Directors possess experience in diverse fields including real estate, retail, banking, finance, consumer industry and hoteliering. The rich and varied experience of the Board has proved to be of immense value to the company.

All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act and Listing Regulations. They have declared that they do not fall under any disqualifications specified under the Act.

The details of Directors seeking reappointment is mentioned in the notice of the Annual General Meeting.

During the year under review, the Company convened meetings of the Board and its Committees from time to time. Board/Committee Meetings are convened by giving appropriate notice well in advance of the meetings. The Directors/Members of the Committee are provided with appropriate information in the form of agenda items in a timely manner, to enable them to deliberate on each agenda item and make informed decisions and provide appropriate directions to the Management in this regard. Also, the Directors are provided with all the information as may be called upon by them.

Video-conferencing facility is also provided at the Board/ Committee meetings in case any director is unable to attend but wishes to participate in the meetings.

During the year under review:

- the Board of Directors met 13 (Thirteen) times, on May 01, 2018, May 29, 2018, June 12, 2018, June 26, 2018, July 02, 2018, July 31, 2018, August 16, 2018, November 13, 2018, December 20, 2018, January 23, 2019, February 02, 2019, February 05, 2019 and February 12, 2019;
- the Audit Committee met 6(Six) times on May 01, 2018, June 12, 2018, July 31, 2018, August 16, 2018, November 13, 2018 and December 20, 2018;
- the Compensation Nomination & Remuneration Committee met twice on April 25, 2018 and May 18, 2018;
- 1(One) meeting of the Stakeholders' Relationship Committee (Share Transfer Committee) was held on May 23, 2018; and
- 1(One) Meeting of the Corporate Social Responsibility Committee was held on November 13, 2018.

The detailed composition of the board and attendance of the Directors at the meetings of the Board and Committees is as given below:

Name of the Directors and DIN	Category of Director	Attendance at Meetings					General Meetings		
		Board Meetings	Audit Committee Meetings	CNR Committee Meetings	Stakeholders' Relationship Committee Meetings	CSR Committee Meetings	Last AGM June 13, 2018	EGM June 04, 2018	EGM January 9, 2019
Independent Directors									
Mr. Hetal Gandhi (DIN: 00106895)	Chairman & Independent Director	12	05	02	-	01	Yes	No	Yes
Mr. Joseph Conrad D'Souza (DIN: 00010576)	Independent Director	13	06	02	-	-	Yes	Yes	Yes
Mr. Arthur William De Haast (DIN: 07893738)	Independent Director	04	-	-	-	-	No	No	No
Ms. Radhika Piramal (DIN: 02105221)	Independent Director	04	-	-	-	01	No	Appointed w.e.f. June 12, 2018	No
Non-Executive Directors									
Mr. Ravi C. Raheja (DIN: 00028044)	Promoter, Non – Executive Director	13	05	01	-	-	Yes	Yes	Yes
Mr. Neel C. Raheja (DIN: 00029010)	Promoter, Non – Executive Director	11	01	01	01	01	No	No	Yes
Mr. Chandru L. Raheja** (DIN:00027979)	Promoter, Non – Executive Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Ramesh M. Valecha*** (DIN: 00389678)	Non - Executive Director	01	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Rajeev Chopra**** (DIN: 01154051)	Non - Executive Director	01	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Executive Directors									
Mr. Sanjay Sethi (DIN: 00641243)	Managing Director & Chief Executive Officer	13	-	-	01	01	Yes	Yes	Yes
Mr. Rajeev Newar (DIN: 00468125)	Executive Director & Chief Financial Officer	13	-	-	01	-	Yes	Yes	Yes

* The Share Transfer Committee of the Company was re-constituted and renamed as the Stakeholders' Relationship Committee by the Board of Directors at its meeting held on June 12, 2018.

**Mr. Chandru L. Raheja ceased to be Director w.e.f. April 26, 2018. No Board meeting was held during his tenure and he was not a chairman/member in any Committee of the Board.

*** Mr. Ramesh M. Valecha ceased to be Director w.e.f. May 02, 2018. One Board meeting was held during his tenure and he was not a chairman/member in any Committee of the Board.

****Mr. Rajeev Chopra ceased to be Director w.e.f. May 02, 2018. One Board meeting was held during his tenure and he was not a chairman/member in any Committee of the Board.

CNR: Compensation, Nomination & Remuneration

CSR: Corporate Social Responsibility

AGM – Annual General Meeting

EGM – Extraordinary General Meeting

N.A. – Not Applicable

Directors Details

None of the Directors hold Directorships in more than twenty (20) Indian Companies including ten (10) Public Limited Companies. Further, none of the Directors on the Board is a member of more than ten (10) Board Committees and Chairperson of more than five (5) Board Committees across all public companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions occupied by them in other companies. "Board Committees for this purpose include the Audit Committee and the Stakeholders Relationship Committee". None of the Directors, except Mr. Ravi C. Raheja and Mr. Neel C. Raheja, who are brothers, are related to each other.

None of the Independent Directors of the Company serve as Independent Directors in more than seven (7) listed companies and none of the Whole time Directors of any listed Company serve as Independent Directors in more than three (3) listed companies.

Name of the Director	Date of Appointment in the current term/ cessation	No of Directorships in listed entities including this listed entity and Name of the Listed Entity	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity	Salary & Perks for FY 2018 – 19 (in ₹)	ESOP	Sitting Fee (in ₹)	No. of Equity Shares held
Independent Directors								
Mr. Hetal Gandhi (DIN:00106895)	5 years w.e.f. 12.06.2018	01	01	Nil	NA	-	685,000	0
Mr. Joseph Conrad D'Souza (DIN: 00010576)	5 years w.e.f. 12.06.2018	01	Nil	02*	NA	-	705,000	689
Mr. Arthur William De Haast (DIN: 07893738)	5 years w.e.f. 12.06.2018	01	Nil	Nil	NA	-	150,000	0
Ms. Radhika Piramal (DIN: 02105221)	5 years w.e.f. 12.06.2018	02 V.I.P. Industries Limited as Executive Director and Vice Chairperson	Nil	Nil	NA	-	200,000	0
Non-Executive Directors								
Mr. Ravi C. Raheja (DIN: 00028044)	04.09.1995	02 Shoppers Stop Limited as Non-Executive Director	06	01	NA	-	695,000	10,326,318
Mr. Neel C. Raheja (DIN: 00029010)	12.12.1996	02 Shoppers Stop Limited as Non-Executive Director	02	Nil	NA	-	480,000	10,326,318
Mr.Chandru L. Raheja (DIN:00027979)	ceased to be Director w.e.f. 26.04.2018	NA	NA	NA	NA	-	0	0
Mr. Ramesh M Valecha (DIN:00389678)	ceased to be Director w.e.f. 02.05.2018	NA	NA	NA	NA	-	0	0
Mr. Rajeev Chopra (DIN:01154051)	ceased to be Director w.e.f. 02.05.2018	NA	NA	NA	NA	-	10,000	0
Executive Directors								
Mr. Sanjay Sethi (DIN: 00641243)	3 years w.e.f. 09.02.2018	01	Nil	Nil	32,837,240	200,000 options to Equity Shares have been granted	NA	0
Mr. Rajeev Newar (DIN: 00468125)	3 years w.e.f. 03.08.2017	01	01	Nil	19,101,464	-	NA	0

* Mr. Joseph Conrad D'Souza is Chairman of Audit Committee of 1 unlisted public company.

The ESOPs granted shall vest not earlier than 1 (One) year and not later than maximum than 3 (Three) years from the date of grant i.e. June 26, 2018.

No stock options have been granted to any of the non-executive directors.

Mr. Arthur De Haast, Independent Director is paid a Professional Fee (apart from the sitting fees for attending Board and Committee Meetings) of GBP 3,750 per day for every meeting/visit alongwith reimbursement of travelling expenses, as per contract entered into with him, which was entered pursuant to approval of the Shareholders at the Meeting held on August 02, 2017, which amounted to ₹ 1,705,334 for the year under review.

During the year under review, sitting fees were revised w.e.f. June 12, 2018 to ₹ 50,000 for each meeting of the Board, ₹ 25,000 for Audit Committee Meetings and ₹ 10,000 for other Committees, other than CSR Committee, Bank Account Operations Committee and IPO Committee.

Familiarization Program

The Familiarization Program for Independent Directors is uploaded on the website of the Company, and is accessible at https://www.chalethotels.com/wp-content/uploads/2019/01/Policy-on-Familiarisation-Programme-for-Independent-Directors.pdf

Profile & Core Competencies

The profiles of the Directors of the Company as on March 31, 2019, along with the core skills / expertise / competencies identified by the Board as required with reference to the Company's business and industry, which are available with the Board, are as under:

Name	Educational Qualification	Brief	Core Skills / Expertise/ Competencies
Mr. Hetal Gandhi	- Bachelor of Commerce, Mumbai University - Chartered Accountant	Mr. Hetal Gandhi is the co-founder and managing director of Tano India Advisors Private Limited and was previously associated with a diversified financial services company as its head - financial services and with ORIX Auto and Business Solutions Limited as its chief executive officer. He has over 31 years of experience in the financial services industry.	Entrepreneur, Investor Advisor, Capital markets, Finance and Accounts.
Mr. Joseph Conrad D'Souza	- Masters of Commerce, University of Mumbai - Diploma in Financial Management, University of Mumbai - Master's Degree in Business Administration from South Gujarat University - Graduate of the Senior Executive Program from the London Business School	Mr. Joseph Conrad D'Souza 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.	Finance, Corporate Planning & Budgeting and Investor relations.
Mr. Arthur William De Haast	- Bachelors Degree in Hotel Management, University of Strathclyde	Mr. Arthur William De Haast has been associated with Jones Lang LaSalle Incorporated since August 4, 1987 in a variety of senior roles, including the global Chief Executive Officer and then Chairman of its hotels and hospitality group. Currently, he is Chairman, Global Capital Markets Board. He has over 34 years of experience in the hospitality sector and has led many transactional and advisory assignments.	Hospitality, Asset Management and Real Estate Investment.
Ms. Radhika Piramal	- Bachelor's degree in Arts, Brasenose College, University of Oxford - Master's in Business Administration, Harvard Business School.	Ms. Radhika Piramal, was Managing Director of VIP Industries, India's leading luggage company, from 2010 to 2017 and she is currently Executive Director and Vice Chairperson of VIP Industries since 2017. She was previously associated with Bain and Company, and Carlton Travel Goods Limited.	Industrialist, Entrepreneur, Business Strategy & Corporate Management.
Mr. Ravi C. Raheja	- Bachelor of Commerce, Mumbai University - Masters of Business Administration from London Business School	Mr. Ravi C. Raheja is the Group President of K. Raheja Corp Group. He has 22 years of experience across the real estate, hotel and retail industry	Industrialist, Real Estate Developer, Hotels and Retail.
Mr. Neel C. Raheja	- Bachelor of Law, Mumbai University - Masters of Commerce, Mumbai University - Owner/President Management Program from Harvard Business School	Mr. Neel C. Raheja is the Group President of K. Raheja Corp Group. He has 20 years of experience across the real estate, hospitality and retail industry.	Industrialist, Real Estate Developer, Hotels and Retail.

Name	Educational Qualification	Brief	Core Skills / Expertise/ Competencies
Mr. Sanjay Sethi	Diploma in Hotel Management, Catering and Nutrition, IHM Pusa	Mr. Sanjay Sethi worked with ITC Limited as the Chief Operating Officer for their hotels division, Berggruen Hotels Private Limited as the Managing Director and Chief Executive Officer and with The Indian Hotels Company Limited as General Manager and as Area Director for Hyderabad hotel properties. He has over 31 years of experience in the hospitality industry.	Hotel Management, Organizational & Business Management.
Mr. Rajeev Newar	- B. Com (Hons.), University of Calcutta - Chartered Accountant - Company Secretary	Over the past 27 years, Mr. Rajeev Newar has held several leadership positions in Finance leading various functional and cross functional transformational initiatives, implementing Business Strategies & driving Digital Transformation. He has worked with the Tata Group and M.P. Birla Group. Prior to joining our Company, he was Vice President Finance with The Indian Hotels Company Limited and a Director on the Board of some of its subsidiaries.	Financial Management, Treasury, Legal & Secretarial and Business Strategies.

Remuneration of Executive Directors

The details of the remuneration paid to Mr. Sanjay Sethi, Managing Director & CEO and Mr. Rajeev Newar, Executive Director & CFO during the year under review is as follows:

(Amount in ₹)

Particulars	Mr. Sanjay Sethi	Mr. Rajeev Newar
Basic	125,40,000	7,044,000
Allowances and Perquisites	18,292,440	11,212,184
Provident Fund	1,504,800	845,280
Superannuation	-	-
Performance Bonus	500,000	-
Number of stock options granted	200,000 Equity Shares*	-

* i. The ESOPs granted under the Chalet Hotels Limited - Employee Stock Option Plan 2018 shall vest not earlier than 1 (One) year and not later than maximum than 3 (Three) years from the date of grant i.e. June 26, 2018.

ii. ESOP expense amounting to ₹ 14,639,977 has been recognised during the financial year ended on March 31, 2019

Service Contract, Notice Period & Severance Fee

Mr. Sanjay Sethi's contract as Managing Director of the Company is for a period of 3 (three) years from February 09, 2018 up to February 08, 2021, terminable by giving 90 days' notice from either side. Mr. Rajeev Newar's contract as Executive Director of the Company is for a period of 3 (three) years from August 03, 2017 upto August 02, 2020, terminable by giving 90 days notice from either side. The term of both the directors is subject to retirement by rotation, in accordance with the provisions of the Act.

Criteria for making payments to Non-Executive Directors:

The Non-Executive Independent Directors are only paid sitting fees for their attendance at the Board Meeting and certain Committee Meetings. The Company pays sitting fees of ₹ 50,000/- for attending each Board Meeting, ₹ 25,000/- for attending each Audit Committee Meeting and ₹ 10,000/- for attending meetings of each Stakeholder Relationship Committee / Compensation, Nomination & Remuneration Committee. No sitting fees are paid in respect of meetings of the CSR Committee, Bank Account Operations Committee and IPO Committee.

Meeting of Independent Directors

During the Financial Year under review, there were no meeting held for Independent Directors. After listing on February 07, 2019, the first meeting of Independent Directors took place on May 10, 2019.

Code of Conduct

The Company is committed to compliance with all laws and regulations that apply to it, with the spirit and intent of high business ethics, honesty and integrity. To this end, the Company requires all Directors and its Senior Management to respect and embrace the principles set forth in the "Code of Conduct for the Board of Directors and Senior Management".

Additionally, all Directors and Senior Management adhere with the "Code of Practices for Fair Disclosure of Unpublished Price Sensitive Information" and "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons" pursuant to Regulation 8(1) and 9(1) respectively of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The above codes are also displayed on the Company's website 'www.chalethotels.com'.

Policies:
The Company has adopted various policies under the Act and Listing Regulations, which have been made available on the Company's website https://www.chalethotels.com/policies/

Composition of Committees of Directors and Attendance at the Meetings

The Board's Committees are as follows:

Audit Committee:
The Company's Audit Committee (reconstituted on June 12, 2018) comprises of Mr. Joseph Conrad D'Souza, Chairman & Independent Director, Mr. Hetal Gandhi, Independent Director and Mr. Ravi C. Raheja, Non-Executive Director. Each member of the Committee has relevant experience in the field of finance, banking & accounting and hospitality industry. Ms. Christabelle Baptista, Company Secretary acts as the Secretary to the Audit Committee. The Audit Committee has inter-alia (among other things, as may be required by the Stock Exchanges from time to time), the following terms of reference:

1. oversight of the Company's financial reporting process, examination of the financial statement and auditor's report thereon and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company;

3. reviewing the financial statement with respect to its subsidiaries, in particular investments made by the unlisted subsidiaries;

4. approval of payment to the Company's statutory auditors for any other services rendered by the statutory auditors;

5. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;

    b. changes, if any, in accounting policies and practices and reasons for the same;

    c. major accounting entries involving estimates based on the exercise of judgment by management of the Company;

    d. significant adjustments made in the financial statements arising out of audit findings;

    e. compliance with listing and other legal requirements relating to financial statements;

    f. disclosure of any related party transactions; and

    g. modified opinion(s) in the draft audit report.

6. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

7. reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

8. reviewing the auditor's independence and performance, and effectiveness of audit process;

9. approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed-:

    Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the Listing Regulations and/or the applicable Accounting Standards and/or the Act.

10. scrutiny of inter-corporate loans and investments;

11. valuation of undertakings or assets of the Company, wherever it is necessary;

12. evaluation of internal financial controls and risk management systems;

13. formulating a policy on related party transactions, which shall include the materiality of related party transactions;

14. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

15. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

16. discussion with internal auditors of any significant findings and follow up thereon;

17. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

18. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

19. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

20. reviewing the functioning of the whistle blower mechanism;

21. overseeing the vigil mechanism established by the Company, with the Chairman;

22. approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

23. reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans /advances / investments existing as on the date of coming into force of this provision;

24. carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

25. performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be performed by the Audit Committee.

Composition of the Committee and attendance at the meetings of the Committee during the year under review is as follows:

Name of the Chairman/Member	Category	May 01, 2018	June 12, 2018,	July 31, 2018	August 16, 2018,	November 13, 2018	December 20, 2018
Mr. Joseph Conrad D'Souza	Chairman & Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Hetal Gandhi	Member & Independent Director	No	Yes	Yes	Yes	Yes	Yes
Mr. Ravi C. Raheja	Member & Non-Executive Director (Appointed as member w.e.f. 12.06.2018)	N.A.	Yes	Yes	Yes	Yes	Yes
Mr. Neel C. Raheja	Ceased to be member w.e.f. 12.06.2018	Yes	N.A.	N.A.	N.A.	N.A.	N.A.

Compensation, Nomination and Remuneration (CNR) Committee:

The Company's Compensation, Nomination and Remuneration Committee (reconstituted on May 1, 2018 and June 12, 2018) comprises of Mr. Joseph Conrad D'Souza, Chairman & Independent Director, Mr. Arthur DeHaast, Independent Director and Mr. Neel C. Raheja, Non-Executive Director. The Committee has inter-alia (among other things, as may be required by the Stock Exchanges from time to time), the following terms of reference:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key management personnel and other employees;

2. The Compensation, Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   iii. remuneration to directors, key management personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

3. formulation of criteria for evaluation of performance of independent directors and the Board;

4. devising a policy on diversity of Board of Directors;

5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);

6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors;

7. frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

   i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

   ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

perform such other activities as may be delegated by the Board or specified/ provided under the Act to the extent notified and effective, as amended or by the Listing Regulations, as amended or by any other applicable law or regulatory authority.

The attendance at the meetings of the CNR Committee during the year under review is as follows:

Name of the Chairman / Member	Category	Date of Meeting	
		April 25, 2018	May 18, 2018
Mr. Joseph Conrad D'Souza	Chairman & Independent Director	Yes	Yes
Mr. Arthur William De Haast	Member & Independent Director	N. A. - appointed as member w.e.f. 12.06.2018	N. A. - appointed as member w.e.f. 12.06.2018
Mr. Neel C. Raheja	Member & Non-Executive Director	N.A. - appointed as member w.e.f. 01.05.2018	Yes
Mr. Ravi C. Raheja	Member & Non-Executive Director Upto 12.06.2018	N.A. appointed as member w.e.f. 01.05.2018	Yes
Mr. Hetal Gandhi	Member & Independent Director Upto 12.06.2018	Yes	Yes

Performance Evaluation Criteria for Independent Directors

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of its own performance including its committees and directors individually, for the Financial Year under review. For the aforesaid purpose a structured questionnaire was prepared after taking into consideration the guidance note issued by SEBI on Board evaluation, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The Directors expressed their satisfaction with the evaluation process.

Stakeholders' Relationship Committee:

The Company's Stakeholders' Relationship Committee (Share Transfer Committee of the Company was constituted on May 1, 2018 and reconstituted & renamed as the Stakeholders' Relationship Committee on June 12, 2018) comprises of Mr. Joseph Conrad D'Souza, Chairman & Independent Director, Mr. Ravi C. Raheja, Non-Executive Director, Mr. Neel C. Raheja, Non-Executive Director and Mr. Rajeev Newar, Executive Director & CFO. The Committee has inter-alia (among other things, as may be required by the Stock Exchanges from time to time), the following terms of reference:

1. considering and resolving grievances of shareholders', debenture holders and other security holders;
2. redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer/transmission of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, issue of new/duplicate certificates, general meetings etc.;
3. allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
4. issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
5. review of measures taken for effective exercise of voting rights by shareholders;
6. review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
7. review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and
8. carrying out any other functions required to be undertaken by the Stakeholders Relationship Committee under applicable law.

As the Company was listed on February 07, 2019, no meeting of the Stakeholders' Relationship Committee was convened during the year under review. However the Share Transfer Committee met once during the year under review. The attendance at the meeting of the Committee during the year under review is as follows:

Name of the Chairman/ Member	Category	Date of Meeting
		May 23, 2018
Mr. Joseph Conrad D'Souza	Chairman & Independent Director	N.A. – appointed w.e.f. June 12, 2018
Mr. Ravi C. Raheja	Member & Non-Executive Director	N.A. – appointed w.e.f. June 12, 2018
Mr. Neel C. Raheja	Member & Non-Executive Director	No
Mr. Sanjay Sethi	Member & Managing Director and Chief Executive Officer Ceased to be a member of the Share Transfer Committee w.e.f. June 12, 2018	Yes – Chairman of the meeting
Mr. Rajeev Newar	Member & Executive Director and Chief Financial Officer	Yes

Corporate Social Responsibility (CSR) Committee:
The Company's CSR Committee (reconstituted on June 12, 2018) comprises of Mr.Hetal Gandhi, Chairman & Independent Director, Mr. Neel C. Raheja, Non-Executive Director, Ms. Radhika Piramal, Independent Director and Mr.Sanjay Sethi, Managing Director & Chief Executive Officer. The Committee has inter-alia the following terms of reference:

1. deciding the CSR expenditure by the Company, in accordance with the requirements prescribed under the Act or as may be decided by them.
2. monitoring the impact of the activity/cause supported by it from time to time and periodically report on the same to the Board.

The attendance at the meeting of the Committee during the year under review is as follows

Name of the Chairman / Member	Category	Date of Meeting
		November 13, 2018
Mr. Hetal Gandhi	Chairman & Independent Director	Yes
Ms. Radhika Piramal	Member & Independent Director	Yes
Mr. Sanjay Sethi	Member & Managing Director & CEO	Yes
Mr. Neel C. Raheja	Member & Non-Executive Director	Yes

Risk Management Committee:
The Board has in accordance with Regulation 21 of the Listing Regulations, on May 10, 2019 authorised the Audit Committee to discharge and carry out the functions of the Risk Management Committee.

Name and Designation of Compliance Officer:

Ms. Christabelle Baptista
Company Secretary & Compliance Officer
Address: Raheja Tower, Plot No. C-30, Block 'G',
Next to Bank of Baroda, Bandra Kurla Complex,
Bandra (East), Mumbai, Maharashtra – 400051
Phone: 022-26565496
Fax: 022-26565451
E-mail: companysecretary@chalethotels.com

General Body Meetings

Given below are the details of Annual General Meetings for the previous three financial years:

Year	Particulars of Meeting	Location	Number and Nature of Special Resolutions passed, if any
2018-19	Wednesday, June 13, 2018 at 10:30 a.m.	Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra -400051	9 (Nine) Special Resolutions - Confirmation of Appointment of Mr. Sanjay Sethi (DIN: 00641243) as Managing Director & CEO of the Company. - Loan to Mr. Sanjay Sethi Managing Director & CEO of the Company. - Raising of Capital through a further issue of securities. - Issuance of Preference Shares Series A Non-Cumulative Non-Convertible Redeemable Preference Shares and Series B Non-Cumulative Non-Convertible Redeemable Preference Shares pursuant to the Private Placement Offer. - Revision in borrowing powers of the Company. - Creation of mortgage/charge on the assets of the Company. - Approval of "Chalet Hotels Limited – Employee Stock Option Plan 2018" - Identification of Promoters. - Confirmation of Appointment of Mr. Rajeev Newar (DIN: 00468125) as Executive Director & CFO of the Company.
2017-18	Friday, September 22, 2017 at 11:00 a.m.	Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400051	3 (Three) Special Resolutions: - Amendment to the Articles of Association of the Company. - Appointment of Mr. Rajeev Newar as Executive Director of the Company. - To grant interest free loan to Mr. Rajeev Newar, Executive Director.
2016-17	Thursday, September 29, 2016 at 3:00 p.m.	Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400051	Nil

Postal Ballot

The Company has not passed any Special Resolution through postal ballot during the financial year 2018-19.

Means of Communication:

Subsequent to the listing of the Company on February 07, 2019, the Company has been undertaking dissemination of information in line with the Listing Regulations on its website 'www.chalethotels.com'. The information also is filed by the Company on the National Stock Exchange of India Ltd. and BSE Limited. The Company interacts on a regular basis with its stakeholders through results, announcements, annual report, press releases and Company's website.

The financial results of the Company are published in Financial Express (English) Newspaper circulating in substantially whole of India and Navshakti (Marathi) vernacular newspaper, on a quarterly basis. The same are also available on the website of the Company https://www.chalethotels.com/press-release/.pdf

The website of the Company also displays official news releases from time to time

Presentations made to institutional investors/analysts will be published on the Company's website.

Green Initiative:

In line with the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company will be sending this year's Annual Report (including subsequent notices and communications, as permissible) to the shareholders who have registered their email address with the Company /Depository to their registered email address. The Annual Reports of the Company are also available in the Investor Relations section of the Company's website 'www.chalethotels.com'

General Shareholder Information:

Annual General Meeting:

Date:	August 13, 2019
Time:	3:00 p.m.
Venue:	Boundary Hall, First Floor, MCA Recreation Centre, RG-2, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
Financial Year	April 01, 2018 to March 31, 2019
Dividend Payment Date	No dividend is proposed to be declared at the forthcoming Annual General Meeting
Listing Information	**National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051 **Scrip Code: CHALET** **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 **Scrip Code: 542399** Requisite Listing Fees for the Financial Year 2019-20 have been paid to both the Stock Exchanges where the equity shares of the Company are listed.

Market Price Data

Month	National Stock Exchange of India Limited (NSE)			BSE Limited		
	High Price (₹)	Low Price (₹)	No. of Shares	High Price (₹)	Low Price (₹)	No. of Shares
February 2019	300	250	14,098,843	303	250	2,846,225
March 2019	355	271	4,550,249	376	271	460,676

Share price performance as compared with performance index of National Stock Exchange of India Limited (NSE) and BSE Limited (BSE):

Month	National Stock Exchange of India Limited (NSE)		BSE Limited	
	Chalet Hotels Limited Closing Price (₹)	Nifty Closing	Chalet Hotels Limited Closing Price (₹)	Sensex Closing
February 2019	276	10,792	277	35,867
March 2019	337	11,623	337	38,672

Registrar and Share Transfer Agent:

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District
Nanakramguda, Hyderabad 500 032

Share Transfer System:
The shares of the Company are traded on the Stock Exchanges through the Depository System. 100% of the Equity Shares of the Company are in dematerialised form. The ISIN allotted to the Equity Shares of ₹ 10/- each of the Company is INE427F01016. All requests received by the Company/ RTA are disposed of expeditiously.

Distribution of Shareholding;

	As on 31 March 2019				As on 31 March 2018				
Shareholding of Nominal Value ₹	Number of Shareholders	% to Total Number of Shares	Amount in ₹	% to Total Amount	Shareholding of Nominal Value ₹	Number of Shareholders	% to Total Number of Shares	Amount in ₹	% to Total Amount
upto 1 - 5000	2,482	89.41	1,815,890	0.09	upto 1 - 5000	-	-	-	-
5001 - 10000	127	4.57	869,620	0.04	5001 - 10000	-	-	-	-
10001 - 20000	22	0.79	341,230	0.02	10001 - 20000	2	10.53	38,880	0.00
20001 - 30000	5	0.18	122,810	0.01	20001 - 30000	-	-	-	-
30001 - 40000	13	0.47	469,830	0.02	30001 - 40000	-	-	-	-
40001 - 50000	4	0.14	184,040	0.01	40001 - 50000	-	-	-	-
50001 - 100000	10	0.36	802,520	0.04	50001 - 100000	1	-	6,000,000	0.35
100001 & Above	113	4.07	2,045,632,700	99.78	100001 & Above	17	89.47	1,704,914,050	99.65
	2,776	100.00	2,050,238,640	100.00		20	100.00	1,710,952,930	100.00

Investor Complaints

No. of complaints at the beginning of the Financial Year	No. of Complaints received during the Financial Year	No. of Complaints at the end of the Financial Year
0	3	0

Dematerialization of Shares and Liquidity
Trading in Company's Equity Shares is compulsorily in dematerialised mode for all investors, as prescribed by the Securities and Exchange Board of India. As on date, entire share capital of the Company are held in dematerialised mode. The shares of the Company are regularly traded at both the Stock Exchanges where they are listed, which ensures the necessary liquidity to shareholders.

Outstanding GDRs/ADRs
The Company has not issued any ADRs or GDRs or warrants or any convertible instruments which has likely impact on equity share capital.

Commodity price risk or foreign exchange risk and hedging activities
The Company uses foreign currency forward contracts, from time to time, based on market conditions, to hedge its foreign exchange exposures / External Commercial Borrowings (ECB).

Further, out of the outstanding ECB of USD 26.11 million, the Company has booked forward cover for USD 20 million which is valid upto November 2019 and Company will decide on extension upon market conditions

Details of utilization of funds
The funds raised by the Company through the Initial Public Offer by the Company were deployed to pare down debt and have been completely utilised as per the objects of the issue as disclosed by the Company in its Prospectus. There has been no deviation or variation in the terms of utilisation.

Unit locations:

Hospitality Portfolio:

JW Marriott Mumbai, Sahar
IA Project Road, Chhatrapati Shivaji International Airport, Andheri East, Mumbai 400099.

Lakeside Chalet, Marriott Executive Apartments, Mumbai & Renaissance Mumbai Convention Centre Hotel
2&3B, Near Chinmayanand Ashram, Powai, Mumbai 400087.

Four Points By Sheraton Vashi
Plot No - 39/1, 6 to 15, Sector - 30A, Vashi, Navi Mumbai 400701.

The Westin Hyderabad Mindspace
Raheja IT Park, Hitec City, Madhapur, Hyderabad 500081.

Bengaluru Marriott Hotel Whitefield
Plot No 75, EPIP Area, Whitefield, Bengaluru 560 066.

Non-Hospitality Portfolio:

Inorbit Mall, Whitefield, Bengaluru
Plot No 75, EPIP Area, Whitefield, Bengaluru 560 066.

Whitefield Bengaluru – Commercial
Plot No 75, EPIP Area, Whitefield, Bengaluru 560 066.

The Orb, Sahar and Business Centre and Office, Sahar
IA Project Road, Chhatrapati Shivaji International Airport, Andheri East, Mumbai 400099.

Raheja Vivarea
#21, Koramangala Industrial Layout, Ward No 68, Hosur and Sarjapura Road, Koramangala, Bengaluru 560034.

Quiescent Heights, Hyderabad
Raheja IT Park, Hitec City, Madhapur, Hyderabad, 500081.

Investor Correspondence:
For any queries, investors are requested to get in touch with the Company Secretary & Compliance Officer of the Company. Details are as below:

Ms. Christabelle Baptista
Company Secretary & Compliance Officer
Address: Raheja Tower, Plot No. C-30, Block 'G',
Next to Bank of Baroda, Bandra Kurla Complex,
Bandra (East), Mumbai, Maharashtra – 400051
Phone: 022-26565496
Fax: 022-26565451
E-mail: companysecretary@chalethotels.com

Credit Ratings
During the year, the Company has received the following credit rating:

India Ratings & Research Pvt. Ltd.:		
Instrument Type	Size of Issue (₹ in million)	Outlook
Term loan	14,946 (reduced from 16,281)	IND BBB/Stable
Fund-based working capital limits	1,350	IND BBB/Stable
Non-fund-based working capital limits	1,000	IND A3+
Proposed term loans	335	Provisional IND BBB/Stable

Other Disclosures:

Material Transactions with Related Parties:
During the year under review, there were no related party transactions that were materially significant or that may have potential conflict with the interests of listed entity at large.

Details of Compliance:
There have been no instances of non-compliance by the Company, imposition of penalties and strictures by the stock exchanges(s), SEBI or any statutory authority, on any matter related to the capital markets, during the last three years.

Vigil Mechanism / Whistle Blower Policy:
Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website https://www.chalethotels.com/policies/

Policy for determining 'material' subsidiaries:
The Board of Directors of the Company has adopted a policy for determination of material subsidiaries and the same is published on the website https://www.chalethotels.com/policies/ During the year under review, the Company does not have any material subsidiary.

Policy for determining related party transactions:
The Board of Directors of the Company has adopted a policy for dealing with related party transactions and the same is published on the website https://www.chalethotels.com/policies/

Disqualification of Directors:
The names of Mr. Ravi C. Raheja and Mr. Neel C. Raheja, Directors of the Company, were included in the list published on the official website of the Ministry of Corporate Affairs as persons disqualified by the Registrar of Companies, Bengaluru for appointment as directors under Section 164(2)(a) of the Companies Act, 2013. The said Directors filed a writ petition before the Karnataka High Court against the Registrar of Companies, Bengaluru to stay the operation of the disqualifications and any other consequential action pursuant to the publication of the disqualification lists under Section 164(2)(a) of the Companies Act, 2013. Through an interim order dated June 15, 2018, the Karnataka High Court has stayed the disqualification of the aforesaid Directors to act as directors of companies. Further the Registrar of Companies(ROC), Karnataka has, by his letter dated September 11, 2018, stated that the Hon'ble High Court of Karnataka has granted stay order in Writ petition 25683-25684/2018 dated June 15, 2018, in respect of the said disqualification. Further, the ROC has informed that the DIN of the said directors is "Active".

M/s BNP & Associates, Company Secretaries in Practice, have certified that as on March 31, 2019, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Recommendations of Committees
All recommendations of the committees from time to time have been considered by the Board of Directors, while arriving at any decision, and there has been no instance during the year under review, where any such recommendation which is mandatory in nature has not been abided with.

MD & CFO Certificate:
As required under Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2019.

Total fees for services paid to Statutory Auditor:
Details relating to the fee paid to the Statutory Auditors are given in Note 44 to the Standalone Financial Statements and Note No. 43 to the Consolidated Financial Statements.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
The details of number of complaints filed and resolved during the financial year is as follows:

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
4	4	NIL

Discretionary Requirements (Part E of Schedule II Of Listing Regulations)

The Board: The Company has a Non-Executive & Independent Director as Chairman. Currently no reimbursement towards his expenses for performance (other than payment of sitting fee).

Shareholders' Rights: Quarterly and half yearly financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Significant events are also posted on the Company's website under the Investors section. Hence, no half yearly results and significant events were sent to each of household of Shareholders

Modified opinion(s) in audit report: During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices to ensure a track record of financial statements with unmodified audit opinion on financial statements.

Separate posts of Chairperson and CEO: The positions of Chairman & Managing Director are separately held.

Reporting of Internal Auditor: Internal Auditors are invited to the meetings of Audit Committee to make presentation to the Committee on their observations during the course of their Internal Audit.

Details of Compliance with Mandatory Requirement: The Company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

Declaration by Chief Executive Officer

Declaration signed by Mr. Sanjay Sethi, Managing Director and Chief Executive Officer of the Company, stating that the Board of Directors and Senior Management Personnel have affirmed compliance with the 'Code of Conduct of Board of Directors and Senior Management' is annexed to this Report at **Annexure – A.**

Compliance certificate from Practising Company Secretary regarding compliance of conditions of corporate governance

A certificate from Practising Company Secretary regarding compliance of conditions of Corporate Governance is annexed to this Report at **Annexure - B**.

ANNEXURE A

Declaration on adherence to the Code of Conduct

To,
The Members of Chalet Hotels Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliance with the Company's Code of Conduct for the Board of Directors and Senior Management, during the year ended March 31, 2019.

For **Chalet Hotels Limited**

Sanjay Sethi
Managing Director & CEO
(DIN: 00641243)

Date: May 10, 2019
Place: Mumbai

ANNEXURE B

Compliance Certificate from practicing company secretary regarding compliance of Corporate Governance

To
The Members of
Chalet Hotels Limited

We have examined the compliance of conditions of corporate governance by Chalet Hotels Limited (the 'Company') for the year ended March 31, 2019, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.

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

For **BNP & Associates**
Company Secretaries
[Firm Regn. No. P2014MH037400]

Partner
Avinash Bagul
FCS No. 5578
COP No. 19862

Place: Mumbai
Date: May 10, 2019

Business Responsibility Report

(Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Section A: General Information About the Company

1.	Corporate Identity Number (CIN) of the Company:	L55101MH1986PLC038538	
2.	Name of the Company:	Chalet Hotels Limited	
3.	Registered Office Address:	Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (E), Mumbai 400051	
4.	Website:	www.chalethotels.com	
5.	E-mail id:	investorrelations@chalethotels.com	
6.	Financial Year Reported	April 01, 2018 to March 31, 2019	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	**Group**	**Description**
		551	Hotels, restaurants, accommodation and related services
		701	Real Estate activities
8.	List three key products/services that the Company manufactures / provides (as in Balance Sheet)	1	Hospitality (Hotels)
		2	Commercial and Retail
		3	Real Estate
9.	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations	Nil
		(b) Number of National Locations	The Company has its business activities and operations spread across the following cities viz. – Mumbai, Navi Mumbai, Bengaluru and Hyderabad.
10.	Markets served by the Company	National	Services are provided from the respective locations as above.

Section B: Financial Details of the Company

1.	Paid up Capital (₹):	₹ 2,720.23 million (including preference share capital)
2.	Total Turnover (₹):	₹ 9,871.73 million (other income of ₹ 436.03 million has not been considered at turnover)
3.	Total profit after taxes (₹):	Loss of ₹ 102.07 million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	Not Applicable
5.	List of activities in which expenditure in 4 above has been incurred:	Not Applicable

Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, The Company has 1 (One) Subsidiary Company as at March 31, 2019 (the subsidiary company has no material operations)
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	Yes. The Company has business arrangements with service providers to oversee a large part of its operations.
	If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The revenue from such arrangement accounts for more than 60% of turnover.

Section D: BR Information

1. Details of Director/Directors responsible for BR

Details of the Directors responsible for implementation of the BR policy/policies

No.	Particulars	Details	
1	DIN Number (if applicable)	00641243	00468195
2	Name	Mr. Sanjay Sethi	Mr. Rajeev Newar
3	Designation	Managing Director & CEO	Executive Director & CFO
4	Telephone number	022-26564000	
5	e-mail id	companysecretary@chalethotels.com	

(a) Details of the BR head

No.	Particulars	Details	
1	DIN Number (if applicable)	NA	NA
2	Name	Mr. Pragnesh Doctoria#	Ms. Suborna Biswas (w.e.f. July 23, 2018)# #
3	Designation	GM – Engineering	Senior Manager - Human Resources
4	Telephone number	022 – 26564000	022 – 26564000
5	e-mail id	pragnesh.doctoria@chalethotels.com	suborna.biswas@chalethotels.com

Responsible for ensuring observance of BR Policy in engineering / construction / operations of the Company
Responsible for ensuring observance of BR Policy by the Company generally, including observance by employees and agencies

2. Principle-wise (as per National Voluntary Guidelines "NVG" on Economic Social and Environmental Responsibility of Business) BR Policy

(a) The NVG released by the Ministry of Corporate Affairs are based on nine principles in the realm of Business Responsibility. These are as under:

01 PRINCIPLE
Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

02 PRINCIPLE
Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

03 PRINCIPLE
Business should promote the wellbeing of all employees

04 PRINCIPLE
Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

05 PRINCIPLE
Businesses should respect and promote human rights

06 PRINCIPLE
Businesses should respect, protect, and make efforts to restore the environment

07 PRINCIPLE
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

08 PRINCIPLE
Business should support inclusive growth and equitable development

09 PRINCIPLE
Businesses should engage with and provide value to their customers and consumers in a responsible manner

(b) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies:	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
		There have been consultations with stakeholders wherever required and possible and accordingly the relevant policies continue to evolve over time.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies which have been laid out as above are in accordance with applicable laws and conform to industry benchmarks.								
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 ('The Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') are approved by the Board and circulated amongst relevant stakeholders. Other policies are approved by the Managing Director/functional heads of the Company as deemed appropriate from time to time.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?#	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
6	Indicate the link for the policy to be viewed online?	The Policies mandated to be displayed on the website of the Company as per the Act and Listing Regulations are available online on https://www.chalethotels.com/policies/ Other policies are accessed on the intranet/website in place for the Company/service provider as applicable.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
		As deemed appropriate. It has been the Company's practice to have the relevant policies either uploaded on the intranet site for information/ implementation by the concerned stakeholders or put up on notice board or communicated through town hall meetings or email. Select policies are available on the Company's website www.chalethotels.com.								
8	Does the Company have in-house structure to implement the policy / policies?#	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?#	Yes	Yes	Yes	Yes	Yes	-	-	-	Yes
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Company is in the process of having the policies independently evaluated.								

The implementation and adherence to the code of conduct for employees is overseen by the Human Resource function.
The Corporate Social Responsibility Policy is administered by the CSR Committee in line with the requirements of the Act.

(c) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 7
1	The Company has not understood the Principles	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-
3	The Company does not have financial or manpower resources available for the task	-
4	It is planned to be done within next 6 months	-
5	It is planned to be done within the next 1 year	-
6	Any other reason (please specify)	While there is no specific outlined, the Company through various bodies and associations puts forth its suggestions on various issues. The Company will review and accordingly plan to incorporate formal policy in the coming years.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3 - 6 months, Annually, More than 1 year.

The business responsibility performance will be assessed periodically by the Management/ Board of Directors and its Committees. The Company also has a Board level CSR Committee.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report being published for the Financial Year 2018-19 by the Company. It will be made available on the website of the Company at www.chalethotels.com. The Business Responsibility Report will be published on an annual basis.

Section E: Principle-Wise Performance

Principle 1: Ethics

1. Does the policy relating to ethics, bribery and corruption cover only the Company?

The Company has an internal Group HR Policy and Company's Whistle Blower Policy which relates to ethics, bribery and corruption. The framework has been set up for the Company and its associates and covers dealings with suppliers, customers, business partners and other stakeholders. Also, the policy has been published on the website of the Company and can be accessed by all stakeholders.

2. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The framework has been set up for the Company and its associates covers dealings with suppliers, customers, business partners and other stakeholders

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has not received any such complaint during the financial year under review.

Principle 2: Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

As a hospitality Company, the Company majorly focuses on Room and F&B experience provided to guests as a product and service. The Company is also engaged in Development of Real Estate and letting out of the same viz. Retail and Commercial/Office spaces.

The Company ensures environmental sustainability by operating green spaces, responsible use and adoption of measures to rejuvenate natural resources & responsible waste management. The Company efforts are focused towards operating green spaces that ensure the well-being of the environment and guests. The Company identifies significant environmental aspects arising from the activities and adopt mitigation plan to minimize the impact.

All upcoming projects undergo pre-certification under USGBC (US Green Building Council) LEED (Leadership in Energy and Environment Designs) system, which results in reduction in consumption of energy and water, besides several intangible benefits.

It is the Company's endeavor to incorporate measures for energy and water conservation, waste treatment, in its operations. The interiors of all the Company's properties are designed to incorporate energy saving measures. The Company encourages purchases from local and marginalised entrepreneurs.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

As a Company, we are committed to energy conservation. Towards achieving this, all our new projects have been designed as per green building certifications with use of the latest available energy efficient technology & equipment. The Company has implemented plant room optimization systems i.e. the air-conditioning plant works on automation that gives accurate temperature with high efficiency by optimizing the system. Apart from this we have also installed auto tube cleaning system for chiller condenser tubes for better heat exchange to optimize efficiency of the chiller plant. The Company was earlier using Variable Frequency Drives (VFD) for the Air Handling Units (AHU) & ventilation systems, which is being replaced with Electrolytic Control motors (EC/DC Motors), resulting in further savings of approx. 15 to 20% on motor consumption, as compare to VFD's.

The Company has replaced the hot water generators (working on high speed diesel) at all its properties with electrical heat-pumps for supplying hot water, which also generates chilled water as a byproduct, resulting in reduction in consumption of high speed diesel.

Almost all of the Company's properties are designed to treat 100% wastewater through STP, where sewage water is treated not only through the Sewage Water Treatment Plant but also through Ultra-Filtration system, resulting in water that is odor free and pleasant to utilize, though recycled. Parameters have been set and the quality of the treated water is being monitored online. Also, all used cooking oil is donated to certified agencies which in turn convert the same into bio-diesel.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Yes, as result of the energy conservation initiatives undertaken by the Company, there was a reduction in electricity consumption during the financial year 2018-19. Also, water resources are being conserved.

The measures undertaken by the Company to improve resource efficiency and strengthen sustainability, include plant room optimization systems i.e. heat pumps for heating the water generated by the Chiller units which can be re-used by the boiler units, resulting in reduction of power consumption. The Company is also installing Electrolytic Control (EC) Motors for most of the Air Handling Units (AHU) & Variable Frequency Drives (VFD) for the Ventilation System which allows adjustment of use according to requirement.

Almost all of the Company's properties are designed to treat 100% wastewater through STP, where sewage water is treated not only through the Sewage Water Treatment Plant but also through additional filtration systems such as Ultra-Filtration, resulting in water that is odor free and pleasant to utilize, though recycled. The recycled water is getting utilized in the chiller plant cooling tower, flushing and gardening.

c) Does the Company have procedures in place for sustainable sourcing (including transportation)?
If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has crafted strategies to ensure sustainable consumption of energy, water and other resources at its Hotels. Another important initiative includes recycling of water through use of sewage treatment plants, rainwater harvesting, installation of water saving taps/fixtures, pressure reducing valves at various Hotels. The Company has been focusing on energy conservation and increasing the share of renewable energy in its total energy consumption, water conservation and recycling, and reusing waste generated.

Total units generated through tie-ups with suppliers of renewable sources of energy is 20.49% of the total consumption.

d) Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company's Hotels are engaging with local non-governmental organizations (NGOs) to source products/supplies for the Hotels and empowering women and children. The procurement team endeavors to provide opportunity to all suppliers, irrespective of their size or status, while considering proposals and awarding tenders.

e) Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company aims to integrate sustainability in the procurement process for its products and services across its business. It encourages resource efficiency in the supply chain and its partners to adopt sustainable practices. The Company has installed natural drum type organic waste composters at Hotels where 100% of wet waste is being converted into natural manure with minimal electricity consumption. Compost machines have been introduced for recycling dry and wet garbage respectively.

During the year under review, 100% of the wet waste produced by the Company was recycled and 100% of the total water consumed was recycled.

Also, all used cooking oil is donated to certified agencies which in-turns convert the same into biodiesel.

All e-waste generated in our properties is given to recyclers certified by the Pollution Control Board.

Principle 3: Employee Wellbeing

1.	Please indicate the Total number of employees	2447 (as on March 31, 2019)
2.	Please indicate the Total number of employees hired on temporary/ contractual/casual basis	1,056
3.	Please indicate the Number of permanent women employees	350
4.	Please indicate the Number of permanent employees with disabilities	2
5.	Do you have an employee association that is recognized by management?	Yes, Employees at Renaissance Hotel & Convention Centre, Powai, Mumbai are members of trade union, Bharatiya Kamgar Sena.
6.	What percentage of your permanent employees is members of this recognized employee association?	23%
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	4 complaints relating to sexual harassment were received during the year and they have been resolved suitably.

No.	Category		No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour		Nil	Nil
2	Sexual harassment		04	0
3	Discriminatory employment		Nil	Nil
4	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?			
	(a) Permanent Employees:	100%		
	(b) Permanent Women Employees:	100%		
	(c) Casual/Temporary/Contractual Employees:	100%		
	(d) Employees with Disabilities:	100%		

Principle 4: Stakeholders Interest

1. Has the Company mapped its internal and external stakeholders? Yes/No

   Yes. The Company has mapped its internal and external stakeholders, the major/key categories viz. shareholders, Central and State Governments/regulatory authorities, customers, employees, vendors, suppliers, media, financial institutions/banks, service providers, society at large.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

   Yes. The Company acknowledges the important role played by the society in its growth and development and strives to discharge its responsibility towards the society at large. The Company has identified areas/avenues for inclusion of disadvantaged, vulnerable & marginalized stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so:

   The Company is engaging with local non-governmental organisations (NGOs) to source products/supplies for the Hotels and empowering women and children. During the year the Company/Hotels have supported a home for the elderly, a remand home for juvenile girls and the hotel chefs engaged with cooks who have different developmental disabilities like Autism, ADHD and Down's Syndrome. Further, the Hotels/properties are designed in a manner that they are conducive to use by differently abled persons. There are dedicated washrooms for differently abled persons in all public areas. There are access ramps at all level changes on the outside and within the hotel premises. Also every hotel has one room designed to suit physically challenged persons.

Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The Company firmly believes in upholding and promoting human rights. It adheres to all statutes which embodies the principles of human rights such as prevention of child labour and women empowerment. The Group HR Policy strives at the employees having a humane approach when dealing with internal and external stakeholders and includes values relating to respecting human rights and women empowerment. The Policy extends to its consultants and others who represent or act on behalf of the Company.

2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   NIL

Principle 6: Environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   The Company's policy extends to all its business units, employees, consultants, contractors and service providers to the business of the Company. The Company strives to use energy in the most efficient, cost-effective and environmentally responsible manner. The Company has been having environmental management plan(EMP) for its projects, which extend into the life cycle of the projects. The Company ensures adherence to the same by the suppliers and contractors providing services therein. The Code of Conduct for the Company's Senior Management lays out that the Company acknowledges the impact of its business activities on the environment and are committed to improving environmental track record through precautionary measures and the use of environmental friendly technology.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

The Company has undertaken various initiatives pertaining to Environment, Health and Safety. Necessary direction towards climate change mitigation and natural resource replenishment initiatives is given to employees and hotels. The Company recognizes the importance of sustainability and has adopted responsible business practices and measures across its properties to ensure waste minimization and solid waste recycling. Some of the key areas that have been identified for implementing sustainable practices include carbon footprint measurement and recycling. Rainwater is harvested for internal usage. Water is conserved through various techniques adopted during carrying out Hotels operations.

As a responsible corporate, the Company is committed to energy conservation. Towards achieving this, all the new projects of the Company have been designed as per green building certifications with use of the latest available energy efficient technology & equipment. The Company has implemented plant room optimization systems i.e. the air-conditioning plant works on automation that gives accurate temperature with high efficiency by optimizing the system. Apart from this the Company has also installed auto tube cleaning system for chiller condenser tubes for better heat exchange to optimize efficiency of the chiller plant. The Company was earlier using Variable Frequency Drives (VFD) for the Air Handling Units (AHU) & ventilation systems, which is being replaced with Electrolytic Control motors (EC/DC Motors), resulting in further savings of approximately 15 to 20% on motor consumption, as compare to VFD's.

The Company has replaced the hot water generators (working on high speed diesel) at all its properties with electrical heat-pumps for supplying hot water, which also generates chilled water as a byproduct, resulting in reduction in consumption of high speed diesel.

Almost all of the Company's properties are designed to treat 100% wastewater through STP, where sewage water is treated not only through the Sewage Water Treatment Plant but also through Ultra-Filtration system, resulting in water that is odor free and pleasant to utilize, though recycled. Parameters have been set and the quality of the treated water is being monitored online. Also, all used cooking oil is donated to certified agencies which in turn convert the same into bio-diesel.

The Company has tied up with various providers for sourcing electricity from renewable sources. The Company has installed Solar PV Cells for generation of electricity. The Company has installed electrical heat-pumps, resulting in reduction of its carbon foot-print. Most of the Company's existing properties have replaced existing CFL light fixtures with LED light fixtures and all upcoming properties are designed with 100% LED light fixtures.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes – the Company is compliant with local/national laws concerning environment.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

As a responsible corporate, the Company is committed to energy conservation. Towards achieving this, all the new projects of the Company have been designed as per green building certifications with use of the latest available energy efficient technology and equipment.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has tied up with various providers for sourcing electricity from renewable sources. The Company has installed Solar PV Cells for generation of electricity. The Company has replaced all hot water generators which work on HSD (high speed diesel) with electrical heat-pumps. Most of the Company's existing properties have replaced existing CFL light fixtures with LED light fixtures and all upcoming properties are designed with 100% LED light fixtures along with motion sensors. Other similar initiatives undertaken have been detailed hereinabove

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Responsibility towards public and regulatory policy

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is part of the following associations:

(a) The Federation of Hotels and Restaurants Association of India

(b) Hotel Association of India

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, The Company has been participating in promoting sustainable business practices, economic reforms and energy security.

The Hotel Association of India (HAI) is considered as the apex organization of the Indian Hospitality industry and represents the entire spectrum of the industry. The Executive Committee of HAI is a combination of hotel owners and hotel managers and makes representations on behalf of the industry from time to time.

The Company also participates as a stakeholder in other industry associations related to economic reform and promotion tourism policies.

Principle 8: Inclusive growth & Equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Some initiatives, as detailed hereinabove, have been undertaken by the Company as well as its Hotels during the year under review. Further, the Company is in the process of developing specified programmes and projects towards inclusion of underprivileged and differently abled persons.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The programmes and projects may be undertaken by the Company's in-house team alongwith engagement of external NGO's from time to time.
3. Have you done any impact assessment of your initiative?

   No
4. What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?

   During the year under review, Company has not made any direct contribution to community development projects.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   No

Principle 9: Value to guests

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   Customer Satisfaction is of utmost important for the Company. The Company receives customer complaints which are appropriately redressed. At the end of the financial year under review, 4 consumer cases/litigations are pending (including 3 filed during the year)
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

   Since the Company is in the Hospitality business and not manufacturing, the requirement of display product information on the product label is not applicable to the Company.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   None
4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   Yes - The Company's service provider have systems in place to assess guest satisfaction. Surveys are conducted periodically through formal and informal means to access the guest satisfaction level and experience.

Financial Section (Standalone)

Independent Auditors' Report

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

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the 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 31 March 2019, 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 notes to the Standalone Ind AS Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

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 Companies Act, 2013 ('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 31 March 2019 and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in *the Auditors' Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report*. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 42 (c) of the standalone Ind AS financial statements, 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 2019 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to ₹ 497.90 million and ₹ 503.79 million as at 31 March 2019 and 31 March 2018 respectively.

We draw attention to Note 49 to the standalone Ind AS financial statements, relating to remuneration paid to the Managing Director & CEO and to the Executive Director & CFO of the Company for the financial year ended 31 March 2019, being in excess of the limits prescribed under Section 197 of the Act by ₹ 52.41 Million, which is subject to the approval of the shareholders.

Our opinion is not qualified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deferred tax assets (refer note 23 to the standalone Ind AS financial statements)

Key Audit Matter	How the matter was addressed in our audit
The carrying amount of the Deferred Tax Assets of ₹ 732.40 million represents 2% of the Company's total assets. The Company has recorded deferred tax assets on expenditure on specified business under Section 35AD and unabsorbed carry forward tax losses, 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 has generated taxable income for the financial year ended 31 March 2019 and has adjusted the carry forward losses partially. The Company is expected to continue generating taxable income going forward. We focused on this area as recognition of deferred tax requires significant judgment in estimating future taxable income and accordingly recognition of deferred tax.	Our audit procedures included: • In respect of deferred tax assets, we analysed Company's assumptions used to determine the manner in which the timing differences, including the recoverability of the deferred tax assets, would be realised by comparing this to evidence obtained in respect of cash flow forecasts, business plans and minutes of Directors and Audit Committee meetings and our knowledge of the business; • Regarding recognised deferred tax asset resulting from unabsorbed carry forward tax losses, we analysed Company' assessment for recovery of deferred tax assets; • We used, amongst others, budgets, forecasts and tax laws to assess Management's assumptions; • We tested the underlying data for the key deferred tax and tax provision calculations; and • We also assessed the adequacy of the Company's disclosure included in Note 23 relating to unrecognised deferred tax assets.

Litigation and Claims (refer to note 42 to the standalone Ind AS financial statements)

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2019, the Company has two key litigations pertaining to its Land at Bengaluru Residential project carried under inventories and leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. We focused on this area as a key audit matter due to the amounts involved as well as the inherent uncertainty in the application of the measurement aspects of accounting standards to determine the amount, if any, to be provided for and the disclosures to be made in respect of this matter.	Our procedures included, amongst others: • Making enquiries of management and the legal department head to obtain their view on significant legal matters; • Reviewing the information held by the Company and assessing the impact of this evidence on the appropriateness of the provision; • Assessing correspondence from the Company's external lawyers in response to our requests for confirmation of all significant litigations; and • Assessing whether the Company's disclosures adequately reflect the quantitative and qualitative considerations in relation to the matters in accordance with auditing standards.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone Ind AS financial statements and our auditors' report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of 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, profit/loss and 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) specified 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 of 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 and Board of Directors are 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Order.

(A) As required by Section 143(3) of the Act, we report 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;

(b) 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;

(c) The Standalone Balance Sheet, 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 dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) 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 as at 31 March 2019 on its financial position in its Standalone Ind AS Financial Statements – Refer note 36 and 42 to the Standalone Ind AS Financial Statements;

ii. the provision has been made in the Standalone Ind AS Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, Refer notes 12, 27 and 29 to the Standalone Ind AS Financial Statements;

iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; 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 8 November 2016 to 30 December 2016 have not been made in these Standalone Ind AS Financial Statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we report that:

i. we draw attention to note 49 to the Standalone Ind AS Financial Statements, relating to remuneration paid to the Managing Director & CEO and to the Executive Director & CFO of the Company for the financial year ended 31 March 2019, being in excess of the limits prescribed under Section 197 of the Act by ₹ 52.41 million, which is subject to the approval of the shareholders. Our opinion is not modified in respect of this matter; and

ii. the Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
10 May 2019

Annexure A to the Independent Auditors' Report – 31 March 2019

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 31 March 2019, 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 properties.

(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 by the management according to a phased programme designed to cover all the items 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 policy, the Company has physically verified certain property, plant and equipment and investment properties during the year and no material discrepancies were noticed in respect of assets verified during the year and have been dealt with in books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties comprising of freehold land and buildings and lease agreement in respect of the leasehold land and building, 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	536.33	342.93	Refer note 42 (c) in the standalone Ind AS financial statements in respect of the matter which is presently under litigation

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

Land / building	Number of cases	Lease hold	Notes in the standalone Ind AS financial statements	Gross block (₹ in million)	Net block (₹ in million)	Remarks
Land	1	Leasehold	*11*	65.06	53.32	Refer note 42 (c) in the standalone Ind AS financial statements in respect of the matter which is presently under litigation

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company does not have any stock lying with third parties at the year-end. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

(iii) The Company has granted unsecured loans to nine 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 partnership, firms or other parties covered in the register required to be maintained under Section 189 of the Act.

(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 the companies and the 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 loans granted to the companies and the body corporate and the interest thereon has repaid as demanded during the year.

(c) There are no overdue amounts of more than 90 days in respect of the unsecured loans granted to the companies and the body corporate by the Company.

(iv) In our opinion and according to the information and explanations given to us and based on the legal opinion obtained conducted 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 security during the year to the parties covered under Sections 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 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 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 the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the 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, Employees' State Insurance, Goods and Services tax, Labour cess, Professional tax, Property tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax 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. As explained to us, the Company did not have any dues on account of wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Duty of Customs, Employees' State Insurance, Profession tax, Property Tax, Labour cess, Income-tax, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2019 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, Service tax, Value added tax and Goods and Services tax as at 31 March 2019, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Nature of the dues	Demand Rupees in millions	Amount paid Rupees in millions	Financial year (F.Y.) to which the amount relates	Forum where dispute is Pending
Finance Act, 1994	Demand for service tax under reverse charge mechanism on Expenditure in Foreign currency case.	17.20	0.51	2006-07 & 2007-08	CESTAT, Mumbai
Finance Act, 1994	Denial of cenvat credit of service tax paid on Marriott fees paid	55.76	-	2004-05 to 2010-11	CESTAT, Mumbai
Finance Act, 1994	Denial of input credit on services relating to rent a cab service	4.97	-	2012-13 to 2014-15	Commissioner (appeals), Mumbai
Finance Act, 1994	Demand for service tax on Telephone services and Laundry wet cleaning service as accommodation services	4.06	-	May 2011 to June 2012	Commissioner (appeals), Hyderabad
Finance Act, 1994	Service tax demand on treating In-room dining and Mini-bar services as 'Accommodation' instead of 'Restaurant Services' by Service tax Department.	6.88	-	2012-13 to 2014-15	Commissioner (appeals), Hyderabad

Name of the statute	Nature of the dues	Demand Rupees in millions	Amount paid Rupees in millions	Financial year (F.Y.) to which the amount relates	Forum where dispute is Pending
Finance Act, 1994	Letter demanding Interest on Cenvat credit availed not utilized raised by the service tax department	3.20	-	Oct-2006 to Apr 2008	Assistant Commissioner of Service Tax, Hyderabad
MVAT Act, 2002	Joint Commissioer has included Service Tax in the Gross Turnver and charged VAT on the same demand is not included in the Demand Notice as the same is covered under section 23 (8) of MVAT Act	9.35	-	2012-13	Joint Commissioner Appeals LTU-2
MVAT Act, 2002	Demanding VAT on Sale of cocktail	1.59	0.40	FY 2010-11 to 2012-16	Deputy Commissioner, Hyderabad
MVAT Act, 2002	Demanding VAT on Sale of cocktail	1.76	0.22	FY 2013-14 to FY 15-16	Asst.Commissioner (CT) LTU
Income Tax Act, 1961	Entire Expenses debited to Profit & Loss account capitalised to WIP and Interest income assessed as "Income from Other Sources".	3.73	-	2010-11	ITAT
Income Tax Act, 1961	Entire Expenses debited to Profit & Loss account capitalised to WIP and Interest income assessed as "Income from Other Sources".	6.54	-	2012-13	CIT(A)
Foreign Trade Policy (Duty of Customs)	Recovery of SFIS benefits granted to foreign brands	5.74	-	2017	Karnataka High Court
Foreign Trade Policy (Duty of Customs)	Foreign brands not eligible for SFIS duty credit scripts	218.33	-	2009-14	Gujrat High Court

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to banks or financial institutions. The Company does not have any loans or borrowings from government and dues to debenture holders during the year.

(ix) During the year Company has raised monies by way of initial public offering of equity shares. According to the information and explanations given to us and based on our examination of the records of the Company, monies were applied for the purpose for which those were raised. The monies raised by way of term loan has been applied for the purpose for which it was 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) According to the information and explanations given to us and based on our examination of the records of the Company, due to inadequate profits during the current year, the managerial remuneration paid to the directors of the company is in excess of the limits specified under Section 197 of the Act read with Schedule V to the Act. The Company is in the process of obtaining approval from Shareholders for such excess remuneration paid. Refer note 49 of the Standalone Ind AS Financial Statements.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of Zero% Non-cumulative, Non-convertible redeemable preference shares during the year in compliance with the requirements of Section 42 of the Act. The total money raised aggregating to ₹ 510,000,000 has been fully utilised by the Company for the purpose for which it was raised. The Company has not made any other private placement or preferential allotment of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and 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 B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
10 May 2019

Annexure B to the Independent Auditors' Report – 31 March 2019

Report on the Internal Financial Controls with reference to the aforesaid Standalone Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of Chalet Hotels Limited (*formerly known as Chalet Hotels Private Limited*) ("the Company") as of 31 March 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Ind AS Financial Statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone Ind AS financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Company's internal financial controls with respect to standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone Ind AS financial statements. 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 with reference to standalone Ind AS financial statements were established and maintained and whether 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 with respect to standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with respect to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with respect to standalone Ind AS financial statements, 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 auditors' judgement, 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 with reference to standalone Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Standalone Ind AS Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, 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 with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
10 May 2019

Standalone Balance Sheet
as at 31 March 2019

(₹ in million)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	**20,492.15**	21,210.47
Capital work-in-progress	3	**284.76**	219.15
Investment property	4	**6,809.57**	6,736.65
Goodwill	5	**226.11**	226.11
Other intangible assets	6	**6.33**	18.53
Financial assets			
(i) Investments in subsidiaries	7	**250.09**	-
(ii) Other Investments	8	**47.08**	43.17
(iii) Loans	9	**121.75**	110.65
(iv) Others	10	**51.08**	50.00
Deferred tax assets (net)	23	**732.40**	947.77
Other non-current assets	11	**256.26**	71.96
Non-current tax assets (net)		**517.70**	461.79
Total non-current assets		**29,795.28**	30,096.25
Current assets			
Inventories	12	**3,954.64**	3,115.80
Financial assets			
(i) Trade receivables	13	**476.81**	551.70
(ii) Cash and cash equivalents	14a	**398.83**	294.27
(iii) Bank balances other than (ii) above	14b	**426.71**	21.50
(iv) Loans	15	**18.05**	2,364.90
(v) Others	16	**239.07**	207.23
Other current assets	17	**478.77**	518.06
Total current assets		**5,992.88**	7,073.46
TOTAL ASSETS		**35,788.16**	37,169.71
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	**2,050.24**	1,710.95
Other equity	19	**12,418.64**	3,512.05
Total equity		**14,468.88**	5,223.00
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	**13,392.45**	22,151.53
(ii) Others	21	**208.44**	151.77
Provisions	22	**57.58**	38.11
Deferred tax liabilities (net)	23	**290.49**	636.01
Other non-current liabilities	24	**144.35**	28.08
Total non-current liabilities		**14,093.31**	23,005.50
Current liabilities			
Financial liabilities			
(i) Borrowings	25	**693.98**	1,377.77
(ii) Trade payables	26		
(a) Due to micro and small enterprises		**27.54**	4.75
(b) Due to other than micro and small enterprises		**1,187.79**	854.25
(iii) Other financial liabilities	27	**1,657.70**	3,761.57
Other current liabilities	28	**2,692.27**	1,984.25
Provisions	29	**966.69**	958.62
Total current liabilities		**7,225.97**	8,941.21
TOTAL EQUITY AND LIABILITIES		**35,788.16**	37,169.71
Significant Accounting Policies	1		
Notes to the Standalone Ind AS Financial Statements	2 - 57		

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

For and on behalf of the Board of Directors of Chalet Hotels Limited
(formerly known as Chalet Hotels Private Limited)
(CIN No.L55101MH1986PLC038538)

Aniruddha Godbole
Partner
Membership No: 105149

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN 00468125)

Christabelle Baptista
Company Secretary
Membership No: AI7817

Mumbai
10-May-19

Mumbai
10-May-19

Standalone Statement of Profit and Loss

for the year ended 31 March 2019

(₹ in million)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
REVENUE			
Revenue from operations	30	**9,871.73**	7,955.47
Other income	31	**436.03**	447.44
Total income (A)		**10,307.76**	8,402.91
EXPENSES			
Real estate development cost	32(a)	**194.08**	228.58
Changes in inventories of finished good and construction work in progress	32(a)	**239.70**	(306.85)
Food and beverages consumed	32(b)	**866.67**	805.01
Operating supplies consumed	32(c)	**262.83**	257.06
Employee benefits expense	33	**1,448.08**	1,281.10
Other expenses	35	**3,659.04**	3,239.75
Total expenses (B)		**6,670.40**	5,504.65
Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items (C) (A-B)		**3,637.36**	2,898.26
Depreciation and amortisation expenses	2,4,6	**1,154.17**	1,116.33
Finance costs	34	**2,651.51**	2,092.60
Loss before exceptional items and tax (D)		**(168.32)**	(310.67)
Exceptional items (E)	36	**(40.96)**	(1,217.52)
Loss before income tax (F) (D+E)		**(209.28)**	(1,528.19)
Tax expense(G)		**(107.21)**	(519.54)
Current tax	23	**10.00**	-
Deferred tax (credit)	23	**(117.21)**	(519.54)
Loss for the year (H) (F-G)		**(102.07)**	(1,008.65)
Other comprehensive (Expense)/Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**(11.80)**	22.54
Income tax Credit / (Expenses) on above		**4.12**	(7.88)
Other comprehensive (Expense)/Income for the year, net of tax (H)		**(7.68)**	14.66
Total comprehensive (Expense)/Income for the year (I) (G+H)		**(109.75)**	(993.99)
Earnings per equity share			
Basic and diluted earnings per share	37	**(0.58)**	(6.38)
Significant Accounting Policies	1		
Notes to the Standalone Ind AS Financial Statements	2 - 57		

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

For and on behalf of the Board of Directors of Chalet Hotels Limited
(formerly known as Chalet Hotels Private Limited)
(CIN No.L55101MH1986PLC038538)

Aniruddha Godbole
Partner
Membership No: 105149

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN 00468125)

Christabelle Baptista
Company Secretary
Membership No: AI7817

Mumbai
10-May-19

Mumbai
10-May-19

Standalone Statement of Cash Flows
for the year ended 31 March 2019

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Loss before tax	**(209.28)**	(1,528.19)
Adjustments for :		
Interest income from instruments measured at amortised cost	**(213.79)**	(197.63)
Dividend received*	**-**	(0.00)
Depreciation and amortisation	**1,154.17**	1,116.33
Finance costs	**2,651.51**	2,092.60
Unrealised exchange loss	**22.57**	16.33
Provision for estimated / actual cancellation and alteration cost	**40.96**	1,217.52
Profit on sale of property, plants and equipment (net)	**(2.39)**	(1.23)
Property, plants and equipment written off	**3.17**	-
Profit on sale of investments	**-**	(4.63)
Provision for doubtful debts, advances and bad debt written off	**93.64**	8.37
ESOP reserve	**14.64**	-
Export benefits and entitlements	**(155.48)**	(200.33)
Provision for mark to market on derivative contract	**-**	(72.39)
Others	**3.54**	(4.39)
Total	**3,612.53**	3,970.54
Operating Profit before working capital changes	**3,403.25**	2,442.35
Adjustments		
Increase in trade receivables and current assets	**(63.11)**	(357.75)
Increase in inventories	**(838.84)**	(784.84)
Decrease in trade payables and current liabilities	**1,168.06**	1,076.44
Total	**266.11**	(66.15)
Direct taxes paid(net)	**(65.91)**	123.99
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**3,603.46**	2,500.19
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant and equipment (including capital work in progress, capital creditors and capital advances)	**(308.93)**	(415.46)
Proceeds from sale of property, plants and equipments	**11.93**	17.96
Purchase of investments (including investment property and investment property under construction	**(538.75)**	(482.63)
Proceeds from sale of investments	**-**	4.63
Dividend received*	**-**	0.00
Loans given	**(889.89)**	(7,170.20)
Loans repaid	**3,232.05**	6,602.03
Interest income received	**213.79**	197.63
Fixed deposits (placed) / matured	**(405.21)**	(35.98)
Margin money placed (net)	**(1.08)**	81.94
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	**1,313.91**	(1,200.07)

Standalone Statement of Cash Flows (Continued)

for the year ended 31 March 2019

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of preference shares	510.00	-
Issue of equity shares from IPO	9,500.00	-
IPO expenses	(308.76)	-
Proceeds from long-term borrowings	2,400.00	5,200.00
Repayment of long-term borrowings	(13,742.34)	(2,725.19)
Short-term borrowings (net)	(892.95)	(1,953.35)
Interest and finance charges paid	(2,484.30)	(2,076.28)
NET CASH USED IN FINANCING ACTIVITIES (C)	(5,018.36)	(1,554.82)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	(100.99)	(254.70)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	(138.92)	115.78
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	(239.91)	(138.92)

*Amount less than million

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

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash and cash equivalents (refer note 14)	398.83	294.27
Less: Over draft accounts from banks (refer note 25)	(638.74)	(433.19)
Cash and cash equivalents as per Standalone statement of cash flows	(239.91)	(138.92)

3 The movement of borrowings as per Ind AS 7 is as follows:

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening borrowings	25,618.93	23,111.27
Proceeds from long-term borrowings	2,400.00	5,200.00
Repayment of long-term borrowings	(13,742.34)	(2,725.19)
Non-cash adjustments	465.95	32.85
	14,742.54	25,618.93

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

For and on behalf of the Board of Directors of Chalet Hotels Limited
(formerly known as Chalet Hotels Private Limited)
(CIN No.L55101MH1986PLC038538)

Aniruddha Godbole
Partner
Membership No: 105149

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(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN 00468125)

Christabelle Baptista
Company Secretary
Membership No: AI7817

Mumbai
10-May-19

Mumbai
10-May-19

Standalone Statement of Changes in Equity

as at 31 March 2019

(a) Equity share capital

(₹ in million)

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the reporting year	**1,710.95**	1,521.42
Shares issued during the year	**339.29**	189.53
Balance at the end of the reporting year	**2,050.24**	1,710.95

(b) Other equity

(₹ in million)

	Attributable to the owners of the Company							
	Equity Component of Compund Instrument	ESOP reserve	Share pending allotment	Capital Reserve	Securities Premium	General reserve	Retained earnings*	Total
Balance at 31 March 2018	-	-	-	0.05	1,418.13	1,071.96	1,021.91	3,512.05
Total comprehensive income for the year								
Addition during the year	167.06	14.64	-	-	9,160.71	-	-	9,342.41
Utilisation during the year			-		(309.65)	-	-	(309.65)
Loss for the year	-	-	-	-	-	-	(102.07)	(102.07)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	-	(7.68)	(7.68)
Total comprehensive income for the year	167.06	14.64	-	-	8,851.06	-	(109.75)	8,923.01
Others								
Impact of adoption of Ind AS 115, net of tax (refer note 55)							(16.42)	(16.42)
Balance at 31 March 2019	167.06	14.64	-	0.05	10,269.19	1,071.96	895.74	12,418.64
Balance at March 31, 2017	-	-	189.53	0.05	1,418.13	1,071.96	2,030.22	4,709.89
Total comprehensive income for the year	-	-						
Loss for the year	-	-					(1,008.65)	(1,008.65)
Remeasurements of defined benefit plans (net of tax)	-	-					14.66	14.66
Total comprehensive income for the year	-	-	-	-	-	-	(993.99)	(993.99)
Others								
Impact of change in tax rate on fair valuation of land							(14.32)	(14.32)
Shares issued during the year			(189.53)					(189.53)
Balance at 31 March 2018	-	-	-	0.05	1,418.13	1,071.96	1,021.91	3,512.05

*Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact) ₹ 3,710.05 million. (31 March 2018 ₹3,710.05 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

For and on behalf of the Board of Directors of
Chalet Hotels Limited
(formerly known as Chalet Hotels Private Limited)
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Executive Director & CFO
(DIN 00468125)

Christabelle Baptista
Company Secretary
Membership No: AI7817

Mumbai
10-May-19

Mumbai
10-May-19

Notes to the Standalone Ind AS Financial Statements

as at 31 March 2019

1.1 Reporting entity

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', Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400 051. The Company was incorporated under the Companies Act, 1956 on 6 January 1986 and has been converted into a public company with effect from 6 June 2018.

The Company is engaged in the business of hospitality (hotels), commercial and retail operations and real estate development. At March 31, 2019, 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 Sahar, Mumbai and (e) is engaged in construction and development of a residential property at Bengaluru.

1.2 Significant accounting policies

Basis of preparation and presentation

The Standalone Balance Sheet of the Company as at March 31, 2019 and the 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 ended March 31, 2019 and Notes to the Standalone Ind AS Financial Statements (together referred as 'Standalone Ind AS Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

(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);
- 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 Standalone 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:

- 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

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

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 be subsequently 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.

- 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 G, J & K – impairment test of non-financial assets: key assumptions underlying recoverable amounts; and

(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.

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

- *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 2 – Property, plant and equipment (Freehold land) Note 4 – Investment property

- Note 46 – Financial instruments

1.3 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 atleast 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 Company does not have an unconditional right to defer settlement of the liability for atleast 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.

1.4 Significant accounting policies

A. Business combination

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 Ind AS Standalone 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.

B. Revenue

i. 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

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

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 is recognised at a point in time when significant risks and rewards are transferred to the Customer i.e. when the control of the residential flat is transferred to the Customer.

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.

ii. ***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.

iii. ***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.

Initial direct costs incurred by lessors in negotiating and arranging an operating lease is accounted as separate asset and will be recognised as an expense over the lease term on the same basis as the lease income.

iv. ***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.

v. ***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.

vi. ***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 Ind AS Standalone statement of profit or loss.

C. 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 Standalone statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the Standalone 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.

D. Employee benefits

i. ***Short-term employee benefits***

All employee benefits payable wholly within twelve months of rendering services are classified as

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

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.

Employee benefits

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 Standalone Statement of changes in equity and in the Standalone Balance Sheet.

iii. ***Terminal Benefits:***

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

iv. ***Employee stock option expense***

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

E. Income-tax

Income-tax expense comprises current and deferred tax. It is recognised in net profit in the Standalone 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 from 'profit before tax' as reported in the Standalone 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.

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

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
- temporary differences related to investments in subsidiaries and associates to the extent that the Company 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 Standalone 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.

F. 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 realizable 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 Standalone Statement of Profit and Loss.

Real Estate Development (Residential Flats)

Property is valued at lower of cost and net realizable 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 Standalone 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 Realizable value.

G. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation / amortisaton 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 Standalone Statement of Profit and Loss.

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

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. 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 Property, plant and equipments 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		
	March 2019	March 2018	Schedule II
Buildings (Interior and Accessories)	**14 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	**15 Years**	15 Years	
- Others	**14 Years**	14 Years	
Electrical installations	**14 Years**	14 Years	10 Years
Office Equipments			
- Mobile phones	**2 Years**	2 Years	4 Years
- Others	**4 Years**	4 Years	
Data Processing Equipments	**3 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.

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.

H. 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.

I. 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

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

financial statements. Accordingly, information required to be presented under IND AS 108 Operating Segments has been given in the consolidated financial statements.

J. 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.

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 Standalone 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 Standalone 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 Standalone statement of profit and loss, to the extent the amount was previously charged to the Standalone statement of profit and loss. In case of revalued assets, such reversal is not recognised.

K. 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

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

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.

(a) 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 Standalone statement of profit and 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	Useful Life		
	March 2019	March 2018	Schedule II
Buildings	**60 Years**	60 Years	60 Years
Buildings (Interior and Accessories)	**14 Years**	14 Years	NA
Plant and Machinery	**14 Years**	14 Years	15 Years
Plant and Machinery - Others	**15 years**	15 years	
Electrical installations	**14 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

L. 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.

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 Standalone statement of profit and loss. Any impairment loss arising from these assets are recognised in the Standalone 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 Standalone 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

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

exchange gains and losses and impairment are recognised in Standalone statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Standalone statement of profit and loss.

- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in Standalone statement of profit and 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 Standalone statement of profit and loss.

(b) 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.

(c) 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 intruments 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 Ind AS Standalone statement of profit and loss.

(c) Derecognition

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

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

3. Offsetting of financial assets and financial liabilities

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

M. 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.

N. 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 Standalone 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 Standalone statement of assets and liabilities. 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 statement of financial position.

O. Cash and cash equivalents

Cash and cash equivalent in the Standalone 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.

P. 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 Standalone statement of profit and 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 Standalone Balance Sheet and transferred to Standalone statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

Q. 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.

R. Earnings before interest and depreciation and amortisation ("adjusted EBITDA")

The Company presents adjusted EBITDA in the Standalone statement of profit and loss; this is not specifically required by Ind AS 1. The terms adjusted 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 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 adjusted EBITDA

Accordingly, the Company has elected to present earnings before interest, tax, depreciation and amortisation (adjusted EBITDA) before exceptional items, as a separate line item on the face of the Standalone Statement of Profit and Loss. The Company measures adjusted 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.

Recent amendments:

In exercise of the powers conferred by sub-section (1) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government have made the following further amendments in Schedule III to the said Act.

Trade Receivables shall be sub-classified as:

(a) Trade Receivables considered good - Secured;

(b) Trade Receivables considered good - Unsecured;

(c) Trade Receivables which have significant increase in Credit Risk; and

(d) Trade Receivables - credit impaired;

The Company has made the necessary amendments in the Ind AS Standalone Financial Information.

Trade Payables:

Under the heading "Equity and Liabilities", for the words "Trade payables" at both the places where they occur, the following shall be substituted, namely:–

"Trade Payables:-

(A) total outstanding dues of micro enterprises and small enterprises; and

(B) total outstanding dues of creditors other than micro enterprises and small enterprises.";

The following details relating to micro, small and medium enterprises shall be disclosed in the notes:-

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;

(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

The Company has made the necessary amendments in the Standalone Ind AS Financial Statement.

Government Grants:
Appendix A of Ind AS 115, Revenue from Contracts with Customers, defines 'Revenue' as income arising in the course of an entity's ordinary activities. As per paragraph 3 of Ind AS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, 'government grants' are assistance by government in the form of transfers of resources toan entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity. The export incentive is in the nature of government grant and does not fall within the scope of Ind AS 115, as it is not revenue arising from contract with customer. Such export incentives are benefits given by the government to incentivise companies to export more products. In accordance with above, while recognising the income arising from SEIS scheme, the Company has applied the provisions of Ind AS 20. The presentation of such incentives is made in accordance with the relevant provisions of Ind AS 20 and Schedule III to the Companies Act, 2013.

The Company has made the necessary amendments in the Standalone Ind AS Financial Statements.

Ind AS 116 – Leases
Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Ind AS 116 requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements.

The Company will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for the right-to use asset, and b) interest accrued on lease liability.

Based on current assessment, the Company does not expect a significant impact to opening retained earnings on adoption Ind AS 116.

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

Note 2 Property, plant and equipment

Reconciliation of carrying amount

as at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated depreciation/ amortisation				Net block
	Opening balance as at 1 April 2018	Additions	Deductions	**Closing balance as at 31 March 2019**	Opening balance as at 1 April 2018	For the year	Deductions	**Closing balance as at 31 March 2019**	**As at 31 March 2019**
Tangible assets									
Freehold land	7,958.76	-	-	**7,958.76**	-	-	-	**-**	**7,958.76**
Buildings	12,507.94	76.40	-	**12,584.34**	2,765.43	387.04	-	**3,152.47**	**9,431.87**
Leasehold improvements	6.92	-	-	**6.92**	6.92	-	-	**6.92**	**-**
Plant and machinery	4,192.16	76.79	91.15	**4,177.80**	2,233.49	256.01	85.83	**2,403.67**	**1,774.13**
Data processing equipments	201.34	23.27	9.06	**215.55**	174.23	20.85	9.04	**186.04**	**29.51**
Electrical installations	1,591.00	7.42	0.24	**1,598.18**	904.64	73.41	0.19	**977.86**	**620.32**
Furniture and fixtures	2,008.43	34.44	60.68	**1,982.19**	1,239.82	152.72	58.99	**1,333.55**	**648.64**
Vehicles	277.22	3.74	46.44	**234.52**	214.35	35.74	40.81	**209.28**	**25.24**
Office equipments	97.37	1.06	2.52	**95.91**	91.79	2.96	2.52	**92.23**	**3.68**
Total	28,841.14	223.12	210.09	**28,854.17**	7,630.67	928.73	197.38	**8,362.02**	**20,492.15**

as at 31 March 2018

(₹ in million)

Particulars	Gross block				Accumulated depreciation				Net block
	Opening balance as at 1 April 2017	Additions	Deductions	Closing balance as at 31 March 2018	Opening balance as at 1 April 2017	For the year	Deductions	Closing balance as at 31 March 2018	As At 31 March 2018
Tangible assets									
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
Total	28,495.45	393.01	47.32	28,841.14	6,691.63	976.29	37.25	7,630.67	21,210.47

Notes :

1) Refer note 20 and 25 for information on Property, plant and equipment pledged as security by the Company.

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 and in accordance with an internal evaluation which is more representative of the useful lives of its property, plant and equipment for the year ended 31 March 2018. Consequently, the depreciation expense for the year ended 31 March 2018 was lower by ₹ 295.10 million. The change in estimated useful lives has effect of reduction in depreciation charge in future period.

3) Refer note 42 for contractual commitments with respect to property plant and equipments.

4) 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 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 Standalone financial information. The carrying value of property, plant and equipment in respect of the aforementioned hotel as at 31 March 2019 is ₹ 436.66 million (31 March 2018: ₹ 449.27 million).

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

Note 3 Capital work-in-progress

1) Details of capital work-in-progress

(₹ in million)

Particulars	31 March 2019	31 March 2018
Opening balance	219.15	223.59
Add: Additions during the year	288.73	388.57
Less: Capitalised during the year	(223.12)	(393.01)
Closing balance	**284.76**	219.15

2) Expenses (net) capitalised to capital work-in-progress during the year.

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Legal and professional charges	21.12	12.02
Employee costs	44.62	72.52
Rates, taxes and license fees	8.17	6.75
Repairs and maintenance	-	0.21
Interest and other finance costs	20.29	-
Miscellaneous expenses	7.06	4.31
Other income/sale of scrap	(0.62)	(1.13)
Total	**100.64**	94.68

Note 4 Investment property

A. Reconciliation of carrying amount

as at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at 1 April 2018	Additions	Deductions/ Transfer out	Closing balance as at 31 March 2019	Opening balance as at 1 April 2018	For the year	Deductions/ Transfer out	Closing balance as at 31 March 2019	As at 31 March 2019
Commercial complex, Bengaluru I	893.35	-	-	**893.35**	51.16	25.89	-	**77.05**	**816.30**
Retail block, Sahar, Mumbai	1,135.22	56.67	-	**1,191.89**	50.44	38.28	-	**88.72**	**1,103.17**
Commercial block, Sahar, Mumbai	-	3,141.63	-	**3,141.63**	-	85.14	-	**85.14**	**3,056.49**
Retail block, Bengaluru	1,779.00	3.99	-	**1,782.99**	450.02	62.26	-	**512.28**	**1,270.71**
Hyderabad flats	15.27	-	-	**15.27**	0.52	0.26	-	**0.78**	**14.49**
Total (A)	3,822.84	3,202.29	-	**7,025.13**	552.14	211.83	-	**763.97**	**6,261.16**
Investment property under construction									
Business centers and offices, Sahar, Mumbai									**29.06**
Commercial complex, Bengaluru II									**519.35**
Total (B)									**548.41**
Total (A+B)									**6,809.57**

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

as at 31 March 2018

(₹ in million)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2017	Additions	Deductions/ Transfer out	Closing balance as at 31 March 2018	Opening balance as at 1 April 2017	For the year	Deductions/ Transfer out	Closing balance as at 31 March 2018	As At 31 March 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
Total (A)	3,780.61	51.71	9.48	3,822.84	429.96	124.82	2.64	552.14	3,270.70
Investment property under construction									
Business centers and offices, Sahar, Mumbai									3,124.74
Commercial complex, Bengaluru II									311.20
Retail block, Sahar, Mumbai									30.01
Total (B)									3,465.95
Total (A+B)									6,736.65

Notes:

1. The Company 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 31 March 2018. Consequently, the depreciation expense for the year ended 31 March 2018 was lower by ₹ 52.14 million. The change in estimated useful lives has effect of reduction in depreciation charge in future period.

2. Refer note 20 and 25 for information on investment property pledged as security by the Company.

3. Borrowing cost aggregating to ₹ 34.99 millions (31 March 2018 ₹, 221.41 millions) are capitalised under investment property under contruction.

4. Details of investment property under construction

(₹ in million)

Particulars	31 March 2019	31 March 2018
Opening Balance	**3,465.95**	3,073.54
Add: Additions during the year	**284.75**	444.15
Less: Capitalised during the year	**(3,202.29)**	(51.74)
Closing Balance	**548.41**	3,465.95

5. Expenses (net) capitalised to investment property under construction during the year.

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Legal and professional charges	**6.82**	7.41
Employee costs	**3.79**	1.25
Rates, taxes and license fees	**9.11**	3.89
Repairs and maintenance	**1.51**	0.96
Interest and other finance costs	**34.99**	221.41
Miscellaneous expenses	**12.88**	3.92
Other income/sale of scrap	**(0.42)**	(0.10)
Total	**68.68**	238.74

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

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.

(₹ in million)

Investment properties	Fair Value as on 31 March 2019	Fair Value as on 31 March 2018
Commercial complex, Bengaluru I	**840.00**	905.00
Retail block, Sahar, Mumbai	**2,230.40**	2,688.00
Commercial block, Sahar, Mumbai	**6,853.62**	-
Retail block, Bengaluru	**1,434.19**	1,554.00
Hyderabad flats	**23.00**	23.00

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 years, occupancy rate, lease incentive costs such as rent-free years 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. The Hyderabad flats are valued internally using market price/saleable value for residential flat.

C. Information regarding income and expenditure of investment property

(₹ in million)

Particulars	31 March 2019	31 March 2018
Rental income derived from investment properties	**271.21**	166.37
Direct operating expenditure (including repairs and maintenance) generating rental income	**97.93**	54.14
Direct operating expenditure that did not generate rental income	**35.78**	-
Profit arising from investment properties before depreciation and indirect expenses	**137.50**	112.23
Depreciation	**211.83**	124.82
Loss arising from investment properties before indirect expenses	**(74.33)**	(12.59)

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

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

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

As at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2018	Additions	Deductions	**Closing balance as at 31 March 2019**	Opening balance as at 1 April 2018	For the year	Deductions	**Closing balance as at 31 March 2019**	**As at 31 March 2019**
Tangible assets									
Freehold land	411.56	430.22	-	**841.78**	-	-	-	**-**	**841.78**
Buildings	2,501.22	2,165.64	-	**4,666.86**	281.76	110.35	-	**392.11**	**4,274.75**
Plant and machinery	590.58	462.36	-	**1,052.94**	151.98	65.48	-	**217.46**	**835.48**
Computers	1.41	0.44	-	**1.85**	0.89	0.31	-	**1.20**	**0.65**
Electrical installations	248.78	137.35	-	**386.13**	79.94	25.61	-	**105.55**	**280.58**
Furniture and fixtures	68.06	5.78	-	**73.84**	36.58	9.97	-	**46.55**	**27.29**
Office equipments	0.72	0.50	-	**1.22**	0.50	0.11	-	**0.61**	**0.61**
	3,822.33	3,202.29	-	**7,024.62**	551.65	211.83	-	**763.48**	**6,261.14**
Intangible assets									
Software	0.54	-	-	**0.54**	0.52	-	-	**0.52**	**0.02**
	0.54	-	-	**0.54**	0.52	-	-	**0.52**	**0.02**
Total	3,822.87	3,202.29	-	**7,025.16**	552.17	211.83	-	**764.00**	**6,261.16**

As at 31 March 2018

(₹ in million)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2017	Additions	Deductions	Closing balance as at 31 March 2018	Opening balance as at 1 April 2017	for the year	Deductions	Closing balance as at 31 March 2018	As At 31 March 2018
Tangible assets									
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
	3,780.30	51.51	9.48	3,822.33	429.67	124.62	2.64	551.65	3,270.68
Intangible assets									
Software	0.31	0.23	-	0.54	0.29	0.23	-	0.52	0.02
	0.31	0.23	-	0.54	0.29	0.23	-	0.52	0.02
Total	3,780.61	51.74	9.48	3,822.87	429.96	124.85	2.64	552.17	3,270.70

Note 5 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 unit are as follows:

(₹ in million)

Particulars	**31 March 2019**	31 March 2018
Hotel at Bengaluru	**164.04**	164.04
Retail at Bengaluru	**25.49**	25.49
Commercial complex at Bengaluru	**36.58**	36.58
Total	**226.11**	226.11

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

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 in 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 %)	31 March 2019	31 March 2018
Discount rate	9.48%	9.59%
Terminal value growth rate	6.67%	6.50%

B. Retail

Particulars (in %)	31 March 2019	31 March 2018
Discount rate	9.48%	9.59%
Terminal value growth rate	9.09%	8.50%

C. Commercial complex at Bengaluru

Particulars (in %)	31 March 2019	31 March 2018
Discount rate	9.48%	9.59%
Terminal value growth rate	9.09%	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 31 March 2019 and 31 March 2018 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 (Continued)
as at 31 March 2019

Note 6 Other intangible assets
as at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated amortisation				Net block
	Opening balance as at 1 April 2018	Additions	Deductions	**Closing balance as at 31 March 2019**	Opening balance as at 1 April 2018	Charged for the year	Deductions	**Closing balance as at 31 March 2019**	**As at 31 March 2019**
Trade marks*	0.00	-	-	**0.00**	0.00			**0.00**	**0.00**
Computer software	67.05	1.40	-	**68.45**	48.52	13.61	0.01	**62.12**	**6.33**
Total	67.05	1.40	-	**68.45**	48.52	13.61	0.01	**62.12**	**6.33**

* Amount less then millions

as at 31 March 2018

(₹ in million)

Particulars	Gross block				Accumulated amortisation				Net block
	Opening balance as at 1 April 2017	Additions	Deductions	Closing balance as at 31 March 2018	Opening balance as at 1 April 2017	Charged for the year	Deductions	Upto 31 March 2018	As At 31 March 2018
Trade marks*	0.00	-	-	0.00	0.00	-	-	0.00	0.00
Computer software	63.08	3.97	-	67.05	33.30	15.22	-	48.52	18.53
Total	63.08	3.97	-	67.05	33.30	15.22	-	48.52	18.53

* Amount less then millions

Note 7 Investment in subsidiaries

(₹ in million)

Particulars	**As at 31 March 2019**	As at 31 March 2018
Investments in equity shares (non-trade, unquoted)		
In subsidiary companies (equity shares of ₹ 10/- each fully paid)		
25,009,000 (31 March 2018: 9,000) shares of Chalet Hotels and Properties (Kerala) Private Limited	**250.09**	0.09
Less: Provision for impairment	**-**	(0.09)
	250.09	-
Aggregate amount of unquoted securities	**250.09**	0.09
Aggregate amount of quoted securities	**-**	-
Market value of quoted securities	**-**	-
Aggregate amount of impairment in the value of investments	**-**	0.09

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 8 Investments

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Measured at fair value through profit and loss		
Unquoted, fully paid up:		
Investments in equity shares (non-trade, unquoted)		
In other companies (equity shares of ₹ 10/- each fully paid)		
1,000 (31 March 2018: 1,000) shares of Stargaze Properties Private Limited	**0.01**	0.01
423 (31 March 2018: 423) shares of Intime Properties Limited	**1.94**	1.94
10,000 (31 March 2018: 10,000) shares of Renew Wind Power Energy (AP) Limited	**1.00**	1.00
622,960 (31 March 2018: 428,285) shares of Krishna Valley Power Private Limited	**12.54**	8.64
1,044,500 (31 March 2018: 1,044,500) shares of Sahyadri Renewable Energy Private Limited	**31.46**	31.45
Measured at amortised cost		
National Saving Certificates	**0.13**	0.13
	47.08	43.17
Aggregate amount of unquoted securities	**47.08**	43.17
Aggregate amount of quoted securities	**-**	-
Market value of quoted securities	**-**	-
Aggregate amount of impairment in the value of investments	**-**	-

Note 9 Loans

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Capital advances.		
Deposits		
Security deposits - related parties	**11.73**	26.98
Security deposits - others	**105.02**	78.67
Option deposits - others	**5.00**	5.00
	121.75	110.65

Note 10 Other non-current financial assets

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Deposits with banks with more than 12 months maturity	**51.08**	50.00
	51.08	50.00

Note 11 Other non-current assets

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Capital advances.	**22.42**	1.94
Prepayments (refer footnote)	**233.84**	70.02
	256.26	71.96

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

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

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 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 Standalone IndAS financial Statements. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2019 is ₹ 53.32 million (31 March 2018: ₹ 54.52 million).

Note 12 Inventories

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(valued at lower of cost and net realisable value)		
Hospitality :		
Food, beverages and smokes	**111.10**	105.43
Stores and spares	**5.55**	2.78
Property development :		
Developed property	**16.14**	247.25
Property under development (refer note 53)	**4,171.91**	3,031.94
Less: Provision for impairment	**(451.74)**	(376.65)
Property under development , net	**3,720.17**	2,655.29
Materials at site	**94.38**	100.60
Retail:		
Materials at site.	**7.30**	4.45
	3,954.64	3,115.80

Note 13 Trade receivables

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good, unless otherwise stated)		
Considered good	**476.81**	551.70
Credit impaired	**89.66**	3.82
	566.47	555.52
Less : Provision for impairment	**(89.66)**	(3.82)
	476.81	551.70

Note 14a Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance with banks		
- Current accounts	**391.06**	289.30
Cheques on hand	**0.15**	0.08
Cash on hand	**7.62**	4.89
	398.83	294.27

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 Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 14b Other bank balances

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
In term deposit accounts (balances held as margin money)	25.27	21.50
In term deposit accounts (others)	401.44	-
	426.71	21.50

- Includes accrued interest of ₹ 1.95 million (31 March 2018: ₹ 0.93 million)

Note 15 Loans

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Deposits		
Security deposits - others	18.05	22.74
Loans to related parties (refer footnote and note 49)	-	2,342.16
	18.05	2,364.90

Loan to related parties include amounts due from a Director is ₹ Nil (31 March 2018: ₹ 1.41 million) and due from Private Limited companies aggregating to ₹ Nil (31 March 2018: ₹ 2,340.74 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% (31 March 2018: 11.00%). These amounts are unsecured and repayable on demand.

Note 16 Other current financial assets

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Others*	239.07	192.85
Mark to market derivative contracts	-	14.38
	239.07	207.23

* Includes Export benefits and entitlements of ₹ 239.07 million (31 March 2018 : ₹ 192.85 million).

Note 17 Other current assets

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Advance to suppliers.	89.35	44.73
Less: Provision for doubtful advances	(9.07)	-
Indirect tax balances/receivable credits	26.44	192.45
Unbilled revenue	276.90	195.33
Prepayment and others	88.23	77.54
Others	6.92	8.01
	478.77	518.06

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

Note 18 Share capital

(a) Details of the authorised, issued, subscribed and fully paid-up share capital as below:

(₹ in million)

Particulars	31 March 2019	31 March 2018
(i) Authorised		
229,100,000 (31 March 2018: 172,000,000) equity shares of the par value of ₹ 10 each	2,291.00	1,720.00
(ii) Issued, subscribed and paid-up		
205,023,864 (31 March 2018: 171,095,293) equity shares of the par value of ₹ 10 each (Refer note f)	2,050.24	1,710.95
Total	**2,050.24**	1,710.95

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

(₹ in million)

Particulars	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Equity shares				
Number of equity shares outstanding at the beginning of the year	171,095,293	1,710.95	152,142,253	1,521.42
Add:				
Issued pursuant to scheme of arrangement	-	-	18,953,040	189.53
Fresh issue (Refer note f)	33,928,571	339.29	-	-
Number of equity shares outstanding at the end of the year	**205,023,864**	**2,050.24**	171,095,293	1,710.95

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

(₹ in million)

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Casa Maria Properties LLP	16,496,280	8.05%	16,496,280	9.64%
Capstan Trading LLP	16,495,680	8.05%	16,495,680	9.64%
Raghukool Estate Development LLP	16,495,680	8.05%	16,495,680	9.64%
Touchstone Properties and Hotels Private Limited.	14,500,000	7.07%	14,500,000	8.47%
Anbee Construction LLP	13,116,180	6.40%	13,116,180	7.67%
Cape Trading LLP	13,116,180	6.40%	13,116,180	7.67%
K Raheja Private Limited.	12,400,000	6.05%	12,400,000	7.25%
Ivory Properties And Hotels Private Limited*	11,351,833	5.54%	-	0.00%
Reliance Capital Trustee Co Ltd.A/c Reliance Multicap Fund	10,693,167	5.22%	-	0.00%
Ravi Raheja	10,326,318	5.04%	13,354,374	7.81%
Neel Raheja	10,326,318	5.04%	13,354,374	7.81%
K Raheja Corp Private Limited.	-	0.00%	14,570,000	8.52%
	145,317,636	70.88%	143,898,748	84.10%

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

*Ivory Properties and Hotels Private Limited (Registered owner) holds 7,780,404 Equity Shares for and on behalf of the beneficiaries of Ivory Property Trust, out of its total shareholding of 11,351,833 Equity Shares.

(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.

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

(e) Details of shares issued

(₹ in million)

Particulars	31 March 2019		31 March 2018	
	Number	**Amount**	Number	Amount
Equity Shares				
Issued during the year for consideration other than cash Refer note no. 41)	-	-	18,953,040	189.53
Issued during the year (Refer note (f))	**33,928,571**	**339.29**	-	-

(f) Initial public offer

The Company has made an initial public issue of 58,613,571 equity shares of face value of ₹ 10 each at a price of ₹ 280 per equity share (including a share premium of ₹ 270 per equity share) aggregating ₹ 16,412 million consisting of 33,928,571 equity share by the company and on offer for sale of 24,685,000 equity share 10,784,176, 5,550,000, 5,550,000, 2,000,824 and 800,000 by K Raheja Corp Private Limited, Neel Raheja, Ravi Raheja, Ivory Properties & Hotels Private Limited and Palm Shelter Estate Development LLP respectively. Aforementioned 58,613,571 equity shares were allotted on 5 February 2019 and the equity share of the company got listed on the National stock exchange (NSE) and BSE Limited (BSE) on 7 February 2019.

Note 19 Other equity

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Equity Component of Compound Instruments		
Equity Component of Compound Instruments balance at the beginning of the year	-	-
Add: Additions during the year	**167.06**	-
At the end of the year	**167.06**	-
ESOP reserve		
ESOP reserve balance at the beginning of the year	-	-
Add: Additions during the year	**14.64**	-
At the end of the year	**14.64**	-
Securities premium		
Securities premium balance at the beginning of the year	**1,418.13**	1,418.13
Add: Premium on issued equity shares	**9,160.71**	-
Less: Share issue expenses	**(309.65)**	-
At the end of the year	**10,269.19**	1,418.13
Shares pending allotment		
Shares pending allotment at the beginning of the year	-	189.53
Shares pending allotment issued during the year	-	(189.53)
At the end of the year	-	-
General reserve		
General reserve balance at the beginning of the year	**1,071.96**	1,071.96
At the end of the year	**1,071.96**	1,071.96
Capital reserve		
Capital reserve balance at the beginning of the year	**0.05**	0.05
At the end of the year	**0.05**	0.05
Retained earnings		
Retained earnings balance at the beginning of the year	**1,021.91**	2,030.22
Add: Loss for the year	**(109.75)**	(993.99)
Add: Impact of change in tax rate on fair valuation of land	-	(14.32)
Impact of adoption of Ind AS 115, net of tax (refer note 55)	**(16.42)**	-
At the end of the year	**895.74**	1,021.91
	12,418.64	3,512.05

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

Nature and purpose of reserves

Equity Component of Compound Instruments
Equity component of compound Instruments comprises of the impact of fair valuation of preference shares issued by the Company.

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.

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 Company and credited directly to such reserve.

Employee stock option plan reserve
Represents expense recognised towards employee stock option plans issued by the company.(Refer note no.50).

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 and are presently not available for distribution to shareholders (net of related tax impact): ₹ 3,710.05 million. (31 March 2018 ₹ 3,710.05 million).

Note 20 Long-term borrowings

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowings		
Secured		
Rupee term loans		
i) From bank (refer note A)	**7,538.51**	12,760.60
ii) From financial institutions (refer note A)	**3,616.46**	5,975.65
iii) Vehicle loans from banks (refer note A)	**-**	5.21
Foreign currency term loans		
i) From bank (refer note A)	**1,719.30**	3,250.07
Preference share liability		
Non-cumulative redeemable preference shares (refer note B)	**518.18**	160.00
	13,392.45	22,151.53

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

A) Terms of repayment

(₹ in million)

Particulars	Sanction Amount	Loan Outstanding as at 31 March 2019	Carrying rate of Interest as at 31 March 2019	Carrying rate of Interest as at 31 March 2018	Repayment/ Modification of terms	Security Details
TERM LOANS- Rupee Loans						
From Banks						
The Ratnakar Bank Ltd	1,500	-	**9.30% to 9.97%**	9.77%	Repayable quarterly instalment starting from August 2015 to May 2020. The loan has been fully repaid in the month of February 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.
Standard Chartered Bank	2,000	**1,748.72**	**9.00% to 9.80%**	9.00%	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 to 10.00%**	9.20%	Repayable half yearly starting from March 2018 to March 2022 and balance amount is bullet payment on November 2022.The loan has been fully repaid in the month of February 2019.	
ICICI Bank Ltd	3,080 (Term Loan - ₹ 2,285 million with ₹ 300 million OD as a sub-limit of term loan)	**1,819.84**	**9.25% to 9.60%**	9.25%	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	**864.70**	**8.85% to 9.60%**	8.85%	Repayable monthly instalment from December 2018 to October 2026 of ₹ 8.30 million and remaining amount bullet payment on November 2026.	

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2019	Carrying rate of Interest as at 31 March 2019	Carrying rate of Interest as at 31 March 2018	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	2,567	-	9.25% to 9.40%	9.25%	Repayable monthly instalment over 60 month starting from November 2017 to September 2022 and balance amount is bullet payment on October 2022.The loan has been fully repaid in the month of July 2018.	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% to 11.18%	9.25%	Repayable in quarterly 28 instalments from March 2020 to December 2026. The loan has been fully repaid in the month of February 2019.	It is secured by exclusive charge on Land for Powai Phase III land.
Other Loans from Banks - Vehicle	45.06	2.92	11%	11%	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			11%	11%	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)	724.95	8.85% to 9.55%	8.85%	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.
ICICI Bank Ltd	1,900	1,271.15	9.25% to 9.60%	9.25%	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.

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2019	Carrying rate of Interest as at 31 March 2019	Carrying rate of Interest as at 31 March 2018	Repayment/ Modification of terms	Security Details
Citi Bank NA	500	-	8.20% to 9.10%	8.20%	Repayable in Monthly instalments from May 2017 to April 2025. The loan has been fully repaid in the month of February 2019.	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% to 9.10%	8.20%	Repayable in Monthly instalments from November 2016 to March 2024. The loan has been fully repaid in the month of February 2019 and Personal guarantee given by Neel Raheja is cancelled.	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.
DBS Bank Ltd	3250(Term Loan - ₹ 2900 million, DSRA OD ₹150 million and OD ₹ 200 million)	1,874.57	9.45%	NA	Repayable in Monthly instalments from April 20 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Bajaj Finance Ltd	5,000	500.00	9.45%	NA	Repayable in Monthly instalments from April 20 to Sept 2025.	
From Financial Institutions						
Housing Development Finance Corporation Limited	2,000	-	8.70% to 9.70%	8.70%	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.

Notes to the Standalone Ind AS Financial Statements (Continued)

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(₹ in million)

Particulars	Sanction Amount	Loan Outstanding as at 31 March 2019	Carrying rate of Interest as at 31 March 2019	Carrying rate of Interest as at 31 March 2018	Repayment/ Modification of terms	Security Details
Housing Development Finance Corporation Limited	1,350	**862.22**	**8.70% to 10.05%**	8.70%	Repayable in 120 monthly instalment from loan drawn out date i.e, October 2014.	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% to 9.80%**	8.70%	Repayable yearly from March 2019 to March 2026. The loan has been fully repaid in the month of February 2019.	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	**2,754.88**	**8.70% to 10.05%**	8.70%	Repayable in 120 monthly instalment from loan drawn out date i.e, December 2015.	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.
Foreign Currency Loans						
From Banks						
Standard Chartered Bank, UK	30	-	**3.75% fixed plus 6 month libor**	3.75% fixed plus 6 month libor	Repayable in half yearly from January 2017 to July 2021. The loan has been fully repaid in the month of February 2019.	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	Repayable in two instalments November 17 and May 18, The loan term subsequently extended for further 6 years in May 2018. The loan has been fully repaid in the month of February 2019.	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.

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(₹ in million)

Particulars	Sanction Amount	Loan Outstanding as at 31 March 2019	Carrying rate of Interest as at 31 March 2019	Carrying rate of Interest as at 31 March 2018	Repayment/ Modification of terms	Security Details
Standard Chartered Bank, UK	15	**998.44**	**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)	**801.97**	**4.00% fixed plus 3 month libor**	4.00% 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 year.

B) Preference Share Capital

(a) Details of the Authorised, Issued, Subscribed and Paid-up Preference Share Capital as below:

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Authorised		
1,600 (31 March 2018:1600) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each	**160.00**	160.00
10,000 (31 March 2018:Nil) 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each- Series A	**1,000.00**	-
10,000 (31 March 2018:Nil) 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each- Series B	**1,000.00**	-
(ii) Issued, Subscribed and paid-up		
1,600 (31 March 2018:1600) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each	**160.00**	160.00
20,000 (31 March 2018:Nil) (Series A 10,000 and Series B 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and partly paid up of Series A ₹ 50,000 each and Series B ₹ 1,000 each.	**358.18**	-
Total	**518.18**	160.00

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

(₹ in million)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each				
Number of Preference shares outstanding at the beginning of the year	**1,600.00**	**160.00**	-	-
Issued during the year	**-**	**-**	1,600.00	160.00
Number of Preference shares outstanding at the end of the year	**1,600.00**	**160.00**	**1,600.00**	**160.00**
20,000 (31 March 2018:Nil) (Series A 10,000 and Series B 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and partly paid up of Series A ₹ 50,000 each and Series B ₹ 1,000 each.				
Number of Preference shares outstanding at the beginning of the year	**-**	**-**	-	-
Issued during the year	**20,000.00**	**358.18**	-	-
Number of Preference shares outstanding at the end of the year	**20,000.00**	**358.18**	-	-
Total	**21,600.00**	**518.18**	1,600.00	160.00

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

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

(₹ in million)

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each				
Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja*	**1600**	**100%**	1600	100%
*Held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust.				
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each subscribed and partly paid up of ₹ 50,000 each.				
Series A				
Mr Ravi Chandru Raheja	**2,325**	**23.25%**	-	-
Mr Neel Chandru Raheja	**2,325**	**23.25%**	-	-
K Raheja Corp Private Limited	**4,500**	**45.00%**	-	-
Ivory Properties and Hotels Private Limited	**850**	**8.50%**	-	-
Total	**10,000**	**100.00%**	1600	100%

(₹ in million)

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each subscribed and partly paid up of ₹ 1000 each.				
Series B				
Mr Ravi Chandru Raheja	**2,325**	**23.25%**	-	-
Mr Neel Chandru Raheja	**2,325**	**23.25%**	-	-
K Raheja Corp Private Limited	**4,500**	**45.00%**	-	-
Ivory Properties and Hotels Private Limited	**850**	**8.50%**	-	-
Total	**10,000**	**100%**		-

(d) Rights, Preferences and restrictions attached to preference shares.

The Company has two classes of preference shares having a par value of ₹ 100,000 each per share.

1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each.

Rights, Preferences and restrictions attached to 0.001% Non-cumulative redeemable preference shares
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 21, 2023.

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

20,000 0.00%(Series A & Series B) Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each.

Rights, Preferences and restrictions attached to 0.00 % (Series A & Series B) Non-cumulative Non convertible redeemable preference shares

The preference shares do not carry any voting rights.

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

Preference shares issued by the Company are due for redemption at par. The Company and its Board shall have the right to redeem the preference shares to the extent of any surplus amounts available from the Bengaluru Residential Project. However, the preference shares are liable to be redeemed not later than one month prior to completion of 20 years from the date of allotment.

The Preference Shares do not carry any voting rights whatsoever in any meetings of the shareholders of the Company or of members of any class of shares of the Company.

Subject to applicable laws, other than the amounts payable for redemption, no amounts shall be payable to the Preference Shareholders, whether by way of dividend or in any other manner whatsoever.

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

Note 21 Other non-current financial liabilities

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Security deposits	208.44	151.77
	208.44	151.77

Note 22 Provisions

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for gratuity	57.58	38.11
	57.58	38.11

Note 23 Tax expense

(a) Amounts recognised in statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax expense		
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(55.60)	(458.89)
Utilisation of previously unrecognised tax losses	(61.61)	(65.09)
Change in tax rate	-	4.42
Deferred tax credit	(117.21)	(519.55)
Tax credit for the year	(117.21)	(519.55)

(b) Amounts recognised in other comprehensive income

(₹ in million)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(11.80)	4.12	(7.68)	22.54	(7.88)	14.66
	(11.80)	4.12	(7.68)	22.54	(7.88)	14.66

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

(c) Amounts recognised directly in equity

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred income tax asset, net	**8.82**	14.32

(d) Reconciliation of effective tax rate

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Loss before tax	**(209.28)**	(1,528.19)
Company's domestic tax rate	**34.94%**	34.61%
Tax using the Company's domestic tax rate	**(73.13)**	(528.91)
Tax effect of:		
Tax losses of earlier years utilised against profit of current year	**(61.63)**	(65.09)
Deferred tax asset not recognised on current year's losses	**108.53**	29.20
Expenses not allowed under tax	**(94.77)**	149.44
Income not subject to tax	**(5.35)**	(1.55)
Change in tax rate	**-**	4.42
Indexation of land and investment property	**9.14**	(118.51)
Difference in applicable tax rates	**-**	11.42
	(117.21)	(519.57)

The Company's weighted average tax rates for years ended 31 March 2019 is 56.01% and 2018 was 34%, respectively. The effective tax rate is primarily high 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 31 March 2019

(₹ in million)

	Net balance 1 April 2018	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance 31 March 2019
Deferred tax asset/(liabilities)					
Property, plant and equipment	(3,395.50)	109.88		-	**(3,285.62)**
Investment property	162.61	18.18			**180.79**
Assets classified as held for sale	0.05	-			**0.05**
Real estate inventory	(43.28)	2.48		23.76	**(17.04)**
Expenditure on specified business u/s 35 AD	2,350.86	(178.22)			**2,172.64**
Investments	(0.28)	-			**(0.28)**
Provisions	368.93	12.03	4.12		**385.08**
Borrowings	-	(29.82)			**(29.82)**
Other current liabilities	(2.01)	147.27			**145.26**
Other current assets	-	(38.34)			**(38.34)**
Unabsorbed depreciation/ carry forward tax losses	820.95	76.05			**897.00**
Employee Stock Option		2.65			**2.65**
Other items	49.43	(4.95)		(14.94)	**29.54**
Deferred tax assets/(liabilities)	311.76	117.21	4.12	8.82	**441.91**

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

(₹ in million)

	Net balance 31 March 2019
Deferred tax assets	**732.40**
Deferred tax liabilities	**290.49**
Net deferred tax assets/(liabilities)	**441.91**

Movement in deferred tax balances for the year ended 31 March 2018

(₹ in million)

	Net balance 1 April 2017	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance 31 March 2018
Deferred tax assets/(liabilities)					
Property, plant and equipment	(3,487.64)	106.46	-	(14.32)	(3,395.50)
Investment property	58.04	104.57	-	-	162.61
Assets classified as held for sale	0.03	0.02	-	-	0.05
Real estate inventory	-	(43.28)	-	-	(43.28)
Expenditure on specified business u/s 35 AD	2,328.26	22.60	-	-	2,350.86
Investments	(0.28)	(0.00)	-	-	(0.28)
Provisions	132.34	244.47	(7.88)	-	368.93
Borrowings	(25.78)	25.78	-	-	-
Other current liabilities	(89.76)	87.75	-	-	(2.01)
Unabsorbed depreciation/ carry forward tax losses	865.15	(44.20)	-	-	820.95
Other items	34.08	15.36	-	-	49.43
Deferred tax assets/(liabilities)	(185.56)	519.52	(7.88)	(14.32)	311.76

(₹ in million)

	Net balance 31 March 2018
Deferred tax assets	947.77
Deferred tax liabilities	636.01
Net deferred tax assets/(liabilities)	311.76

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 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 year 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 Company can use the benefits therefrom:

(₹ in million)

	31 March 2019			31 March 2018		
	Gross amount	**DTA not recognised**	**Expiry date**	Gross amount	DTA not recognised	Expiry date
House property loss	**585.17**	**204.48**	**31 March 2027**	-	-	-
House property loss	**140.98**	**49.26**	**31 March 2026**	140.98	49.26	31 March 2026
Total	**726.15**	**253.75**		140.98	49.26	

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

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 has began to generate taxable income from the financial year ended 31 March 2018 onwards.The business losses can be carried forward for a year of 8 years as per the tax regulations and the Company expects to recover the losses.

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 31 March 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 permisible limits and engage with the buyers above the 10th floor for evaluating possible options.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 31 March 2018 (refer note 36). 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 ₹ 897.00 million as at 31 March 2019 (31 March 2018: ₹ 820.95 million) on the carried forward losses of the Company.

Note 24 Other non-current liabilities

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred finance income	**144.35**	28.08
	144.35	28.08

Note 25 Borrowings.

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowings		
Secured		
Over draft accounts from banks	**638.74**	433.19
Unsecured		
From related parties	**-**	692.29
Buyer's credit	**55.24**	252.29
	693.98	1,377.77

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

A) Terms of repayment

Rate of interest

(₹ in million)

Particulars	Sanction Amount	**Carrying rate of Interest As at 31 March 2019**	Carrying rate of Interest As at 31 March 2018	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	500	**9.95% to 10.70%**	10.90% to 10.05%	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)	**9.60% to 10.75%**	9.90% to 9.60%	Repayable in quarterly 28 instalments from March 2020 to December 2026. The loan has been fully repaid in the month of February 2019.	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)	**9.35% to 9.85%**	10.60% to 9.35%	Repayable quarterly 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.
DBS Bank Ltd	3250(Term Loan - ₹ 2900 million, DSRA OD ₹ 150 million and OD ₹ 200 million)	**9.55% to 9.60%**	NA	Repayable in Monthly instalments from April 20 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Indian Overseas Bank	50	**12.95% to 12.50%**	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)	**9.25% to 9.85%**	10.05% to 9.25%	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

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

Particulars	Sanction Amount	Carrying rate of Interest As at 31 March 2019	Carrying rate of Interest As at 31 March 2018	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	900 (Term Loan - 700 million and OD 300 million)	**8.75% to 9.50%**	11.95% to 8.85%	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.
From Related Parties					
New Found properties Private Limited	NA	**10.50%**	10.50%	Repayable on demand. The loan has been fully repaid in the month of February 2019.	Unsecured
Buyers credit					
Buyers credit	NA	**4% to 6%**	4% to 6%	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 year.

Note 26 Trade payables

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Due to micro and small enterprises (refer note 43)	**27.54**	4.75
Due to other than micro and small enterprises	**1,187.79**	854.25
	1,215.33	859.00

Note 27 Current - Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturity of long term debt (refer note 20)	**1,350.09**	3,467.40
Creditors for capital expenditure		
- Micro and Small Enterprises (refer note 43)	**2.17**	-
- Others	**20.45**	9.59
Retention payable	**40.82**	48.63
Security deposits	**27.02**	47.79
Mark to market derivative contracts	**63.15**	37.83
Other liabilities	**154.00**	150.33
	1,657.70	3,761.57

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 28 Other current liabilities

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Income received in advance (unearned revenue)	-	208.36
Advances from customers towards sale of residential flats*	2,183.72	1,026.35
Advances from customers towards hospitality services	135.88	170.97
Statutory dues payable**	372.67	578.57
	2,692.27	1,984.25

*Advances from customers towards sale of residential flats includes amount refundable to customers on estimated cancellation of flats for the year ended 31 March 2019 above 10 floors of ₹ 910.23 million (March 2018 : ₹ 944.07 (refer note 36)).

***Statutory dues payable includes ESIC, TDS payable , provident fund payable, indirect taxes payable etc.

Note 29 Short-term provisions

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for gratuity	25.39	27.21
Provision for compensated absences	70.35	56.68
Provision for estimated / actual cancellation and alteration cost(Refer foot note and note 36)	870.95	874.73
	966.69	958.62

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 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 31 March 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 miminum permissible limits and engage with the buyers above the 10th floor for evaluating possible options. Accordingly, the Company 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

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for cost of alteration of super structure	250.00	250.00
Provision for estimated/actual cancellation		
Opening balance	624.73	196.76
Provisions made during the year	53.02	802.42
Provisions utilised during the year	(56.80)	(374.45)
Closing balance	620.95	624.73
Total	870.95	874.73

Notes to the Standalone Ind AS Financial Statements (Continued)
for the year ended 31 March 2019

Note 30 Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Sale of services		
Hospitality:		
Room income	**5,340.51**	4,855.89
Food, beverages and smokes	**3,015.82**	2,821.93
Others	**780.47**	717.11
Retail and commercial:		
Lease rent	**271.21**	166.37
(b) Sale of products		
Real estate:		
Sale of residential flats	**344.24**	(680.23)
Retail and commercial:		
Maintenance and other recoveries	**64.86**	49.09
Revenue from other services	**54.62**	25.31
	9,871.73	7,955.47

Note 31 Other income

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Gain on foreign exchange fluctuation (net)	-	4.63
Interest income from instruments measured at amortised cost	**213.79**	197.63
Net mark to market gain on derivative contracts	**22.67**	21.54
Export benefits and entitlements	**155.48**	200.33
Profit on sale of investments.	-	4.63
Profit on sale of property, plant and equipment (net)	**2.39**	1.23
Dividend received *	-	0.00
Interest on income tax refund	**15.32**	-
Miscellaneous income	**26.38**	17.45
	436.03	447.44

*Amount less than million

Notes to the Standalone Ind AS Financial Statements (Continued)
for the year ended 31 March 2019

Note 32 (a) Real estate development cost

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Real estate development cost	**194.08**	228.58

(ii) Changes in inventories of finished good and construction work in progress

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening project work in progress	**3,031.94**	2,659.87
Inventory of unsold flats	**247.25**	312.47
Impact of adoption of Ind AS 115	**1,073.47**	-
	4,352.66	2,972.34
Less: Closing stock		
Transferred to Inventory of unsold flats	**16.14**	247.25
Transferred to project work in progress	**4,096.82**	3,031.94
	239.70	(306.85)

Note 32 (b) Food and beverages consumed*

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Food and beverages materials at the beginning of the year	**105.43**	112.46
Purchases	**872.34**	797.98
Food and beverages materials at the end of the year	**111.10**	105.43
	866.67	805.01

*Includes complimentaries ₹ 101.53 million (31 March 2018 :₹ 94.83 million)

Note 32 (c) Operating supplies consumed

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Operating supplies materials at the beginning of the year	**-**	-
Purchases	**262.83**	257.06
Operating supplies materials at the end of the year	**-**	-
	262.83	257.06

Note 33 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	**1,206.12**	1,073.49
Contributions to provident fund and other funds	**70.03**	65.33
Staff welfare expenses	**157.29**	142.27
Employee stock option expense	**14.64**	-
	1,448.08	1,281.10

Notes to the Standalone Ind AS Financial Statements (Continued)

for the year ended 31 March 2019

Note 34 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expenses	2,320.87	2,049.74
Exchange differences regarded as a adjustment to borrowing cost *	258.64	-
Other borrowing cost	72.00	42.86
	2,651.51	2,092.60

* Its does not includes exchange loss on ECB of ₹ 161 millions accounted as operating expenses.

Note 35 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Travelling and conveyance expenses	36.95	35.52
Power and fuel *	668.40	627.40
Rent	20.84	22.83
Repairs and maintenance		
- Buildings	118.46	119.12
- Plant and machinery	197.28	200.23
- Others	109.48	93.20
Insurance	25.58	29.69
Rates and taxes	282.87	409.27
Business promotion expenses	371.54	383.14
Commission	242.14	229.14
Royalty and management fees	461.27	375.28
Legal and professional charges	154.17	113.36
Other hotel operating expenses	310.45	299.85
Bad debt written off	0.17	0.52
Provision for doubtful debts	84.40	7.85
Loss on foreign exchange fluctuation (Net)**	199.32	-
Donations	0.19	0.50
Director sitting fees	3.02	0.40
Payment to auditors (refer note 44)	5.81	5.67
Buyout labour & manpower contract	144.64	136.30
Provision for doubtful advances	9.07	-
Miscellaneous expenses ***	212.99	150.48
	3,659.04	3,239.75

*Net of ₹ 47.22 million (31 March 2018 :₹ 47.70 million) on account of recoveries.

** It includes exchange on ECB of ₹ 161 millions and ₹ 38.32 millions others foreign currency payable

***Net of ₹ 6.10 million (31 March 2018 :₹ 1.98 million) on account of recoveries.

Notes to the Standalone Ind AS Financial Statements (Continued)

for the year ended 31 March 2019

Note 36 Exceptional items

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Exceptional items		
-Provision for impairment loss 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	**(40.96)**	(590.87)
Total	**(40.96)**	(1,217.52)

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. 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 compensated 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 31 March 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 miminum permissible limits and engage with the buyers above the 10th floor for evaluating possible options.In accordance thereto, an application has been filed by the Company before the Karnataka High Court in November 2018 with a request to take on record the fact that HAL had no objection to the construction upto 40 meters to enable the Company to apply for a building sanction. HAL has filed its objection inter-alia stating that any alteration or construction of the building would be in violation of the Interim Order. The matter is presently pending.

Consequently, Accordingly, the Company 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.

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 (Continued)

for the year ended 31 March 2019

Note 37 Earnings per share

Calculation of weighted average number of equity shares - Basic and diluted

(₹ in million)

	Particulars	31 March 2019	31 March 2018
1	Loss attributable to equity shareholders	**(102.07)**	(1,008.65)
2	Calculation of weighted average number of equity shares - Basic and diluted		
(a)	Number of shares at the beginning of the year	**171,095,293**	152,142,253
(b)	Add: on account of shares issued during the year	**33,928,571**	18,953,040
(c)	Number of equity shares outstanding at the end of the year	**205,023,864**	171,095,293
	Weighted average number of equity shares outstanding during the year	**176,207,817**	158,061,833
3	Basic and diluted earnings per share (₹)	**(0.58)**	(6.38)
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 year/ year adjusted by the number of equity shares issued during year/ 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. The impact of dilution on account of ESOP is not considered as they are anti-dilutive.

Note 38 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 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 fulfilment of such obligation.

(₹ in million)

Particulars	31 March 2019	31 March 2018
Opening balance		-
Grants received during the year	**8.17**	10.00
Less: Released to statement of profit and loss	**(8.17)**	(10.00)
Closing balance	**-**	-

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 year, by way of adjustment against duties payable on purchase of capital equipments, spare parts and consumables or sale of such licenses.

(₹ in million)

Particulars	31 March 2019	31 March 2018
Opening balance	**192.85**	27.92
Grants received during the year	**147.31**	190.33
Less: Utilisation / written off	**(101.09)**	(25.40)
Closing balance	**239.07**	192.85

Notes to the Standalone Ind AS Financial Statements (Continued)
for the year ended 31 March 2019

(₹ in million)

Particulars	31 March 2019	31 March 2018
Income recognised in Statement of Profit and Loss on account of EPCG (A)	8.17	10.00
Income recognised in Statement of Profit and Loss on account of SFIS/SEIS (B)	147.31	190.33
Total income recognised in the Statement of Profit and Loss (A+B)	155.48	200.33

Note 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 Standalone Statement of Profit and Loss during the year 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.

(₹ in million)

Particulars	31 March 2019	31 March 2018
Employer's contribution to Provident Fund and ESIC	70.03	50.48
	70.03	50.48

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 31 March 2019. 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:

(₹ in million)

Particulars	31 March 2019	31 March 2018
Defined benefit obligation	84.29	66.73
Less: Fair value of plan assets	(1.31)	(1.41)
Net defined benefit obligations	82.97	65.32

Notes to the Standalone Ind AS Financial Statements (Continued)

for the year ended 31 March 2019

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:

(₹ in million)

	Particulars	31 March 2019	31 March 2018
1	**Movement in defined benefit obligations:**		
	At the beginning of the year	**66.73**	82.56
	Liabilities assumed on business combination		-
	Recognised in profit or loss		
	Current service cost	**6.88**	8.22
	Interest cost	**4.42**	5.52
	Recognised in other comprehensive income		
	Actuarial (gains)/losses on obligations -		
	Due to change in demographic assumptions	**1.92**	(8.64)
	Due to change in financial assumptions	**0.39**	(1.15)
	Due to experience	**10.88**	(12.75)
	Benefit paid	**(6.93)**	(7.03)
	At the end of the year	**84.29**	66.73
2	**Movement in fair value of plan assets:**		
	At the beginning of the year	**1.41**	1.22
	Recognised in profit or loss		
	Interest income	**0.09**	0.08
	Expected return on plan assets	**0.06**	(0.04)
	Employer contributions	**1.00**	1.20
	Benefit paid	**(1.25)**	(1.05)
	At the end of the year	**1.31**	1.41
3	**Recognised in profit or loss**		
	Current service cost	**6.88**	8.22
	Interest expense	**4.42**	5.52
	Interest income	**0.09**	0.08
	For the year	**11.20**	13.66
4	**Recognised in other comprehensive income**		
	Actuarial (gains)/losses on obligations	**11.80**	(22.54)
	For the year	**11.80**	(22.54)
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):

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

(₹ in million)

Particulars	31 March 2019	31 March 2018
Rate of increase in salaries (%)	**6.00% -9.00%**	7.00% -8.00%
Discount rate (%)	**6.66%**	6.63%
Employee turnover rate	**23.00%-55.00%**	26.00%-51.85%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)

Notes to the Standalone Ind AS Financial Statements (Continued)
for the year ended 31 March 2019

7 **Sensitivity of the defined benefit obligation**

(₹ in million)

	31 March 2019		31 March 2018	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(2.00)**	**2.49**	(1.16)	1.21
Rate of increase in salaries (1% movement)	**2.44**	**(1.99)**	1.18	(1.16)
Rate of employee turnover (1% movement)	**(0.29)**	**0.64**	(0.31)	0.30

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 year 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 31 March, 2020 is ₹ 15.10 million (31 March, 2019 : ₹ 6.37 million).

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

(₹ in million)

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
31 March 2019	**19.14**	**16.83**	**28.35**	**14.44**	**78.76**
Defined benefit obligations (gratuity - non funded)	16.45	14.86	25.25	13.41	**69.98**
Defined benefit obligations (gratuity)	2.69	1.97	3.10	1.03	**8.79**
31 March 2018	**23.01**	**15.14**	**25.87**	**10.47**	**74.49**
Defined benefit obligations (gratuity - non funded)	20.81	13.40	22.54	8.89	**65.64**
Defined benefit obligations (gratuity)	2.20	1.75	3.33	1.58	**8.85**

(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.

(₹ in million)

Particulars	**31 March 2019**	31 March 2018
Expenses for the year	**27.73**	12.81
Closing balance	**70.35**	56.71

Note 40 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 the Standalone Statement of Profit and Loss

(₹ in million)

Description	**31 March 2019**	31 March 2018
Income from lease of shops in hotels included in revenue from operations	**18.58**	4.72
Income from lease of office premises included in revenue from operations	**90.73**	54.43
Income from lease of investment properties included in revenue from operations	**180.48**	111.94
Total	**289.79**	171.09

Notes to the Standalone Ind AS Financial Statements (Continued)

for the year ended 31 March 2019

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

(₹ in million)

Future minimum lease receivables	31 March 2019	31 March 2018
Less than one year	15.36	16.44
Between one and five years	32.05	45.97
More than five years	16.80	19.13
	64.21	81.54

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

(₹ in million)

Future minimum lease receivables	31 March 2019	31 March 2018
Less than one year	490.23	122.42
Between one and five years	3,326.26	401.76
More than five years	5,117.64	281.30
Total	8,934.13	805.48

B. Leases as lessee

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

(₹ in million)

	31 March 2019	31 March 2018
Lease expense in the Standalone Statement of Profit and Loss	20.84	22.83

Note 41 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 standalone financial statements of the Transferee have been recorded.

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 1 November 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 11 September 2017. The Scheme has become effective 1 October 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 1 November 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 31 March 2018.

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 42 Contingent liabilities and commitments (to the extent not provided for)

(₹ in million)

	31 March 2019	31 March 2018
Contingent liabilities		
Claims against the Company not acknowledged as debts		
Disputed service tax demands	**92.08**	96.57
Disputed income tax demands	**10.27**	-
Disputed VAT demands	**12.70**	12.70
Disputed provident funds demands	**5.80**	5.80
Property tax	**0.30**	27.55
ESIC	**-**	0.35
SFIS/SEIS Scheme	**224.07**	5.74

a. 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.

b. 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.

c. 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 Standalone financial information. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2019 is ₹ 53.32 million (31 March 2018: ₹ 54.52 million) and carrying value of property, plant and equipment as at 31 March 2019 is ₹ 436.66 million (31 March 2018: ₹ 449.27 million).

d. The Directorate of Revenue Intelligence ("DRI") has issued a show-cause notice dated 29 November 2018 to the Company in respect of import of goods against SFIS Scrip/License under Foreign Trade Policy 2004-09 and 2009-14 and the post-export service benefits availed, under the provisions of the Customs Act, 1962 directing the Company to show cause as to why duty amounting to ₹ 195.18 million and ₹ 23.14 million, plus interest and penalty as may be levied under the Customs Act, should not be recovered.

(₹ in million)

	31 March 2019	31 March 2018
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**729.41**	60.82

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 43 Dues to micro and small suppliers

(₹ in million)

	31 March 2019	31 March 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year.		
Principal	**29.71**	4.75
Interest	**0.47**	0.23
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 year 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	**1.22**	0.75
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		-

Note 44 Payment to auditors

(₹ in million)

Particulars	31 March 2019	31 March 2018
Audit fees	**4.00**	4.60
Tax audit fees	**0.40**	0.40
Other services	**0.75**	0.67
Out of pocket expenses	**0.66**	-
Amount debited to Standalone Statement of Profit and Loss	**5.81**	5.67
Other services in connection with filing of Draft Red Herring prospectus and Red Herring prospectus with SEBI (refer note no. 51)	**12.11**	-
Total	**17.92**	5.67

Note 45 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 31 March 2019 and 31 March 2018.

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

Note 46 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.

(₹ in million)

31 March 2019	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in subsidiaries	250.09		250.09		250.09		250.09
Investment in equity shares	46.95	-	46.95	-	-	46.95	46.95
Other investments	-	0.13	0.13	-	0.13	-	0.13
Loans	-	121.75	121.75	-	121.75	-	121.75
Other non-current financial assets	-	51.08	51.08	-	51.08	-	51.08
Current financial assets							
Trade receivables	-	476.81	476.81	-	-	-	-
Cash and cash equivalents	-	398.83	398.83	-	-	-	-
Other bank balances	-	426.71	426.71	-	-	-	-
Loans	-	18.05	18.05	-	-	-	-
Other current financial assets	-	239.07	239.07	-	-	-	-
Derivative asset	-	-	-	-	-	-	-
	297.04	1,732.43	2,029.47	-	423.05	46.95	470.00
Non-current financial liabilities							
Borrowings	-	13,392.45	13,392.45	-	13,392.45	-	13,392.45
Other non-current financial liabilities	-	208.44	208.44	-	208.44	-	208.44
Current financial liabilities							
Borrowings	-	693.98	693.98	-	-	-	-
Trade payables	-	1,215.33	1,215.33	-	-	-	-
Other financial liabilities	-	1,594.55	1,594.55	-	-	-	-
Derivative liability	63.15	-	63.15	-	63.15	-	63.15
	63.15	17,104.75	17,167.90	-	13,664.04	-	13,664.04

(₹ in million)

31 March 2018	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in equity shares	43.04	-	43.04	-	-	43.04	43.04
Other 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
Current financial assets							
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	-	-	-	-
Other current financial assets	-	192.85	192.85	-	-	-	-
Derivative asset	14.38	-	14.38	-	14.38	-	14.38
	57.42	3,586.00	3,643.42	-	175.16	43.04	218.20
Non-current financial liabilities							
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
Current financial liabilities							
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
	37.83	28,263.81	28,301.64	-	22,341.13	-	22,341.13

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

(i) 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.

(ii) Fair value measurements using significant unobservable inputs (level 3)

Reconciliation of level 3 fair values

(₹ in million)

Particulars	FVTPL Equity shares
Balance at 1 April 2018	43.04
Additions during the year	3.91
Balance at 31 March 2019	46.95

(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**	Significant unobservable inputs
	31 March 2019	31 March 2018
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		Profit or loss	
	31 March 2019		31 March 2018	
	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

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

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.

(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.

(₹ in million)

Particulars	31 March 2019	31 March 2018
(a) Trade Receivables considered good - Secured;		
(b) Trade Receivables considered good - Unsecured;		
Neither past due not impaired		
Past due not impaired		
1-90 days	**432.70**	421.34
90-180 days	**39.92**	57.98
180-365 days	**12.83**	48.20
More than 365 days	**15.89**	28.00
Total	**501.34**	555.52
(c) Trade Receivables which have significant increase in Credit Risk; and	**65.14**	-
(d) Trade Receivables - credit impaired-	**89.66**	3.82

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

(₹ in million)

Particulars	31 March 2019	31 March 2018
Balance as at April 1	3.82	9.22
Impairment loss recognised / (reversed)	85.84	(5.92)
Amounts written off	-	0.52
Balance as at March 31	89.66	3.82

(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.

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.

(₹ in million)

31 March 2019	Contractual cash flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings (including current maturity of long term debt)	14,742.54	19,745.63	2,647.24	3,005.32	9,135.32	4,957.75
Security deposits	208.44	208.44	-	208.44	-	-
Current, non derivative financial liabilities						
Borrowings	693.98	693.98	693.98	-	-	-
Trade payables	1,215.33	1,215.33	1,215.33	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	307.61	307.61	307.61	-	-	-
Derivative financial liabilities						
Forward exchange contract (gross settled)						
- Outflow	1,484.50	1,484.50	1,484.50	-	-	-
- Inflow	(1,383.43)	(1,383.43)	(1,383.43)	-	-	-
Total	17,268.97	22,272.06	4,965.23	3,213.76	9,135.32	4,957.75

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

(₹ in million)

31 March 2018	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
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	-	-
Current, non derivative financial liabilities						
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)	294.17	294.17	294.17	-	-	-
Derivative financial liabilities						
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)	-	-	-
Total	28,334.65	37,416.01	8,149.62	4,789.60	17,249.46	7,227.33

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 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 years 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 recognized 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.

Particulars	Buy / Sell	Currency	Cross Currency	**31 March 2019**	31 March 2018
Forward contract	Buy	USD	INR	**USD 20 Million**	USD 20 Million
Currency swap	Buy	INR	USD	**Nil**	Nil

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.

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

The amounts reflected in the table below represent the INR exposure to the respective currency.

(₹ in million)

	31 March 2019			31 March 2018		
	USD	**EUR**	**GBP**	USD	EUR	GBP
Financial liabilities						
Foreign currency loans (including interest accrued)	**1,819.00**	**-**	**-**	5,000.06	-	-
Trade payables	**333.30**	**0.47**	**-**	331.09	0.74	-
Buyers' credit	**55.24**	**-**	**-**	249.76	2.53	-
	2,207.54	**0.47**	**-**	5,580.91	3.26	-
Derivatives						
Foreign currency forward exchange contract	**(1,383.43)**	**-**	**-**	(1,300.88)	-	-
Currency swap	**-**	**-**	**-**	-	-	-
	(1,383.43)	**-**	**-**	(1,300.88)	-	-
Net exposure	**824.11**	**0.47**	**-**	4,280.03	3.26	-

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.

(₹ in million)

	Profit or loss before tax			
	31 March 2019		31 March 2018	
	Strengthening	**Weakening**	Strengthening	Weakening
Effect in INR (before tax)				
USD (1% movement)	**8.24**	**(8.24)**	42.80	(42.80)
EUR (1% movement)	**-**	**-**	0.03	(0.03)
GBP (1% movement)	**-**	**-**	-	-
	8.24	**(8.24)**	42.83	(42.83)

(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 Company 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

31 March 2019	NIL
31 March 2018	USD 48.65 million

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

(₹ in million)

	Carrying amount	
	31 March 2019	31 March 2018
Fixed-rate instruments		
Loans given		
Loans to related parties	-	(2,342.16)
Non current borrowings		
Vehicle loan from bank	-	5.21
Non-cumulative redeemable preference shares	**518.18**	160.00
Current borrowings		
Loan from related parties other than directors	-	692.29
Buyer's credit	**55.24**	252.29
Total	**573.42**	(1,232.37)
Variable-rate instruments		
Non current borrowings		
Rupee term loans from banks	**7,538.51**	12,760.60
Rupee term loans from financial institutions	**3,616.46**	5,975.65
Foreign currency term loans from banks	**1,719.30**	3,250.07
Current maturity of long term debt	**1,350.09**	3,467.40
Current borrowings		
Cash credit/overdraft accounts from banks	**638.74**	433.19
Less: Interest rate swaps	-	(3,164.40)
Total	**14,863.10**	22,722.51
TOTAL	**15,436.52**	21,490.14

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.

(₹ in million)

	Profit or loss before tax	
	100 bps increase	100 bps decrease
31 March 2019	(1.49)	1.49
31 March 2018	(227.23)	227.23

Note 47 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.

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

The Company's adjusted net debt to equity ratio at is as follows:

(₹ in million)

Particulars	31 March 2019	31 March 2018
Total borrowings	15,436.52	26,996.70
Less : Cash and cash equivalents	398.83	294.27
Less : Bank deposits	426.71	21.50
Adjusted net debt	14,610.98	26,680.93
Total equity	14,468.88	5,223.00
Adjusted net debt to adjusted equity ratio	1.01	5.11

Note 48 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.

Note 49 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

List of related parties

Relationship	Name of party	
	31 March 2019	31 March 2018
Subsidiary	Chalet Hotels & Properties (Kerala) Pvt. Ltd.	Grandwell Properties And Leasing Private Limited (Upto 31 March 18)
		Chalet Hotels & Properties (Kerala) Private Limited
		Magna Warehousing & Distribution Private Limited (Upto 31 March 2018)
Key Managerial Personnel / Relative (KMP)	Sanjay Sethi -Managing Director & CEO	Sanjay Sethi -Managing Director & CEO (Resigned w.e.f. from October 1, 2017) (Appointed w.e.f. February 9, 2018)
	Ramesh M. Valecha , Non-Executive Director (Resigned w.e.f. May 2, 2018)	Ramesh M. Valecha , Non-Executive Director (from August 1, 2017) (Executive Director upto July 31, 2017) (Resigned w.e.f. May 2, 2018)
	Rajeev Newar, 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 (Resigned w.e.f. April 26, 2018)
	Ravi C Raheja, Non-Executive Director	Ravi C Raheja, Non-Executive Director
	Neel C Raheja, Non-Executive Director	Neel C Raheja, Non-Executive Director
	Rajeev Chopra, Non-Executive Director (Resigned w.e.f. May 2, 2018)	Rajeev Chopra, Non-Executive Director (from June 1, 2017)
	Roshan M. Chopra, relative of director (Upto May 2, 2018)	Roshan M. Chopra, relative of director
	Arthur De Haast, Independent Director	Arthur De Haast, Independent Director (from August 3, 2017)
	Joseph Conrad D'Souza, Independent Director	Joseph Conrad D'Souza, Independent Director
	Hetal Gandhi, Independent Director	Hetal Gandhi, Independent Director
	Radhika Piramal (Appointed as Independent Director w.e.f. June 12, 2018)	
	Christabelle Baptista, Company Secretary	Christabelle Baptista, Company Secretary
Enterprises Controlled / Jointly controlled by KMPs	Brookfields Agro & Development Private Limited	Brookfields Agro & Development Private Limited
	Cavalcade Properties Private Limited	Cavalcade Properties Private Limited
	Convex Properties Private Limited	Convex Properties Private Limited
	Grange Hotels And Properties Private Limited	Grange Hotels And Properties Private Limited

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

Relationship	Name of party	
	31 March 2019	31 March 2018
	Immense Properties Private Limited	Immense Properties Private Limited
	Novel Properties Private Limited	Novel Properties Private Limited
	Pact Real Estate Private Limited	Pact Real Estate Private Limited
	Paradigm Logistics & Distribution Private Limited	Paradigm Logistics & Distribution Private Limited
	Sustain Properties Private Limited	Sustain Properties Private Limited
	Sycamore Properties Private Limited	Sycamore Properties Private Limited
	Aqualine Real Estate Private Limited	Aqualine Real Estate Private Limited
	Feat Properties Private Limited	Feat Properties Private Limited
	Carin Properties Private Limited	Carin Properties Private Limited
	Flabbergast Properties Private Limited	Flabbergast Properties Private Limited
	The Residency Hotels 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
Shareholders of the Company	Anbee Constructions LLP	Anbee Constructions LLP
	Cape Trading LLP	Cape Trading LLP
	Capstan Trading LLP	Capstan Trading LLP
	Casa Maria Properties LLP	Casa Maria Properties LLP
	Ivory Properties And Hotels Private Limited	Ivory Properties And Hotels Private Limited
	K. Raheja Corp Private Limited	K. Raheja Corp Private Limited
	K. Raheja Private Limited	K. Raheja Private Limited
	Palm Shelter Estate Development LLP	Palm Shelter Estate Development LLP
	Raghukool Estate Development LLP	Raghukool Estate Development LLP
	Touchstone Properties And Hotels Private Limited	Touchstone Properties And Hotels Private Limited
	Ivory Property Trust	Ivory Property Trust
	Genext Hardware & Parks Private Limited	Genext Hardware & Parks Private Limited

Related party disclosures for Year ended 31 March 2019

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Interest income from instruments measured at amortised cost	17.63	-	149.50
2	Sale of material	-	-	3.14
3	Sales of services - Rooms income, Food, beverages and smokes	-	-	1.45
4	Other expense	-	1.90	0.01
5	Director sitting fees	-	3.02	-
6	Salaries, wages, bonus and stock option related expenses	-	66.58	-
7	Loans given	221.60	1.00	180.79
8	Loans repaid	228.10	2.42	2,334.12
9	Preference shares	-	237.15	272.85
10	Investment in equity shares	250.00	-	-
	Balances outstanding as at the year-end			
11	Trade receivables	-	-	0.28
12	Preference shares outstanding		237.15	272.85
13	Investment in equity shares outstanding	250.00	-	

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

Significant transactions with material related parties for year ended 31 March 2019

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	**Interest income from instruments measured at amortised cost**			
	Chalet Hotels & Properties (Kerala) Private Limited	17.63	-	-
	K. Raheja Private Limited	-	-	149.44
2	**Sale of material**			
	K. Raheja Private Limited			2.47
	Pact Real Estate Private Limited	-	-	0.67
3	**Sales of services - Rooms income, Food, beverages and smokes**			
	Paradigm Logistics & Distribution Private Limited			0.49
	K. Raheja Private Limited			0.27
	K Raheja Corp Private Limited	-	-	0.64
4	**Other expenses**			
	Arthur De Haast	-	1.71	-
	K Raheja Corp Private Limited	-	-	0.01
	Roshan M. Chopra	-	0.19	-
5	**Director sitting fees**			
	Hetal Gandhi	-	0.71	-
	Joseph Conrad D' Souza	-	0.73	-
	Arthur De Haast	-	0.15	-
	Chandru L. Raheja	-	0.01	-
	Radhika Piramal	-	0.20	-
	Rajeev Chopra	-	0.02	-
	Neel C.Raheja	-	0.50	-
	Ravi C.Raheja	-	0.71	-
6	**Salaries, wages, bonus and stock option related expenses***			
	Rajeev Newar	-	19.10	-
	Sanjay Sethi	-	47.48	-

* During the current year, the managerial remuneration paid by the Company to its Managing Director & CEO and its Executive Director & CFO is in excess of limits laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act by ₹ 52.41 million The Company is in the process of obtaining approval from its shareholders.

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
7	**Loans given**			
	Chalet Hotels & Properties (Kerala) Private Limited	221.60	-	-
	Sanjay Sethi		1.00	
	K. Raheja Private Limited	-	-	180.79
8	**Loans repaid**			
	Chalet Hotels & Properties (Kerala) Private Limited	228.10	-	-
	Rajeev Newar		1.42	
	Sanjay Sethi		1.00	
	K. Raheja Private Limited	-	-	2,332.79
9	**Preference shares**			
	Ivory Properties and Hotels Private Limited		-	43.35
	K Raheja Corp Private Limited		-	229.50
	Neel C.Raheja		118.58	-
	Ravi C.Raheja		118.58	-
10	**Investment in Equity Shares**			
	Chalet Hotels & Prop (Kerala) Private Limited	250.00	-	-

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
11	**Trade Receivables**			
	K Raheja Corp Private Limited			0.28
12	**Preference shares outstanding**			
	Ivory Properties and Hotels Private Limited			43.35
	K Raheja Corp Private Limited			229.50
	Neel C.Raheja	-	118.58	
	Ravi C.Raheja	-	118.58	
13	**Investment in equity shares outstanding**			
	Chalet Hotels & Prop (Kerala) Private Limited	250.00	-	

Related party disclosures for Year ended 31 March 2018

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Interest income from instruments measured at amortised cost	-	-	173.54
2	Miscellaneous income	-	-	3.59
3	Sales of services - Rooms income, Food, beverages and smokes	-	1.22	8.60
4	Other expense	-	4.82	0.50
5	Director sitting fees	-	0.40	-
6	Salaries, wages and bonus	-	52.27	-
7	Loans given	246.50	2.00	6,923.70
8	Loans repaid	240.00	82.08	6,357.44
9	Deposit received	-	-	1.90
10	Guarantees given on behalf of the Company	-	870.36	-
	Balances outstanding as at the year-end			
11	Loans receivable	6.50	1.42	2,153.33
12	Interest receivable	9.11	-	171.81
13	Guarantees outstanding	-	870.36	-

Significant transactions with material related parties for year ended 31 March 2018

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	**Interest income from instruments measured at amortised cost**			
	Ivory Property Trust			82.85
	K. Raheja Private Limited	-	-	70.77
2	**Miscellaneous income**			
	Sycamore Properties Private Limited	-	-	3.48
3	**Sales of services - Rooms income, Food, beverages and smokes**			
	Neel C. Raheja		1.22	
	K. Raheja Private Limited			8.19

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
4	**Other expense**			
	Arthur De Haast		0.98	
	Roshan M. Chopra		3.83	
	K. Raheja Corp Private Limited			0.50
5	**Director sitting fees**			
	Joseph Conrad D'Souza		0.09	
	Neel C. Raheja		0.09	
	Rajeev Chopra		0.04	
	Ravi C. Raheja		0.05	
	Chandru L Raheja		0.05	
	Hetal Gandhi		0.07	
6	**Salaries, wages and bonus**			
	Rajeev Newar		18.19	
	Ramesh Valecha		7.76	
	Sanjay Sethi		26.32	
7	**Loans given**			
	Chalet Hotels & Properties (Kerala) Private Limited	246.50	-	-
	Rajeev Newar		2.00	
	Ivory Property Trust	-	-	1,781.60
	K. Raheja Private Limited	-	-	4,572.00
8	**Loans repaid**			
	Chalet Hotels & Properties (Kerala) Private Limited	240.00	-	-
	Neel C. Raheja		27.50	
	Ravi C. Raheja		46.50	
	Ivory Property Trust	-	-	3,168.20
	K. Raheja Private Limited	-	-	2,450.74
9	**Deposit received**			
	Genext Hardware & Parks Private Limited	-	-	1.90
10	**Guarantees given on behalf of the Company**			
	Neel C. Raheja	-	870.36	
11	**Loans receivable**			
	Chalet Hotels & Properties (Kerala) Private Limited	6.50		
	Rajeev Newar		1.42	
	K. Raheja Private Limited	-	-	2,152.00
12	**Interest receivable**			
	Chalet Hotels & Properties (Kerala) Private Limited	9.11		
	Ivory Property Trust			82.02
	K. Raheja Private Limited	-	-	70.06
13	**Guarantees outstanding**			
	Neel C. Raheja	-	870.36	-

Note 50 Employee Stock Option Schemes

Description of share-based payment arrangements:

At 31 March 2019, Company had following share-based payment arrangements:

Employee Stock Option Plan 2018:

The primary objective of the plan is to reward the key employee for his assosciation, dedication and contributions to the goals of the company.The plan is established is with efffect from 13 June 2018 on which the shareholders of the Company have

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (₹) per share
Chalet Hotels Limited'- 'Employee Stock Option Plan'-2018	200,000	For the Options to vest, the Grantee has to be in employment of the Company on the date of the vesting.	The exercise year for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise.	3 years	26-Jun-18	One year from vesting year	320.00

Reconciliation of Outstanding share options

The number and weighted-average exercise price of share options under the share share option plans are as follows:

(₹ in million)

	31 March 2019	
	Weighted average exercise price	**Number of options**
Outstanding at the beginning of the year	-	-
Granted during the year	**320**	**200,000**
Exercised during the year	-	-
Lapsed/ forfeited /surrendered	-	-
Outstanding at the end of the year	**320**	**200,000**
Exercisable at the end of the year	-	-

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the statement of Profit and Loss over the vesting year.

The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	Unit	Chalet Hotels Limited'- 'Employee Stock Option Plan'-2018	Description of inputs used
Fair value of the option at grant date	₹ /share	143 - 189	As per Black Scholes Model
Exercise price	₹ /share	320	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	31.91% - 32.77%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	1.99 - 3.99	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	7.4% - 7.85%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at 31 March 2019 have an exercise price of ₹ 320 and a weighted average remaining contractual life of 2.57 year.

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

The expense recognised for the year ended 31 March 2019 is ₹ 14.64 million.

Note 51 Share issue expenses

During the year the company has made Initial Public Offering of 58,613,571 equity shares of face value of ₹ 10 each for cash at a price of ₹ 280 per equity share (including a share premium of ₹ 270 per equity share) aggregating to ₹ 16,411.80 million comprising a fresh issue of 33,928,571 equity shares aggregating to ₹ 9,500 million and an offer for sale of 24,685,000 equity shares aggregating to ₹ 6,911.80 million.

The proceeds from IPO were ₹ 9,500 million. (Gross of issue related expenses ₹ 309.65 million).

The equity shares of the company were listed on National Stock Exchange of India Limited (NSE) via ID CHALET and BSE Limited (BSE) via ID 542399 on 7 February 2019.

Details of utilisation of net IPO proceeds are as follows:

(₹ in million)

Particulars	Object of the issue as per the prospectus	Utilisation upto 31 March 2019	Unutilised amounts as at 31 March 2019
Repayment/Pre-payment in full or in part of certain loans availed	7,200.00	7,200.00	NIL
General Corporate purpose	1,961.25	1,990.35	NIL

The Company has incurred ₹ 526.18 millions (excluding GST) of IPO expenses. Of the above IPO expenses, certain expenses (such as listing fees and stamp duty expenses) aggregating to ₹ 11.96 millions are directly attributable to the Company and have been adjusted towards the securities premium account. The remaining expenses aggregating to ₹ 514.22 millions, have been allocated between the Company ₹ 297.69 millions and selling shareholders ₹ 216.53 millions in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the selling shareholders. The amount of ₹ 297.69 millions allocated to the Company has also been adjusted towards the securities premium account. The gross share issues expenses include a sum of ₹ 12.11 millions (excluding GST) paid to the statutory auditors, which is included in the amount adjusted towards the securities premium account.

Note 52 Disclosure as per guidance note on accounting for real estate transactions

(₹ in million)

Particulars	31 March 2018
Gross Project Revenue recognised as revenue	(680.23)
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

(₹ in million)

In respect of all projects in progress as at	31 March 2018
Aggregate amount of cost incurred to date	(289.81)
Advances received as at	1,026.35
Income received in advance (net) as at	208.36
Amount of work in progress as at	3,031.94
Less: Provision for impairment	(376.65)
Amount of work in progress as at (net)	2,655.29
Excess of revenue recognised over actual bills raised (unbilled revenue)	195.33

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

Note 53 Bengaluru residential project

(₹ in million)

Particulars	31 March 2019	31 March 2018
Inventories	**4,171.91**	3,031.94
Less: Provisions for impairment	**(451.74)**	(376.65)
Inventories, net	**3,720.17**	2,655.29
Trade receivables	**-**	32.46
Income received in advance (unearned revenue)	**-**	208.36
Advances from customers towards sale of residential flats	**2,169.20**	967.91

Note 54 Disclosure under Ind AS 115, Revenue from Contracts with Customers

Details of contract balances

(₹ in million)

Particulars	For the year ended 31 March 2019
Details of Contract Balances:	
Balance as at beginning of the year	(1,242.51)
Trade receivables as on April 1	9.01
Less: Repayment to the customer on cancellation	180.23
Significant change due to other reasons	(1,115.93)
Balance as on 31 March 2019	(2,169.20)
Total	(2,169.20)

As on 31 March 2019, revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is NIL

Information on performance obligations in contracts with Customers:

Real Estate Development Project:

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects as at 31 March 2019

(₹ in million)

Particulars	2019	2020	2021-2025	Beyond 2025	Total
Contract Revenue	-	-	1,687.87	-	1,687.87
Contract Expense	-	-	1,673.51	-	1,673.51
Total	-	-	14.36	-	14.36

Hospitality and Commercial & Retail

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Note 55 Disclosure on transition to Ind AS 115

Changes in accounting policies:

Except for the changes below, the Company has consistently applied the accounting policies to all years presented in these Standalone financial statements.

The Company has adopted Ind AS 115 Revenue from Contracts with Customers ("" Ind AS 115"") with a date of initial application of 1 April 2018. As a result, the Company has changed its accounting policy for revenue recognition as detailed below.

A. Real Estate development

The Company accounted for its sale of residential flats in their real estate projects on a percentage completion basis as prescribed under the Guidance note for Accounting for Real Estate Trasactions. Under Ind AS 115, the Company recognises the revenue from sale of residential projects at a point in time, i.e. when all the risks and rewards associated are transferred to the customer. Accordingly the Company has reversed the cumulative revenue recognised on sale of residential flats in the opening reserve as on April 1, 2018.

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

A. Reconciliation between balances without adoption of Ind AS 115 and as reported
Ind AS 8 requires an entity to reconcile equity and total comprehensive income for the reported year.

(I) Reconciliation of equity as at 31 March 2019

(₹ in million)

Particulars	Impact of changes in accounting policies		
	As reported	Adjustments	Balances without adoption of Ind AS 115
ASSETS			
Non-current assets			
Property, plant and equipment	20,492.15	-	20,492.15
Capital work-in-progress	284.76	-	284.76
Investment property	6,809.57	-	6,809.57
Goodwill	226.11	-	226.11
Other intangible assets	6.33	-	6.33
Financial assets			
(i) Investments	297.17	-	297.17
(ii) Loans	121.75	-	121.75
(iii) Others	51.08	-	51.08
Deferred tax assets (net)	732.40	-	732.40
Other non-current assets	256.26	(17.23)	239.03
Non-current tax assets (net)	517.70	-	517.70
Total non current assets	29,795.28	(17.23)	29,778.05
Current assets			
Inventories	3,954.64	(1,073.46)	2,881.18
Financial assets			-
(i) Trade receivables	476.81	-	476.81
(ii) Cash and cash equivalents	398.83	-	398.83
(iii) Bank balances other than (ii) above	426.71	-	426.71
(iv) Loans	18.05	-	18.05
(v) Others	239.07	-	239.07
Other current assets	478.77	-	478.77
Total current assets	5,992.88	(1,073.46)	4,919.42
Assets held for sale	-	-	-
TOTAL ASSETS	35,788.16	(1,090.69)	34,697.47
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2,050.24	-	2,050.24
Other equity	12,418.64	16.42	12,435.06
Total Equity	14,468.88	16.42	14,485.30
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	13,392.45	-	13,392.45
(ii) Others	208.44	-	208.44
Provisions	57.58	-	57.58
Deferred tax liabilities (net)	290.49	8.82	299.31
Other non-current liabilities	144.35	-	144.35
Total non current liabilities	14,093.31	8.82	14,102.13
Current liabilities			
Financial liabilities			
(i) Borrowings	693.98	-	693.98
(ii) Trade payables	1,215.33	-	1,215.33

Notes to the Standalone Ind AS Financial Statements (Continued)
as at 31 March 2019

(₹ in million)

Particulars	Impact of changes in accounting policies		
	As reported	Adjustments	Balances without adoption of Ind AS 115
(iii) Other financial Liabilities	1,657.70	-	1,657.70
Other current liabilities	2,692.27	(1,115.93)	1,576.34
Provisions	966.69	-	966.69
Total current liabilities	7,225.97	(1,115.93)	6,110.04
Total liabilities	21,319.28	(1,107.11)	20,212.17
Total Equity and Liabilities	35,788.16	(1,090.69)	34,697.47

(II) Reconciliation of total comprehensive income for the year ended 31 March 2019

(₹ in million)

Particulars	As reported	Adjustments	Balances without adoption of Ind AS 115
Revenue			
Revenue from operations	9,871.73	-	9,871.73
Other income	436.03	-	436.03
Total Revenue	10,307.76	-	10,307.76
Expenses			
Real estate development cost	194.08	-	194.08
Food and beverages consumed	866.67	-	866.67
Operating supplies consumed	262.83	-	262.83
Employee benefits expense	1,448.08	-	1,448.08
Other expenses	3,659.04	-	3,659.04
Total expenses	6,430.70	-	6,430.70
Earnings before interest, depreciation, amortisation, exceptional items and tax (EBITDA)	**3,877.06**	**-**	**3,877.06**
Depreciation and amortisation expenses	1,154.17	-	1,154.17
Finance costs	2,651.51	-	2,651.51
Profit/(Loss) before tax	71.38	-	71.38
Tax expense:	**(107.21)**	**-**	**(107.21)**
Current Tax			
Deferred Tax	(107.21)	-	(107.21)
Profit/(Loss) for the year after Tax	178.59	-	(35.83)
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(11.80)	-	(11.80)
Income tax on above	4.12	-	4.12
Other comprehensive income/(expense) for the year, net of tax	(7.68)	-	(7.68)
Total comprehensive income/(expense) for the year	170.91	-	(43.50)

Note 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.

Notes to the Standalone Ind AS Financial Statements (Continued)

as at 31 March 2019

Details of investments made during the year ended 31 March 2019 as per section 186(4) of the Companies Act, 2013:

(₹ in million)

Name of entity	31 March 2018	Investments made	Investments redeemed / sold	**31 March 2019**
Chalet Hotels and Properties (Kerala) Private Limited	0.09	250.00	-	**250.09**
Stargaze Properties Private Limited	0.01	-	-	**0.01**
Intime Properties Limited	0.72	-	-	**0.72**
Krishna Valley Power Private Limited	8.64	3.90	-	**12.54**
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 31 March 2018 as per section 186(4) of the Companies Act, 2013:

(₹ in million)

Name of entity	31 March 2017	Investments made	Investments Redeemed / Sold	31 March 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

Note 57:

The MCA vide notification dated 11 October 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the 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

For and on behalf of the Board of Directors of
Chalet Hotels Limited
(*formerly known as Chalet Hotels Private Limited*)
(CIN No.L55101MH1986PLC038538)

Aniruddha Godbole
Partner
Membership No: 105149

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN 00468125)

Christabelle Baptista
Company Secretary
Membership No: AI7817

Mumbai
10-May-19

Mumbai
10-May-19

Financial Section (Consolidated)

Independent Auditors' Report

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

Report on the audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the consolidated Ind AS financial statements of Chalet Hotels Limited (*formerly known as Chalet Hotels Private Limited*) (hereinafter referred to as the 'Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2019, 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 then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors' on separate financial statements of the subsidiary as were audited by the other auditors', the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with provisions of the Act. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 41 (c) to the Consolidated Ind AS Financial Statements, 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 consolidated Ind AS financial statements as at and for the year ended 31 March 2019 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to ₹ 497.90 million and ₹ 503.79 million as at 31 March 2019 and 31 March 2018 respectively.

We draw attention to Note 48 to the Consolidated Ind AS Financial Statements, relating to remuneration paid to the Managing Director & CEO and Executive Director & CFO of the Company for the financial year ended 31 March 2019, being in excess of the limit prescribed under Section 197 of the Companies Act 2013 by ₹ 52.41 Million, which is subject to the approval of the shareholders.

Our opinion is not qualified in respect of these matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deferred tax assets (refer note 22 to the consolidated Ind AS financial statements)

Key Audit Matter	How the matter was addressed in our audit
The carrying amount of the Deferred Tax Assets of ₹ 732.40 million represents 2% of the Group's total assets. The Group has recorded deferred tax assets on expenditure on specified business under Section 35AD and unabsorbed carry forward tax losses, 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 has generated taxable income for the financial year ended 31 March 2019 and has adjusted the carry forward losses partially. The Group is expected to continue generating taxable income going forward. We focused on this area as recognition of deferred tax requires significant judgment in estimating future taxable income and accordingly recognition of deferred tax.	Our audit procedures included: • In respect of deferred tax assets, we analysed Group's assumptions used to determine the manner in which the timing differences, including the recoverability of the deferred tax assets, would be realised by comparing this to evidence obtained in respect of cash flow forecasts, business plans and minutes of Directors and Audit Committee meetings and our knowledge of the business; • Regarding recognised deferred tax asset resulting from unabsorbed carry forward tax losses, we analysed Group's assessment for recovery of deferred tax asset; • We used, amongst others, budgets, forecasts and tax laws to assess Management's assumptions; • We tested the underlying data for the key deferred tax and tax provision calculations; and • We also assessed the adequacy of the Group's disclosure included in Note 22 relating to unrecognised deferred taxes.

Litigation and Claims (refer to note 41 (c) to the consolidated Ind AS financial statements)

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2019, the Group has two key litigations pertaining to its Land at Bengaluru Residential project carried under inventories and leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. We focused on this area as a key audit matter due to the amounts involved as well as the inherent uncertainty in the application of the measurement aspects of accounting standards to determine the amount, if any, to be provided for and the disclosures to be made in respect of this matter.	Our procedures included, amongst others: • Making enquiries of management and the legal department head to obtain their view on significant legal matters; • Reviewing the information held by the Group and assessing the impact of this evidence on the appropriateness of the provision; • Assessing correspondence from the Group's external lawyers in response to our requests for confirmation of all significant litigations; and • Assessing whether the Group's disclosures adequately reflect the quantitative and qualitative considerations in relation to the matters in accordance with auditing standards

Capital Work In Progress (CWIP) (refer to note 3 (1) to the consolidated Ind AS financial statements)

Key Audit Matter	How the matter was addressed in our audit
There is a delay in implementation of International Convention Centre Complex (ICCC) Project as the Department of Tourism (DOT), Government of Kerala (GOK) is yet to contribute land for the project as its equity contribution in kind. During the year, the Group has further extended the performance guarantee given to the DOT, GOK for the period up to 10 March 2020. The process of identifying indicators of impairment and determining the recoverable amount of such project under implementation by the management requires significant judgement and estimation. Since this is the only activity being carried on by the subsidiary company and considering the delay in implementation, this matter has been considered as Key Audit Matter.	In view of the significance of the matter the auditor of the subsidiary has reported that the following audit procedure in this area were applied, among others to obtain sufficient appropriate audit evidence: We have reviewed and held discussion with the management to understand their assessment regarding the progress of the Project and estimates used for suitability of the impairment model and reasonableness of the assumptions. Our audit procedures also included review of the minutes of the meeting that, members of the Board of Directors and the management had with respect to progress of implementation of the project including discussion with the DOT, GOK. Considering the delay, the management has ceased to capitalise the borrowing cost with effect from the financial year 2014-15. In addition, during the year, the management reviewed the expenses incurred till date and CWIP to the extent of ₹ 110,445,537, being infructuous expenses on account of delay, were impaired.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Ind AS financial Statements and our auditors' report thereon.

Our opinion on the Consolidated Ind AS financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of the auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Ind AS financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, consolidated statement of changes in equity and 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 relevant rules issued thereunder.

The respective Board of Directors of the companies 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 each company 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 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 consolidated Ind AS 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 Management and 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 Company, to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of companies included in the Group, are responsible for overseeing the financial reporting process of each company.

Auditors' Responsibility for the audit of the Consolidated Ind AS financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls as applicable.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated Ind AS financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 the Group (Holding Company and subsidiary), to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding financial information of such entities or business activities within the Group, to express an opinion on the consolidated Ind AS financial statements, of which we are the independent auditors. We are responsible for direction, supervision and performance of the audit of the financial information of such entities. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors 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 Ind AS financial Statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 60.72 millions as at 31 March 2019, total revenues of ₹ 0.07 millions and net cash flows amounting to ₹ 0.42 for the year ended on that date, as considered in the consolidated Ind AS financial statements. These cosolidated financial statements have been audited by other auditor whose report have been furnished to us by the Management 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 subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the audit 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 matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

(A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such Subsidiary, as were audited by other auditors, 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 changes in equity and the consolidated statement of cash flows 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;

(e) on the basis of the written representations received from the directors of the Holding Company, as on 31 March 2019 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies, incorporated in India are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(B) 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 based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

i. the consolidated Ind AS financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated Ind AS financial position of the Group – Refer notes 35 and 41 to the consolidated Ind AS financial statements;

ii. the provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer notes 11, 26 and 28 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group; and

iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company during the year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

i. we draw attention to Note 48 to the consolidated Ind AS financial statements, relating to remuneration paid to the Managing Director & CEO and to the Executive Director & CFO of the Holding Company for the financial year ended 31 March 2019, being in excess of the limits prescribed under Section 197 of the Act by ₹ 52.91 million, which is subject to the approval of the shareholders. Our opinion is not modified in respect of this matter; and

ii. the Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
10 May 2019

Annexure A to the Independent Auditors' Report – 31 March 2019

Report on the Internal Financial Controls with reference to the aforesaid consolidated Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Chalet Hotels Limited (*formerly known as Chalet Hotels Private Limited*) (hereinafter referred to as 'the Holding Company') and its subsidiary company incorporated in India (the Holding Company and its subsidiary company incorporated in India together referred to as the "Group"), and to whom the internal financial control with reference to financial statements is applicable, as of that date.

In our opinion, the Group, have, in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated Ind AS financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated Ind AS financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated Ind AS financial statements. 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 with reference to consolidated Ind AS financial statements were 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 with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 and the audit evidence obtained by the other auditors of the subsidiary company, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Ind AS financial statements

A company's internal financial control with reference to financial statements 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 reference to financial statements 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 authorizations 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 with reference to consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, 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 with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under clause (i) of sub-section 3 of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements insofar as it relates to subsidiary company incorporated in India, is based solely on the report of the auditors of the subsidiary company incorporated in India.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Aniruddha Godbole
Partner
Membership No: 105149

Mumbai
10 May 2019

Consolidated Balance Sheet

as at 31 March 2019

(₹ in million)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	**20,492.15**	21,210.77
Capital work-in-progress	3	**342.47**	218.23
Investment property	4	**6,809.57**	6,736.65
Goodwill	5	**226.11**	226.11
Other intangible assets	6	**6.33**	18.53
Financial assets			
(i) Investments	7	**47.08**	43.17
(ii) Loans	8	**121.75**	114.05
(iii) Others	9	**51.08**	50.00
Deferred tax assets (net)	22	**732.40**	947.39
Other non-current assets	10	**258.06**	74.71
Non-current tax assets (net)		**517.70**	462.99
Total non-current assets		**29,604.70**	30,102.60
Current assets			
Inventories	11	**3,954.64**	3,115.80
Financial assets			
(i) Trade receivables	12	**476.81**	551.70
(ii) Cash and cash equivalents	13a	**400.04**	295.21
(iii) Bank balances other than (ii) above	13b	**426.71**	21.50
(iv) Loans	14	**18.05**	2,349.29
(v) Others	15	**239.07**	207.23
Other current assets	16	**478.77**	516.64
Total current assets		**5,994.09**	7,057.37
TOTAL ASSETS		**35,598.79**	37,159.97
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	**2,050.24**	1,710.95
Other equity	18	**12,176.48**	3,244.11
Non controlling interests		**27.79**	-
Total equity		**14,254.51**	4,955.06
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	19	**13,392.45**	22,151.53
(ii) Others	20	**208.44**	151.77
Provisions	21	**57.58**	38.11
Deferred tax liabilities (net)	22	**290.87**	636.01
Other non-current liabilities	23	**144.35**	28.08
Total non current liabilities		**14,093.69**	23,005.50
Current liabilities			
Financial liabilities			
(i) Borrowings	24	**717.78**	1,634.16
(ii) Trade payables	25		
(a) Due to micro and small enterprises		**27.54**	4.55
(b) Due to other than micro and small enterprises		**1,189.46**	854.25
(iii) Other financial liabilities	26	**1,656.81**	3,761.64
Other current liabilities	27	**2,692.31**	1,986.15
Provisions	28	**966.69**	958.66
Total current liabilities		**7,250.59**	9,199.41
Total equity and liabilities		**35,598.79**	37,159.97
Significant Accounting Policies	1		
Notes to the Consolidated Ind AS Financial Statements	2 - 58		

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
10-May-19

For and on behalf of the Board of Directors of Chalet Hotels Limited
(*formerly known as Chalet Hotels Private Limited*)
(CIN No.L55101MH1986PLC038538)

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Mumbai
10-May-19

Rajeev Newar
Executive Director & CFO
(DIN 00468125)

Christabelle Baptista
Company Secretary
Membership No: AI7817

Consolidated Statement of Profit and Loss

for the year ended 31 March 2019

(₹ in million)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue			
Revenue from operations	29	**9,871.73**	7,955.47
Other income	30	**476.08**	557.31
Total income (A)		**10,347.81**	8,512.78
Expenses			
Real estate development cost	31(a)	**194.08**	228.58
Changes in inventories of finished good and construction work in progress	31(a)	**239.70**	(306.85)
Food and beverages consumed	31(b)	**866.67**	805.01
Operating supplies consumed	31(c)	**262.83**	257.06
Employee benefits expense	32	**1,448.08**	1,281.10
Other expenses	34	**3,668.11**	3,243.11
Total expenses (B)		**6,679.47**	5,508.01
Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items (C) (A-B)		**3,668.34**	3,004.77
Depreciation and amortisation expenses	2,4,6	**1,154.17**	1,116.33
Finance costs	33	**2,656.69**	2,119.21
Loss before exceptional items and tax (D)		**(142.52)**	(230.77)
Exceptional items (E)	35	**(40.96)**	(1,217.52)
Loss before income tax (F) (D+E)		**(183.48)**	(1,448.29)
Tax expense(G)		**(107.21)**	(519.54)
Current tax	22	**10.00**	-
Deferred tax credit	22	**(117.21)**	(519.54)
Loss for the year (H) (F-G)		**(76.27)**	(928.75)
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**(11.80)**	22.54
Income tax credit / (expenses) on above		**4.12**	(7.88)
Other comprehensive (expense)/income for the year, net of tax (I)		**(7.68)**	14.66
Total comprehensive expense for the year (J) (H+I)		**(83.95)**	(914.09)
Loss attributable to :			
Owners of the company		**(76.27)**	(928.75)
Non-controlling interests		**-**	-
Other comprehensive (expense)/income attributable to :			
Owners of the company		**(7.68)**	14.66
Non-controlling interests		**-**	-
Total comprehensive expense attributable to :			
Owners of the company		**(83.95)**	(914.09)
Non-controlling interests		**-**	-
Earnings per equity share			
Basic and diluted earnings per share	36	**(0.43)**	(5.88)
Significant Accounting Policies	1		
Notes to the Consolidated Ind AS Financial Statements	2 - 58		

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

For and on behalf of the Board of Directors of Chalet Hotels Limited
(*formerly known as Chalet Hotels Private Limited*)
(CIN No.L55101MH1986PLC038538)

Aniruddha Godbole
Partner
Membership No: 105149

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN 00468125)

Christabelle Baptista
Company Secretary
Membership No: AI7817

Mumbai
10-May-19

Mumbai
10-May-19

Consolidated Statement of Cash Flows
for the year ended 31 March 2019

(₹ in million)

		For the year ended 31 March 2019	For the year ended 31 March 2018
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Loss before tax	**(183.48)**	(1,448.29)
	Adjustments for :		
	Interest income from instruments measured at amortised cost	**(196.16)**	(197.39)
	Depreciation and amortisation	**1,154.17**	1,116.33
	Finance costs	**2,656.69**	2,119.21
	Unrealised exchange loss	**22.57**	16.33
	Dividend received*	**-**	(0.00)
	Provision for estimated / actual cancellation and alteration cost	**40.96**	1,217.52
	Profit on sale of property, plant and equipment (net)	**(2.39)**	(1.23)
	Property, plants and equipment written off	**3.17**	-
	Profit on sale of investments	**-**	(114.57)
	Provision for doubtful debts, Advances and Bad debt written off	**93.64**	8.37
	ESOP reserve	**14.64**	-
	Export benefits and entitlements	**(155.48)**	(200.33)
	Others	**3.54**	(13.77)
	Total	**3,635.34**	3,950.47
	Operating Profit before working capital changes	**3,451.86**	2,502.18
	Adjustments		
	Increase in trade receivables and current assets	**(60.16)**	(215.67)
	(Increase) / Decrease in inventories	**(838.84)**	91.23
	Decrease in trade payables & current liabilities	**1,167.08**	235.36
	Total	**268.08**	110.92
	Direct taxes paid	**(64.72)**	(123.99)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**3,655.22**	2,489.11
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of Property, plant and equipment (including capital work in progress, capital creditors and capital advances)	**(367.59)**	(623.04)
	Proceeds from sale of Property, plant and equipment	**12.23**	12.96
	Purchase of investments (including investment property and investment property under construction	**(288.66)**	(477.40)
	Proceeds from sale of investments	**-**	114.57
	Dividend received*	**-**	0.00
	Loans given	**(889.89)**	(7,170.20)
	Loans repaid	**3,216.44**	6,622.81
	Interest income received	**196.16**	197.39
	Fixed deposits (placed) / matured	**(405.21)**	(50.00)
	Margin money placed (net)	**(1.08)**	81.94
	NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	**1,472.40**	(1,290.97)

Consolidated Statement of Cash Flows (Continued)

for the year ended 31 March 2019

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Fresh issue of equity shares	**9,527.79**	-
IPO expenses	**(308.76)**	-
Issue of preference shares	**510.00**	-
Proceeds from long-term borrowings	**2,400.00**	5,200.00
Repayment of long-term borrowings	**(13,742.34)**	(2,725.19)
Short-term borrowings (net)	**(1,125.54)**	(1,938.74)
Interest and finance charges paid	**(2,489.48)**	(2,101.96)
NET CASH USED IN FINANCING ACTIVITIES (C)	**(5,228.33)**	(1,565.89)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(100.71)**	(367.75)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	**(137.98)**	119.82
Less: Impact of sale of subsidiary	**-**	109.95
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**(238.70)**	(137.98)

*Amount less than million

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

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash and cash equivalents (refer note 13a)	**400.04**	295.21
Less: Over draft accounts from banks (refer note 24)	**(638.74)**	(433.19)
Cash and cash equivalents as per consolidated statement of cash flow	**(238.70)**	(137.98)

3 The movement of borrowings as per Ind AS 7 is as follows:

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening borrowings	**25,618.93**	23,111.27
Proceeds from long-term borrowings	**2,400.00**	5,200.00
Repayment of long-term borrowings	**(13,742.34)**	(2,725.19)
Non-cash adjustments	**465.95**	32.85
	14,742.54	25,618.93

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

For and on behalf of the Board of Directors of Chalet Hotels Limited
(formerly known as Chalet Hotels Private Limited)
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Executive Director & CFO
(DIN 00468125)

Christabelle Baptista
Company Secretary
Membership No: AI7817

Mumbai
10-May-19

Mumbai
10-May-19

Consolidated Statement of Changes in Equity
as at 31 March 2019

(a) Equity share capital

(₹ in million)

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the reporting year	**1,710.95**	1,521.42
Shares issued during the year	**339.29**	189.53
Balance at the end of the reporting year	**2,050.24**	1,710.95

(b) Other equity

(₹ in million)

	Attributable to the owners of the Company							
	Equity Component of Compund Instrument	ESOP reserve	Share pending allotment	Capital Reserve	Securities Premium	General reserve	Retained earnings*	Total
Balance at 31 March 2018	-	-	-	0.16	1,418.13	1,071.96	753.86	3,244.11
Total comprehensive income for the year								
Addition during the year	167.06	14.64	-	-	9,160.71	-	-	9,342.41
Utilisation during the year	-	-	-	-	(309.65)	-	-	(309.65)
Loss for the year	-	-	-	-	-	-	(76.27)	(76.27)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	-	(7.68)	(7.68)
Total comprehensive income for the year	167.06	14.64	-	-	8,851.06	-	(83.95)	8,948.81
Others								
Impact of adoption of Ind AS 115, net of tax (refer note 55)	-	-	-	-	-	-	(16.44)	(16.44)
Balance at 31 March 2019	167.06	14.64	-	0.16	10,269.19	1,071.96	653.47	12,176.48
Balance at March 31, 2017	-	-	189.53	0.16	1,418.13	1,071.96	1,682.26	4,362.04
Total comprehensive income for the year								
Loss for the year	-	-	-	-	-	-	(928.75)	(928.75)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	-	14.66	14.66
Total comprehensive income for the year	-	-	-	-	-	-	(914.09)	(914.09)
Others								
Impact of change in tax rate on fair valuation of land							(14.31)	(14.31)
Shares issued during the year			(189.53)					(189.53)
Balance at 31 March 2018	-	-	-	0.16	1,418.13	1,071.96	753.86	3,244.11

*Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact) ₹ 3,710.05 million. (31 March 2018 ₹ 3,710.05 million).

The notes referred to above form an integral part of the Consolidated Ind AS financial tatements.

As per our audit report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of Chalet Hotels Limited
(formerly known as Chalet Hotels Private Limited)
(CIN No.L55101MH1986PLC038538)

Aniruddha Godbole
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(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN 00468125)

Christabelle Baptista
Company Secretary
Membership No: AI7817

Mumbai
10-May-19

Mumbai
10-May-19

Notes to the Consolidated Ind AS Financial Statements
as at 31 March 2019

1.1 Reporting entity

The Consolidated Ind AS Financial Statement comprises of consolidated financial statements of Chalet Hotels Limited ('the Company' or 'the Holding Company'), its subsidiary companies (collectively, 'the Group'). 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', Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400 051. The Company was incorporated under the Companies Act, 1956 on 6 January 1986 and has been converted into a public company with effect from 6 June 2018.

The Group is engaged in the business of hospitality (hotels), commercial and retail operations and real estate development. At March 31, 2019, 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 Sahar, Mumbai and (e) is engaged in construction and development of a residential property at Bengaluru.

1.2 Significant accounting policies

Basis of preparation and presentation

The Consolidated Balance Sheet of the Group as at March 31, 2019 and 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 March 31, 2019 and Notes to the Consolidated Ind AS Financial Statements (together referred as 'Consolidated Ind AS Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

(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);
- 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.

Judgement, estimates and assumptions are required in particular for:

- 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

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

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 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 G, J & K – impairment test of non-financial assets: key assumptions underlying recoverable amounts; and

(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.

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as at 31 March 2019

- 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 2 – Property, plant and equipment (Freehold land) Note 4 – Investment property

- Note 45 – Financial instruments

1.3 Basis of consolidation

Subsidiary:

The Consolidated Ind AS financial statements incorporate the financial statements of the Group and entities controlled by the Company. Subsidiary is an entity 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. Subsidiary is fully consolidated from the when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

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 subsidiary 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 subsidiary to bring their accounting policies into line with the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiary are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of 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 subsidiary 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.

1.4 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 atleast 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 Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

(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 atleast 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.

1.5 Significant accounting policies

A. Business combination
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 Ind AS 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.

B. Revenue

i. 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 is recognised at a point in time when significant risks and rewards are transferred to the Customer i.e. when the control of the residential flat is transferred to the Customer.

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.

ii. 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.

iii. 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.

Initial direct costs incurred by lessors in negotiating and arranging an operating lease is accounted as separate asset and will be recognised as an expense over the lease term on the same basis as the lease income.

iv. Income from other services
Maintenance income is recognised as and when related expenses are incurred.

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

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

v. **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.

vi. **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 Ind AS Consolidated statement of profit or loss.

C. 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.

D. 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 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.

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.

Employee benefits
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 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.

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

iii. ***Terminal Benefits:***
All terminal benefits are recognised as an expense in the period in which they are incurred.

iv. ***Employee stock option expense***
The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

E. 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.

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 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:

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

- 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.

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.

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

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.

F. 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 realizable 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 realizable 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.

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 Realizable value.

G. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation / amortisaton 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.

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 Group.

iii. 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 Property, plant and equipments 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.

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

Asset Type	Useful Life		
	March 2019	March 2018	Schedule II
Buildings (Interior and Accessories)	**14 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	**15 Years**	15 Years	
- Others	**14 Years**	14 Years	
Electrical installations	**14 Years**	14 Years	10 Years
Office Equipments			
- Mobile phones	**2 Years**	2 Years	4 Years
- Others	**4 Years**	4 Years	
Data Processing Equipments	**3 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.

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.

H. 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.

I. 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 47 for segment information presented.

J. 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.

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.

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

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.

K. 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.

(a) 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 Consolidated statement of profit and 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.

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

Asset Type	Useful Life		
	March 2019	March 2018	Schedule II
Buildings	**60 Years**	60 Years	60 Years
Buildings (Interior and Accessories)	**14 Years**	14 Years	NA
Plant and Machinery	**14 Years**	14 Years	
Plant and Machinery - Others	**15 years**	15 years	15 Years
Electrical installations	**14 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

L. 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.

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.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 consolidated statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated statement of profit and loss.

- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in consolidated statement of profit and 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 consolidated statement of profit and loss.

(b) *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.

(c) *Impairment of financial assets*

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

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.

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 intruments 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 Ind AS consolidated 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 Ind AS statement of financial position when, and only when, the Group has 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.

M. 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

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

the liability. The unwinding of the discount is recognised as finance cost.

N. 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 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 statement of assets and liabilities. 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 statement of financial position.

O. 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.

P. 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 consolidated statement of profit and 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 consolidated statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Q. 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.

R. Earnings before interest and depreciation and amortisation ("adjusted EBITDA")

The Group presents adjusted EBITDA in the consolidated statement of profit and loss; this is not specifically required by Ind AS 1. The terms adjusted 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 adjusted EBITDA

Accordingly, the Group has elected to present earnings before interest, tax, depreciation and amortisation

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

(adjusted EBITDA) before exceptional items, as a separate line item on the face of the Consolidated Statement of Profit and Loss. The Group measures adjusted 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.

Recent amendments:

In exercise of the powers conferred by sub-section (1) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government have made the following further amendments in Schedule III to the said Act.

Trade Receivables shall be sub-classified as:

(a) Trade Receivables considered good - Secured;

(b) Trade Receivables considered good - Unsecured;

(c) Trade Receivables which have significant increase in Credit Risk; and

(d) Trade Receivables - credit impaired.";

The Company has made the necessary amendments in the Ind AS Consolidated Financial Information.

Trade Payables:

Under the heading "Equity and Liabilities", for the words "Trade payables" at both the places where they occur, the following shall be substituted, namely:–

Trade Payables:-

(A) total outstanding dues of micro enterprises and small enterprises; and

(B) total outstanding dues of creditors other than micro enterprises and small enterprises.;

The following details relating to micro, small and medium enterprises shall be disclosed in the notes:-

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;

(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

The Company has made the necessary amendments in the Consolidated Ind AS Financial Statement.

Government Grants:

Appendix A of Ind AS 115, Revenue from Contracts with Customers, defines 'Revenue' as income arising in the course of an entity's ordinary activities. As per paragraph 3 of Ind AS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, 'government grants' are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity. The export incentive is in the nature of government grant and does not fall within the scope of Ind AS 115, as it is not revenue arising from contract with customer. Such export incentives are benefits given by the government to incentivise companies to export more products. In accordance with above, while recognising the income arising from SEIS scheme, the Company has applied the provisions of Ind AS 20. The presentation of such incentives is made in accordance with the

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

relevant provisions of Ind AS 20 and Schedule III to the Companies Act,2013.

The Company has made the necessary amendments in the Consolidated Ind AS Financial Statements.

Ind AS 116 – Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Ind AS 116 requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The Group will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Group is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements.

The Group will recognise with effect from April 1, 2019 new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for the right-to use asset, and b) interest accrued on lease liability.

Based on current assessment, the Company does not expect a significant impact to opening retained earnings on adoption Ind AS116.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 2 Property, plant and equipment

Reconciliation of carrying amount

As at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated depreciation/ amortisation				Net block
	Opening balance as at 1 April 2018	Additions	Deductions	**Closing balance as at 31 March 2019**	Opening balance as at 1 April 2018	For the year	Deductions	**Closing balance as at 31 March 2019**	**As at 31 March 2019**
Tangible assets									
Freehold land	7,960.94	-	-	**7,960.94**	-	-	-	**-**	**7,960.94**
Buildings	12,505.91	76.40	-	**12,582.31**	2,765.27	387.04	-	**3,152.31**	**9,430.00**
Leasehold improvements	6.92			**6.92**	6.92			**6.92**	**-**
Plant and machinery	4,192.15	76.79	91.15	**4,177.79**	2,233.50	256.01	85.83	**2,403.68**	**1,774.11**
Data processing equipments	201.34	23.27	9.06	**215.55**	174.26	20.85	9.04	**186.07**	**29.48**
Electrical installations	1,590.99	7.42	0.24	**1,598.17**	904.66	73.41	0.19	**977.88**	**620.29**
Furniture and fixtures	2,008.42	34.44	60.68	**1,982.18**	1,239.76	152.72	58.99	**1,333.49**	**648.69**
Vehicles	276.65	3.74	46.44	**233.95**	213.76	35.74	40.81	**208.69**	**25.26**
Office equipments	97.37	1.06	2.52	**95.91**	91.79	2.96	2.22	**92.53**	**3.38**
Total	28,840.69	223.12	210.09	**28,853.72**	7,629.92	928.73	197.08	**8,361.57**	**20,492.15**

As at 31 March 2018

(₹ in million)

Particulars	Gross block				Accumulated depreciation/ amortisation				Net block
	Opening balance as at 1 April 2017	Additions	Deductions	Closing balance as at 31 March 2018	Opening balance as at 1 April 2017	For the year	Deductions	Closing balance as at 31 March 2018	As At 31 March 2018
Tangible assets									
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
Total	28,397.15	490.87	47.33	28,840.69	6,691.09	976.26	37.43	7,629.92	21,210.77

Notes:

1) Refer note 19 and 24 for information on property, plant and equipment pledged as security by the Group.
2) Refer note 41 for contractual commitments with respect to property plant and equipments.
3) 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 and in accordance with an internal evaluation which is more representative of the useful lives of its property, plant and equipment for the year ended 31 March 2018. Consequently, the depreciation expense for the year ended 31 March 2018 was lower by ₹ 295.10 million. The change in estimated useful lives has effect of reduction in depreciation charge in future periods.
4) 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 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 Consolidated financial information. The carrying value of property, plant and equipment in respect of the aforementioned hotel as at 31 March 2019 is ₹ 436.66 million (31 March 2018: ₹ 449.26 million).

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 3 Capital work-in-progress
1) Details of capital work-in-progress

(₹ in million)

Particulars	31 March 2019	31 March 2018
Opening balance	**384.54**	374.39
Add: Additions during the year	**291.50**	501.02
Less: Capitalised during the year	**(223.12)**	(490.87)
Closing balance	**452.92**	384.54
Less: Provision for impairment	**(110.45)**	(166.31)
Net balance	**342.47**	218.23

Notes:
1) Capital Work in Progress includes expenditure incurred by a subsidiary, "Chalet Hotels & Properties (Kerala) Private Limited." aggregating to ₹ 110.45 million (31 March 2018: 166.31 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.

2) Expenses (net) capitalised to capital work-in-progress during the year.

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Legal and professional charges	**21.12**	12.02
Employee costs	**44.62**	72.52
Rates, taxes and license fees	**8.17**	6.75
Repairs and maintenance	**-**	0.21
Miscellaneous expenses	**7.06**	4.38
Interest and other finance costs	**20.29**	-
Other income/sale of scrap	**(0.62)**	(1.13)
Total	**100.64**	94.75

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 4 Investment property

A. Reconciliation of carrying amount

As at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at April 1, 2018	Additions	Deductions/ Transfer out	**Closing balance as at 31 March 2019**	Opening balance as at April 1, 2018	For the year	Deductions/ Transfer out	**Closing balance as at 31 March 2019**	**As at 31 March 2019**
Commercial complex, Bengaluru I	893.37	-	-	**893.37**	51.16	25.89	-	**77.05**	**816.32**
Retail block, Sahar, Mumbai	1,135.23	56.67	-	**1,191.90**	50.47	38.28	-	**88.75**	**1,103.15**
Commercial block, Sahar, Mumbai	-	3,141.63	-	**3,141.63**	-	85.14	-	**85.14**	**3,056.49**
Retail block, Bengaluru	1,779.00	3.99	-	**1,782.99**	450.02	62.26	-	**512.28**	**1,270.71**
Hyderabad flats	15.27	-	-	**15.27**	0.52	0.26	-	**0.78**	**14.49**
Total (A)	3,822.87	3,202.29	-	**7,025.16**	552.17	211.83	-	**764.00**	**6,261.16**
Investment property under construction									
Business centers and offices, Sahar, Mumbai									**29.06**
Commercial complex, Bengaluru II									**519.35**
Total (B)									**548.41**
Total (A+B)									**6,809.57**

Year ended 31 March 2018

(₹ in million)

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at April 1, 2017	Additions	Deductions/ Transfer out	Closing balance as at 31 March 2018	Opening balance as at April 1, 2017	For the year	Deductions/ Transfer out	Closing balance as at 31 March 2018	As At 31 March 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
Total (A)	3,780.61	51.74	9.48	3,822.87	429.96	124.85	2.64	552.17	3,270.70
Investment property under construction									
Business centers and offices, Sahar, Mumbai									3,124.74
Commercial complex, Bengaluru II									311.20
Retail block, Sahar, Mumbai									30.01
Total (B)									3,465.95
Total (A+B)									6,736.65

Notes:

1. 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

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

more representative of the useful lives of its investment property during the year ended 31 March 2018. Consequently, the depreciation expense for the year ended 31 March 2018 was lower by ₹ 52.14 million. The change in estimated useful lives has effect of reduction in depreciation charge in future periods.

2. Refer note 19 and 24 for information on investment property pledged as security by the Group.

3. Borrowing Cost aggregating to ₹34.99 millions (31 March 2018 ₹ 221.41 millions) are capitalised under investment property under construction.

4. Details of investment property under construction

(₹ in million)

Particulars	31 March 2019	31 March 2018
Opening Balance	**3,465.95**	3,073.54
Add: Additions during the year	**284.75**	444.15
Less: Capitalised during the year	**(3,202.29)**	(51.74)
Closing Balance	**548.41**	3,465.95

5. Expenses (net) capitalised to investment property under construction during the year.

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Legal and professional charges	**6.82**	7.41
Employee costs	**3.79**	1.25
Rates, taxes and license fees	**9.11**	3.89
Repairs and maintenance	**1.51**	0.96
Interest and other finance costs	**34.99**	221.41
Miscellaneous expenses	**12.88**	3.92
Other income/sale of scrap	**(0.42)**	(0.10)
Total	**68.68**	238.74

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.

(₹ in million)

Investment properties	Fair Value as on 31 March 2019	Fair Value as on 31 March 2018
Commercial complex, Bengaluru I	**840.00**	905.00
Retail block, Sahar, Mumbai	**2,230.40**	2,688.00
Commercial block, Sahar, Mumbai	**6,853.62**	-
Retail block, Bengaluru	**1,434.19**	1,554.00
Hyderabad flats	**23.00**	23.00

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.

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

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 years, occupancy rate, lease incentive costs such as rent-free years 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. The Hyderabad flats are valued internally using market price/saleable value for residential flat.

C. Information regarding income and expenditure of investment property

(₹ in million)

Particulars	31 March 2019	31 March 2018
Rental income derived from investment properties	**271.21**	166.37
Direct operating expenditure (including repairs and maintenance) generating rental income	**97.93**	54.14
Direct operating expenditure that did not generate rental income	**35.78**	-
Profit arising from investment properties before depreciation and indirect expenses	**137.50**	112.23
Depreciation	**211.83**	124.85
Loss arising from investment properties before indirect expenses	**(74.33)**	(12.62)

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:

As at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2018	Additions	Deductions	Closing balance as at 31 March 2019	Opening balance as at 1 April 2018	For the year	Deductions	Closing balance as at 31 March 2019	As at 31 March 2019
Tangible assets									
Freehold land	411.56	430.22	-	**841.78**	-	-	-	**-**	**841.78**
Buildings	2,501.22	2,165.64	-	**4,666.86**	281.76	110.35	-	**392.11**	**4,274.75**
Plant and machinery	590.58	462.36	-	**1,052.94**	151.98	65.48	-	**217.46**	**835.48**
Computers	1.41	0.44	-	**1.85**	0.89	0.31	-	**1.20**	**0.65**
Electrical installations	248.78	137.35	-	**386.13**	79.94	25.61	-	**105.55**	**280.58**
Furniture and fixtures	68.06	5.78	-	**73.84**	36.58	9.97	-	**46.55**	**27.29**
Office equipments	0.72	0.50	-	**1.22**	0.50	0.11	-	**0.61**	**0.61**
	3,822.33	3,202.29	-	**7,024.62**	551.65	211.83	-	**763.48**	**6,261.14**
Intangible assets									
Software	0.54	-	-	**0.54**	0.52	-	-	**0.52**	**0.02**
	0.54	-	-	**0.54**	0.52	-	-	**0.52**	**0.02**
Total	3,822.87	3,202.29	-	**7,025.16**	552.17	211.83	-	**764.00**	**6,261.16**

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

As at 31 March 2018

(₹ in million)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2017	Additions	Deductions	Closing balance as at 31 March 2018	Opening balance as at 1 April 2017	for the year	Deductions	Closing balance as at 31 March 2018	As At 31 March 2018
Tangible assets									
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
	3,780.30	51.51	9.48	3,822.33	429.67	124.62	2.64	551.65	3,270.68
Intangible assets									
Software	0.31	0.23	-	0.54	0.29	0.23	-	0.52	0.02
	0.31	0.23	-	0.54	0.29	0.23	-	0.52	0.02
Total	3,780.61	51.74	9.48	3,822.87	429.96	124.85	2.64	552.17	3,270.70

Note 5 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:

(₹ in million)

Particulars	**31 March 2019**	31 March 2018
Hotel at Bengaluru	**164.04**	164.04
Retail at Bengaluru	**25.49**	25.49
Commercial complex at Bengaluru	**36.58**	36.58
Total	**226.11**	226.11

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 in 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 %)	**31 March 2019**	31 March 2018
Discount rate	**9.48%**	9.59%
Terminal value growth rate	**6.67%**	6.50%

B. Retail

Particulars (in %)	**31 March 2019**	31 March 2018
Discount rate	**9.48%**	9.59%
Terminal value growth rate	**9.09%**	8.50%

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

C. Commercial complex at Bengaluru

Particulars (in %)	31 March 2019	31 March 2018
Discount rate	9.48%	9.59%
Terminal value growth rate	9.09%	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 31 March 2019 and 31 March 2018 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.

Note 6 Other intangible assets

as at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated amortisation				Net Block
	Opening balance as at 1 April 2018	Additions	Deductions	Closing balance as at 31 March 2019	Opening balance as at 1 April 2018	Charged for the year	Deductions	Closing balance as at 31 March 2019	As at 31 March 2019
Trade marks*	0.00	-	-	**0.00**	0.00	-	-	**0.00**	**0.00**
Computer software	67.06	1.40	-	**68.46**	48.53	13.61	0.01	**62.13**	**6.33**
Total	67.06	1.40	-	**68.46**	48.53	13.61	0.01	**62.13**	**6.33**

* Amount less then millions

as at 31 March 2018

(₹ in million)

Particulars	Gross block				Accumulated amortisation				Net block
	Opening balance as at 1 April 2017	Additions	Deductions	Closing balance as at 31 March 2018	Opening balance as at 1 April 2017	Charged for the year	Deductions	Upto 31 March 2018	As At 31 March 2018
Trade marks*	0.00	-	-	0.00	0.00	-	-	0.00	0.00
Computer software	63.09	3.97	-	67.06	33.31	15.22	-	48.53	18.53
Total	63.09	3.97	-	67.06	33.31	15.22	-	48.53	18.53

* Amount less than ₹ 0.01 millions

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 7 Investments

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Measured at fair value through profit and loss		
Unquoted, fully paid up:		
Investments in equity shares (non-trade, unquoted)		
In other companies (equity shares of ₹10/- each fully paid)		
1,000 (31 March 2018: 1,000) shares of Stargaze Properties Private Limited	**0.01**	0.01
423 (31 March 2018: 423) shares of Intime Properties Limited	**1.94**	1.94
10,000 (31 March 2018: 10,000) shares of Renew Wind Power Energy (AP) Limited	**1.00**	1.00
622,960 (31 March 2018: 428,285) shares of Krishna Valley Power Private Limited	**12.54**	8.64
1,044,500 (31 March 2018: 1,044,500) shares of Sahyadri Renewable Energy Private Limited	**31.46**	31.45
Measured at amortised cost		
National Saving Certificates	**0.13**	0.13
	47.08	43.17
Aggregate amount of unquoted securities	**47.08**	43.17
Aggregate amount of quoted securities	**-**	-
Market value of quoted securities	**-**	-
Aggregate amount of impairment in the value of investments	**-**	-

Note 8 Loans

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good		
Capital advances.		
Deposits		
Security deposits - related parties	**11.73**	26.98
Security deposits - others	**105.02**	78.67
Option deposits - others	**5.00**	8.40
	121.75	114.05

Note 9 Other non-current financial assets

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Deposits with banks with more than 12 months maturity	**51.08**	50.00
	51.08	50.00

Note 10 Other non-current assets

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Secured, Unsecured, considered good)		
(Unsecured, considered good)		
Capital advances.	**24.22**	3.73
Prepayments (refer footnote)	**233.84**	70.02
Others	**-**	0.96
	258.06	74.71

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

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 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 Consolidated IndAS financial Statements. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2019 is ₹ 53.32 million (31 March 2018: ₹ 54.52 million).

Note 11 Inventories

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(valued at lower of cost and net realisable value)		
Hospitality :		
Food, beverages and smokes	**111.10**	105.43
Stores and spares	**5.55**	2.78
Property development :		
Developed property	**16.14**	247.25
	4,171.91	3,031.94
Less: Provision for impairment	**(451.74)**	(376.65)
Property under development (refer note 53)	**3,720.17**	2,655.29
Materials at site	**94.38**	100.60
Retail:		
Materials at site.	**7.30**	4.45
	3,954.64	3,115.80

Note 12 Trade receivables

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good, unless otherwise stated)		
Considered good	**476.81**	551.70
Credit impaired	**89.66**	3.82
	566.47	**555.52**
Less : Provision for impairment	**(89.66)**	(3.82)
	476.81	551.70

Note 13a Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance with banks		
- Current accounts	**392.26**	290.22
Cheques on hand	**0.15**	0.08
Cash on hand	**7.63**	4.91
	400.04	295.21

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 (Continued)
as at 31 March 2019

Note 13b Other bank balances

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
In term deposit accounts (balances held as margin money)	25.27	21.50
In term deposit accounts (others)	401.44	-
	426.71	21.50

-Includes accrued interest of ₹ 1.95 million (31 March 2018: ₹ 0.93 million)

Note 14 Loans

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Deposits		
Security deposits - others	18.05	22.74
Loans to related parties (refer footnote and note 49)	-	2,326.55
	18.05	2,349.29

Loan to related parties include amounts due from a Director is ₹ Nil (31 March 2018: ₹1.41 million) and due from Private Limited companies aggregating to ₹ Nil million (31 March 2018: ₹ 2,325.14 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% (31 March 2018: 11.00%). These amounts are unsecured and repayable on demand.

Note 15 Other current financial assets

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Others*	239.07	192.85
Mark to market derivative contracts	-	14.38
	239.07	207.23

* Includes export benefits and entitlements of ₹ 239.07 million (31 March 2018 : ₹ 192.85 million).

Note 16 Other current assets

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good)		
Advance to suppliers.	89.35	44.73
Less: Provision for doubtful advances	(9.07)	-
Indirect tax balances/receivable credits	26.44	192.45
Unbilled revenue	276.90	195.33
Prepayment and others	88.23	76.58
Others	6.92	7.55
	478.77	516.64

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

Note 17 Share capital

(a) Details of the authorised, issued, subscribed and fully paid-up share capital as below:

(₹ in million)

Particulars	31 March 2019	31 March 2018
(i) Authorised		
229,100,000 (31 March 2018: 172,000,000) equity shares of the par value of ₹ 10 each	**2,291.00**	1,720.00
(ii) Issued, subscribed and paid-up		
205,023,864 (31 March 2018: 171,095,293) equity shares of the par value of ₹ 10 each (Refer note f)	**2,050.24**	1,710.95
Total	**2,050.24**	1,710.95

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

(₹ in million)

Particulars	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Equity Shares				
Number of equity shares outstanding at the beginning of the year	**171,095,293**	**1,710.95**	152,142,253	1,521.42
Add:				
Issued pursuant to scheme of arrangement (Refer note 40)	-	-	18,953,040	189.53
Fresh issue (Refer note f)	**33,928,571**	**339.29**		
Number of equity shares outstanding at the end of the year	**205,023,864**	**2,050.24**	171,095,293	1,710.95

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

(₹ in million)

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Casa Maria Properties LLP	**16,496,280**	**8.05%**	16,496,280	9.64%
Capstan Trading LLP	**16,495,680**	**8.05%**	16,495,680	9.64%
Raghukool Estate Development LLP	**16,495,680**	**8.05%**	16,495,680	9.64%
Touchstone Properties and Hotels Private Limited.	**14,500,000**	**7.07%**	14,500,000	8.47%
Anbee Construction LLP	**13,116,180**	**6.40%**	13,116,180	7.67%
Cape Trading LLP	**13,116,180**	**6.40%**	13,116,180	7.67%
K Raheja Private Limited.	**12,400,000**	**6.05%**	12,400,000	7.25%
Ivory Properties And Hotels Private Limited *	**11,351,833**	**5.54%**	-	0.00%
Reliance Capital Trustee Co Ltd.A/c Reliance Multicap Fund	**10,693,167**	**5.22%**	-	0.00%
Ravi Raheja	**10,326,318**	**5.04%**	13,354,374	7.81%
Neel Raheja	**10,326,318**	**5.04%**	13,354,374	7.81%
K Raheja Corp Private Limited.	**-**	**0.00%**	1,45,70,000	8.52%
	145,317,636	**70.88%**	143,898,748	84.10%

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

* Ivory Properties and Hotels Private Limited (Registered owner) holds 7,780,404 Equity Shares for and on behalf of the beneficiaries of Ivory Property Trust, out of its total shareholding of 11,351,833 Equity Shares.

(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.

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

(e) Details of shares issued

(₹ in million)

Particulars	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Equity Shares				
Issued during the year for considerartion other than cash (Refer note 40)	-	-	18,953,040	189.53
Issued during the year (Refer note f)	33,928,571	339.29	-	-

(f) Initial public offer

The Company has made an initial public issue of 58,613,571 equity shares of face value of ₹ 10 each at a price of ₹280 per equity share (including a share premium of ₹ 270 per equity share) aggregating ₹ 16,412 million consisting of 33,928,571 equity share by the company and on offer for sale of 24,685,000 equity share 10,784,176, 5,550,000, 5,550,000, 2,000,824 and 800,000 by K Raheja Corp Private Limited, Neel Raheja, Ravi Raheja, Ivory Properties & Hotels Private Limited and Palm Shelter Estate Development LLP respectively. Aforementioned 58,613,571 equity shares were allotted on 5 February 2019 and the equity share of the company got listed on the National stock exchange (NSE) and BSE Limited (BSE) on 7 February 2019.

Note 18 Other equity

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Equity Component of Compound Instruments		
Equity Component of Compound Instruments balance at the beginning of the year	-	-
Add: Additions during the year	167.06	-
At the end of the year	167.06	-
ESOP reserve		
ESOP reserve balance at the beginning of the year	-	-
Add: Additions during the year	14.64	-
At the end of the year	14.64	-
Securities premium		
Securities premium balance at the beginning of the year	1,418.13	1,418.13
Add: Premium on issued equity shares	9,160.71	-
Less: Utilisation towards share issue expenses (Refer note 51)	(309.65)	-
At the end of the year	10,269.19	1,418.13
Shares pending allotment		
Shares pending allotment at the beginning of the year	-	189.53
Shares pending allotment issued during the year	-	(189.53)
At the end of the year	-	-
General reserve		
General reserve balance at the beginning of the year	1,071.96	1,071.96
At the end of the year	1,071.96	1,071.96
Capital reserve		
Capital reserve balance at the beginning of the year	0.16	0.16
At the end of the year	0.16	0.16
Retained earnings		
Retained earnings balance at the beginning of the year	753.86	1,682.26
Add: Loss for the year	(83.95)	(914.09)
Add: Impact of change in tax rate on fair valuation of land	-	(14.31)
Impact of adoption of Ind AS 115, net of tax (refer note 55)	(16.44)	-
At the end of the year	653.47	753.86
	12,176.48	3,244.11

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

Nature and purpose of reserves

Equity Component of Compound Instruments

Equity component of compound Instruments comprises of the impact of fair valuation of preference shares issued by the Company.

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.

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.

Employee stock option plan reserve

Represents expense recognised towards employee stock option plans issued by the company.(Refer note no. 50).

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. (31 March 2018 ₹3,710.05 million).

Note 19 Long-term borrowings

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowings		
Secured		
Rupee term loans		
i) From bank (refer note A)	**7,538.51**	12,760.60
ii) From financial institutions (refer note A)	**3,616.46**	5,975.65
iii) Vehicle loans from banks (refer note A)	**-**	5.21
Foreign currency term loans		
i) From bank (refer note A)	**1,719.30**	3,250.07
Preference share liability		
Non-cumulative redeemable preference shares (refer note B)	**518.18**	160.00
	13,392.45	22,151.53

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

A) Terms of repayment

(₹ in million)

Particulars	Sanction Amount	**Loan Oustanding as at 31 March 2019**	**Carrying rate of Interest as at 31 March 2019**	Carrying rate of Interest as at 31 March 2018	Repayment/ Modification of terms	Security Details
Term Loans- Rupee Loans						
From Banks						
The Ratnakar Bank Ltd	1,500	-	**9.30% to 9.97%**	9.77%	Repayable quarterly instalment starting from August 2015 to May 2020. The loan has been fully repaid in the month of February 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.
Standard Chartered Bank	2,000	**1,749**	**9.00% to 9.80%**	9.00%	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 to 10.00%**	9.20%	Repayable half yearly starting from March 2018 to March 2022 and balance amount is bullet payment on November 2022.The loan has been fully repaid in the month of February 2019.	
ICICI Bank Ltd	3 , 0 8 0 (Term Loan - ₹ 2,285 million with ₹ 300 million OD as a sub-limit of term loan)	**1,819.84**	**9.25% to 9.60%**	9.25%	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	**864.70**	**8.85% to 9.60%**	8.85%	Repayable monthly instalment from December 2018 to October 2026 of ₹8.30 million and remaining amount bullet payment on November 2026.	
Standard Chartered Bank	2,567	-	**9.25% to 9.40%**	9.25%	Repayable monthly instalment over 60 month starting from November 2017 to September 2022 and balance amount is bullet payment on October 2022. The loan has been fully repaid in the month of July 2018.	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.

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2019	Carrying rate of Interest as at 31 March 2019	Carrying rate of Interest as at 31 March 2018	Repayment/ Modification of terms	Security Details
Yes Bank Ltd	1100 (Term Loan - ₹ 900 million and OD sub-limit - ₹ 200 million of sanction)	-	9.25% to 11.18%	9.25%	Repayable in quarterly 28 instalments from March 2020 to December 2026. The loan has been fully repaid in the month of February 2019.	It is secured by exclusive charge on Land for Powai Phase III land.
Other Loans from Banks - Vehicle	45.06	2.92	11%	11%	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			11%	11%	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)	724.95	8.85% to 9.55%	8.85%	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.
ICICI Bank Ltd	1,900	1,271.15	9.25% to 9.60%	9.25%	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% to 9.10%	8.20%	Repayable in Monthly instalments from May 2017 to April 2025. The loan has been fully repaid in the month of February 2019 and Personal guarantee given by Neel Raheja is cancelled.	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% to 9.10%	8.20%	Repayable in Monthly instalments from November 2016 to March 2024. The loan has been fully repaid in the month of February 2019 and Personal guarantee given by Neel Raheja is cancelled.	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 (Continued)

as at 31 March 2019

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2019	Carrying rate of Interest as at 31 March 2019	Carrying rate of Interest as at 31 March 2018	Repayment/ Modification of terms	Security Details
DBS Bank Ltd	3250(Term Loan - ₹ 2900 million, DSRA OD ₹150 million and OD ₹ 200 million)	**1,874.57**	**9.45%**	NA	Repayable in Monthly instalments from April 20 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Bajaj Finance Ltd	5,000	**500.00**	**9.45%**	NA	Repayable in Monthly instalments from April 20 to Sept 2025.	
From Financial Institutions						
Housing Development Finance Corporation Limited	2,000	**-**	**8.70% to 9.70%**	8.70%	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	1,350	**862.22**	**8.70% to 10.05%**	8.70%	Repayable in 120 monthly instalment from loan drawn out date i.e, October 2014.	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% to 9.80%**	8.70%	Repayable yearly from March 2019 to March 2026. The loan has been fully repaid in the month of February 2019.	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	**2,754.88**	**8.70% to 10.05%**	8.70%	Repayable in 120 monthly instalment from loan drawn out date i.e, December 2015.	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.

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as at 31 March 2019

(₹ in million)

Particulars	Sanction Amount	**Loan Oustanding as at 31 March 2019**	**Carrying rate of Interest as at 31 March 2019**	Carrying rate of Interest as at 31 March 2018	Repayment/ Modification of terms	Security Details
Foreign Currency Loans						
From Banks						
Standard Chartered Bank, UK	30	-	**3.75% fixed plus 6 month libor**	3.75% fixed plus 6 month libor	Repayable in half yearly from January 2017 to July 2021. The loan has been fully repaid in the month of February 2019.	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	Repayable in two instalments November 17 and May 18, The loan term subsequently extended for further 6 years in May 2018. The loan has been fully repaid in the month of February 2019.	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.
Standard Chartered Bank, UK	15	**998.44**	**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)	**801.97**	**4.00% fixed plus 3 month libor**	4.00% fixed plus 3 month libor	Repayable quarterly from June 2018 to March 2027.	

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

B) Preference Share Capital

(a) Details of the Authorised, Issued, Subscribed and Paid-up Preference Share Capital as below:

(₹ in million)

Particulars	**As at 31 March 2019**	As at 31 March 2018
(i) Authorised		
1,600 (31 March 2018:1600) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each	**160.00**	160.00
10,000 (31 March 2018:Nil) 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each- Series A	**1,000.00**	-
10,000 (31 March 2018:Nil) 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each- Series B	**1,000.00**	-
(ii) Issued, Subscribed and paid-up		
1,600 (31 March 2018:1600) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each	**160.00**	160.00
20,000 (31 March 2018:Nil) (Series A 10,000 and Series B 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and partly paid up of Series A ₹ 50,000 each and Series B ₹ 1,000 each.	**358.18**	-
Total	**518.18**	160.00

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

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

(₹ in million)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each				
Number of Preference shares outstanding at the beginning of the year	1,600	160.00	-	-
Issued during the year	-	-	1,600	160.00
Number of Preference shares outstanding at the end of the year	1,600	160.00	1,600	160.00
20,000 (31 March 2018:Nil) (Series A 10,000 and Series B 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and partly paid up of Series A ₹ 50,000 each and Series B ₹ 1,000 each.				
Number of Preference shares outstanding at the beginning of the year	-	-	-	-
Issued during the year	20,000	358.18	-	-
Number of Preference shares outstanding at the end of the year	20,000	358.18	-	-
Total	21,600	518.18	1,600	160.00

(c) Shareholder holding more than 5% Preference shares in the Group is set out below:

(₹ in million)

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each				
Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja*	1,600	100%	1600	100%
*Held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust.				
10,000 0.00(Zero) % Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each subscribed and partly paid up of ₹ 50,000 each.				
Series A				
Mr Ravi Chandru Raheja	2,325	23.25%	-	-
Mr Neel Chandru Raheja	2,325	23.25%	-	-
K Raheja Corp Private Limited	4,500	45.00%	-	-
Ivory Properties and Hotels Private Limited	850	8.50%	-	-
Total	10,000	100%	1600	100%

(₹ in million)

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
10,000 0.00(Zero) % Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each subscribed and partly paid up of ₹ 1,000 each.				
Series B				
Mr Ravi Chandru Raheja	2,325	23.25%	-	-
Mr Neel Chandru Raheja	2,325	23.25%	-	-
K Raheja Corp Private Limited	4,500	45.00%	-	-
Ivory Properties and Hotels Private Limited	850	8.50%	-	-
Total	10,000	100%	-	-

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

(d) Rights, Preferences and restrictions attached to preference shares.

The Company has two classes of preference shares having a par value of ₹ 100,000 each per share.

1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each.

Rights, Preferences and restrictions attached to 0.001% Non-cumulative redeemable preference shares 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 21, 2023.

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

20,000 0.00 %(Series A & Series B) Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each.

Rights, Preferences and restrictions attached to 0(Zero) % (Series A & Series B) Non-cumulative Non convertible redeemable preference shares

The preference shares do not carry any voting rights.

Preference shares issued by the Company are due for redemption at par. The Company and its Board shall have the right to redeem the preference shares to the extent of any surplus amounts available from the Bengaluru Residential Project. However, the preference shares are liable to be redeemed not later than one month prior to completion of 20 years from the date of allotment.

The Preference Shares do not carry any voting rights whatsoever in any meetings of the shareholders of the Company or of members of any class of shares of the Company.

Subject to applicable laws, other than the amounts payable for redemption, no amounts shall be payable to the Preference Shareholders, whether by way of dividend or in any other manner whatsoever.

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

Note 20 Other non-current financial liabilities

(₹ in million)

Particulars	**As at 31 March 2019**	As at 31 March 2018
Security deposits	**208.44**	151.77
	208.44	151.77

Note 21 Provisions

(₹ in million)

Particulars	**As at 31 March 2019**	As at 31 March 2018
Provision for gratuity	**57.58**	38.11
	57.58	38.11

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

Note 22 Tax expense

(a) Amounts recognised in statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax expense		
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	**(55.60)**	(405.44)
Utilisation of previously unrecognised tax losses	**(61.61)**	(118.52)
Change in tax rate	**-**	4.42
Deferred tax credit	**(117.21)**	**(519.54)**
Tax credit for the year	**(117.21)**	(519.54)

(b) Amounts recognised in other comprehensive income

(₹ in million)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**(11.80)**	**4.12**	**(7.68)**	22.54	(7.88)	14.66
	(11.80)	**4.12**	**(7.68)**	22.54	(7.88)	14.66

(c) Amounts recognised directly in equity

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred income tax asset, net	**8.82**	14.32

(d) Reconciliation of effective tax rate

(₹ in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Loss before tax	**(183.48)**	(1,448.29)
Group's domestic tax rate	**34.61%**	34.61%
Tax using the Group's domestic tax rate	**(63.50)**	**(501.25)**
Tax effect of:		
Expenses not allowed under tax	**(71.26)**	112.39
Income not subject to tax	**108.53**	(0.51)
Utilisation of brought forward losses	**(94.77)**	(22.23)
Indexation of land and investment property	**(5.35)**	(118.52)
Difference in applicable tax rates	**-**	(13.47)
Deferred tax asset not recognised on current year's loss	**9.14**	19.60
Change in tax rate	**-**	4.42
	(117.21)	(519.57)

The Group's weighted average tax rates for years ended 31 March 2019 and 2018 are (63.88%) and (35.88%), 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.

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

(e) Movement in deferred tax balances

Movement in deferred tax balances for the year ended 31 March 2019

(₹ in million)

	Net balance 1 April 2018	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	**Net balance 31 March 2019**
Deferred tax asset/(liabilities)					
Property, plant and equipment	(3,395.50)	109.88	-	-	**(3,285.62)**
Investment property	162.61	18.18	-	-	**180.79**
Assets classified as held for sale	0.05	-	-	-	**0.05**
Real estate inventory	(43.28)	2.48	-	23.76	**(17.04)**
Expenditure on specified business u/s 35 AD	2,350.86	(178.22)	-	-	**2,172.64**
Investments	(0.28)	-	-	-	**(0.28)**
Provisions	368.93	12.03	4.12	-	**385.08**
Borrowings	-	(29.82)	-	-	**(29.82)**
Other current liabilities	(2.01)	147.27	-	-	**145.26**
Other current assets	-	(38.34)	-	-	**(38.34)**
Other items	49.43	76.05	-	-	**125.48**
Unabsorbed depreciation/ carry forward tax losses	820.95	(4.95)	-	(14.94)	**801.06**
Employee Stock Option	-	2.65	-	-	**2.65**
Deferred tax assets/(liabilities)	311.76	117.21	4.12	8.82	**441.91**

(₹ in million)

	Net balance 31 March 2019
Deferred tax assets	**732.40**
Deferred tax liabilities	**290.87**
Net deferred tax assets/(liabilities)	**441.53**

Movement in deferred tax balances for the year ended 31 March 2018

(₹ in million)

	Net balance 1 April 2017	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance 31 March 2018
Deferred tax assets/(liabilities)					
Property, plant and equipment	(3,487.64)	106.46	-	(14.32)	(3,395.50)
Investment property	58.04	104.57	-	-	162.61
Assets classified as held for sale	0.03	0.02	-	-	0.05
Real estate inventory	-	(43.28)	-	-	(43.28)
Expenditure on specified business u/s 35 AD	2,328.26	22.60	-	-	2,350.86
Investments	(0.28)	(0.00)	-	-	(0.28)
Provisions	132.34	244.47	(7.88)	-	368.93
Borrowings	(25.78)	25.78	-	-	-
Other current liabilities	(89.76)	70.74	-	-	(19.02)
Other items	865.15	(44.20)	-	-	820.95
Unabsorbed depreciation/ carry forward tax losses	34.08	32.36	-	-	66.44
Deferred tax assets/(liabilities)	(185.56)	519.52	(7.88)	(14.32)	311.76

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

(₹ in million)

	Net balance 31 March 2018
Deferred tax assets	947.39
Deferred tax liabilities	636.01
Net deferred tax assets/(liabilities)	311.38

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 year 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:

(₹ in million)

	31 March 2019			31 March 2018		
	Gross amount	**DTA not recognised**	**Expiry date**	Gross amount	DTA not recognised	Expiry date
House property loss	**585.17**	**204.48**	**31 March 2027**	-	-	-
House property loss	**140.98**	**49.26**	**31 March 2026**	140.98	49.26	31 March 2026
Business Loss	**0.26**	**0.09**	**March 31, 2019**	0.26	0.09	March 31, 2019
Business Loss	**0.31**	**0.11**	**March 31, 2020**	0.31	0.11	March 31, 2020
Business Loss	**0.59**	**0.21**	**March 31, 2021**	0.59	0.21	March 31, 2021
Business Loss	**0.64**	**0.22**	**March 31, 2022**	0.64	0.22	March 31, 2022
Business Loss	**0.08**	**0.03**	**March 31, 2023**	0.08	0.03	March 31, 2023
Business Loss	**0.06**	**0.02**	**March 31, 2025**	0.06	0.02	March 31, 2025
Unabsorbed depreciation	**0.93**	**0.32**	**NA**	0.93	0.32	NA
Total	**729.02**	**254.75**		143.85	50.27	

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 has began to generate taxable income from the financial year ended 31 March 2018 onwards. The business losses can be carried forward for a year of 8 years as per the tax regulations and the Group expects to recover the losses.

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 31 March 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

Group, decided that the Group should proactively consider re-commencement of construction up to the permisible 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 31 March 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 ₹ 897.00 million as at 31 March 2019 (31 March 2018: ₹ 820.95 million) on the carried forward losses of the Group.

Note 23 Other non-current liabilities

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred finance income	144.35	28.08
	144.35	28.08

Note 24 Borrowings

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Borrowings		
Secured		
Over draft accounts from banks	638.74	433.19
Unsecured		
From related parties	23.80	948.68
Buyer's credit	55.24	252.29
	717.78	1,634.16

A) Terms of repayment

Rate of interest

(₹ in million)

Particulars	Sanction Amount	Carrying rate of Interest As at 31 March 2019	Carrying rate of Interest As at 31 March 2018	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	500	9.95% to 10.70%	10.90% to 10.05%	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)	9.60% to 10.75%	9.90 to 9.60%	Repayable in quarterly 28 instalments from March 2020 to December 2026. The loan has been fully repaid in the month of February 2019.	It is secured by exclusive charge on land for Powai Phase III land

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

Particulars	Sanction Amount	Carrying rate of Interest As at 31 March 2019	Carrying rate of Interest As at 31 March 2018	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)	**9.35% to 9.85%**	10.60% to 9.35%	Repayable quarterly 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.
DBS Bank Ltd	3,250 (Term Loan - ₹ 2,900 million, DSRA OD ₹ 150 million and OD ₹ 200 million)	**9.55% to 9.60%**	NA	Repayable in Monthly instalments from April 20 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Indian Overseas Bank	50	**12.95% to 12.50%**	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)	**9.25% to 9.85%**	10.05% to 9.25%	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, Whitefeld
Standard Chartered Bank	900 (Term Loan - 700 million and OD 300 million)	**8.75% to 9.50%**	11.95% to 8.85%	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.

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

(₹ in million)

Particulars	Sanction Amount	Carrying rate of Interest As at 31 March 2019	Carrying rate of Interest As at 31 March 2018	Repayment/ Modification of terms	Security Details
From Related Parties					
K Raheja Corp Private Limited	NA	**11%**	11%	Repayable on demand	Unsecured
New Found properties Private Limited	NA	**10.50%**	10.50%	Repayable on demand. The loan has been fully repaid in the month of February 2019.	Unsecured
Buyers credit					
Buyers credit	NA	**4% to 6%**	4% to 6%	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 year.

Note 25 Trade payables

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Due to micro and small enterprises	**27.54**	4.55
Due to other than micro and small enterprises (refer note 42)	**1,189.46**	854.25
	1,217.00	858.80

Note 26 Current - Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturity of long term debt (refer note 19)	**1,350.09**	3,467.40
Creditors for capital expenditure		
- Micro and Small Enterprises	**2.17**	-
- Others	**20.45**	9.59
Retention payable	**40.82**	48.64
Security deposits	**27.02**	47.79
Mark to market derivative contracts	**63.15**	37.83
Other liabilities	**153.11**	150.39
	1,656.81	3,761.64

Note 27 Other current liabilities

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Income received in advance (unearned revenue)	**-**	208.36
Advances from customers towards sale of residential flats*	**2,183.72**	1,026.35
Advances from customers towards hospitality services	**135.88**	170.97
Statutory dues payable**	**372.71**	580.47
	2,692.31	1,986.15

*Advances from customers towards sale of residential flats includes amount refundable to customers on estimated cancellation of flats for the year ended 31 March 2019 above 10 floors of ₹ 910.23 million (31 March 2018 ₹ 944.07 million).(refer note 35).

**Statutory dues payable includes ESIC, TDS payable , provident fund payable, indirect taxes payable etc.

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 28 Short-term provisions

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for gratuity	**25.39**	27.21
Provision for compensated absences	**70.35**	56.72
Provision for estimated / actual cancellation and alteration cost (Refer foot note and note 35)	**870.95**	874.73
	966.69	958.66

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 31 March 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 miminum 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

(₹ in million)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for cost of alteration of super structure	**250.00**	250.00
Provision for estimated/actual cancellation		
Opening balance	**624.73**	196.76
Provisions made during the year	**53.02**	802.42
Provisions utilised during the year	**(56.80)**	(374.45)
Closing balance	**620.95**	624.73
Total	**870.95**	874.73

Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2019

Note 29 Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Sale of services		
Hospitality:		
Room income	**5,340.51**	4,855.89
Food, beverages and smokes	**3,015.82**	2,821.93
Others	**780.47**	717.11
Retail and commercial:		
Lease rent	**271.21**	166.37
(b) Sale of products		
Real estate:		
Sale of residential flats	**344.24**	(680.23)
Retail and commercial:		
Maintenance and other recoveries	**64.86**	49.09
Revenue from other services	**54.62**	25.31
	9,871.73	7,955.47

Note 30 Other income

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Reversal of provision for impairment on CWIP	**57.71**	-
Gain on foreign exchange fluctuation (net)	**-**	4.63
Interest income from instruments measured at amortised cost	**196.16**	197.39
Net mark to market gain on derivative contracts	**22.67**	21.54
Export benefits and entitlements	**155.48**	200.33
Profit on sale of investments.	**-**	114.57
Profit on sale of property, plant and equipment (net)	**2.39**	1.23
Interest on income tax refund	**15.32**	-
Dividend received*	**-**	0.00
Miscellaneous income	**26.35**	17.62
	476.08	557.31

*Amount less than million

Note 31 (a) Real estate development cost

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Real estate development cost	**194.08**	228.58

Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2019

(ii) Changes in inventories of finished good and construction work in progress

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening project work in progress	3,031.94	2,659.87
Inventory of unsold flats	247.25	312.47
Impact of adoption of Ind AS 115	1,073.47	-
	4,352.66	2,972.34
Less: Closing stock		
Transferred to Inventory of unsold flats	16.14	247.25
Transferred to project work in progress	4,096.82	3,031.94
	239.70	(306.85)

Note 31 (b) Food and beverages consumed*

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Food and beverages materials at the beginning of the year	105.43	112.46
Purchases	872.34	797.98
Food and beverages materials at the end of the year	111.10	105.43
	866.67	805.01

*Includes complimentaries ₹ 101.53 million (31 March 2018 :₹ 94.83 million)

Note 31 (c) Operating supplies consumed

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchases	262.83	257.06
	262.83	257.06

Note 32 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	1,206.12	1,073.49
Contributions to provident fund and other funds	70.03	65.33
Staff welfare expenses	157.29	142.27
Employee stock option expense	14.64	-
	1,448.08	1,281.10

Note 33 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expenses	2,326.05	2,076.35
Exchange differences regarded as a adjustment to borrowing cost *	258.64	-
Other borrowing cost	72.00	42.86
	2,656.69	2,119.21

* Its does not includes exchange loss on ECB of ₹ 161 millions accounted as operating expenses.

Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2019

Note 34 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Travelling and conveyance expenses	**36.99**	35.54
Power and fuel *	**668.42**	627.40
Rent	**20.84**	22.83
Repairs and maintenance		
- Buildings	**118.46**	119.12
- Plant and machinery	**197.28**	200.23
- Others	**109.48**	93.20
Insurance	**25.58**	29.69
Rates and taxes	**285.36**	409.27
Business promotion expenses	**371.54**	383.14
Commission	**242.14**	229.14
Royalty and management fees	**461.27**	375.28
Legal and professional charges	**154.87**	114.49
Other hotel operating cost	**310.45**	299.85
Bad debt written off	**0.17**	0.52
Provision for doubtful debts	**84.40**	7.85
Loss on foreign exchange fluctuation (Net)**	**199.32**	-
Donations	**0.19**	0.50
Director sitting fees	**3.02**	0.40
Payment to auditors (refer note 43)	**5.84**	5.61
Buyout labour & manpower contract	**144.64**	136.30
Provision for doubtful advances	**9.07**	-
Miscellaneous expenses ***	**218.78**	152.74
	3,668.11	3,243.11

*Net of ₹ 47.22 million (31 March 2018 :₹ 47.70 million) on account of recoveries.

** It includes exchange on ECB of ₹ 161 millions and ₹ 38.32 millions others foreign currency payable

***Net of ₹ 6.10 million (31 March 2018 :₹ 1.98 million) on account of recoveries.

Note 35 Exceptional items

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Exceptional items		
-Provision for impairment loss 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	**(40.96)**	(590.87)
Total	**(40.96)**	(1,217.52)

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. 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.

Notes to the Consolidated Ind AS Financial Statements (Continued)
for the year ended 31 March 2019

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 compensated 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 31 March 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 miminum permissible limits and engage with the buyers above the 10th floor for evaluating possible options.In accordance thereto, an application has been filed by the Company before the Karnataka High Court in November 2018 with a request to take on record the fact that HAL had no objection to the construction upto 40 meters to enable the Company to apply for a building sanction. HAL has filed its objection inter-alia stating that any alteration or construction of the building would be in violation of the Interim Order. The matter is presently pending.

Consequently, Accordingly, the Company 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.

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.

Note 36 Earnings per share
Calculation of weighted average number of equity shares - Basic and diluted

(₹ in million)

	Particulars	31 March 2019	31 March 2018
1	Loss attributable to equity shareholders	**(76.27)**	(928.75)
2	Calculation of weighted average number of equity shares - Basic and diluted		
(a)	Number of shares at the beginning of the year	**171,095,293**	152,142,253
(b)	Add: on account of shares issued during the year	**33,928,571**	18,953,040
(c)	Number of equity shares outstanding at the end of the year	**205,023,864**	171,095,293
	Weighted average number of equity shares outstanding during the year	**176,207,817**	158,061,833
3	Basic and diluted earnings per share (₹)	**(0.43)**	(5.88)
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. The impact of dilution on account of ESOP is not considered as they are anti-dilutive.

Notes to the Consolidated Ind AS Financial Statements (Continued)
for the year ended 31 March 2019

Note 37 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 fulfilment of such obligation.

(₹ in million)

Particulars	31 March 2019	31 March 2018
Opening balance	-	-
Grants received during the year	8.17	10.00
Less: Released to statement of profit and loss	(8.17)	(10.00)
Closing balance	-	-

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 year, by way of adjustment against duties payable on purchase of capital equipments, spare parts and consumables or sale of such licenses.

(₹ in million)

Particulars	31 March 2019	31 March 2018
Opening balance	192.85	27.92
Grants received during the year	147.31	190.33
Less: Utilisation / written off	(101.09)	(25.40)
Closing balance	239.07	192.85

(₹ in million)

Particulars	31 March 2019	31 March 2018
Income recognised in Statement of Profit and Loss on account of EPCG (A)	8.17	10.00
Income recognised in Statement of Profit and Loss on account of SFIS/SEIS (B)	147.31	190.33
Total income recognised in the Statement of Profit and Loss (A+B)	155.48	200.33

Note 38 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 Consolidated Statement of Profit and Loss during the year 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 consolidated statement of profit and loss for the year.

(₹ in million)

Particulars	31 March 2019	31 March 2018
Employer's contribution to Provident Fund and ESIC	70.03	65.33
	70.03	65.33

Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2019

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 31 March 2019. 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:

(₹ in million)

Particulars	31 March 2019	31 March 2018
Defined benefit obligation	**84.29**	66.73
Less: Fair value of plan assets	**(1.32)**	(1.41)
Net defined benefit obligations	**82.97**	65.32

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:

(₹ in million)

	Particulars	31 March 2019	31 March 2018
1	**Movement in defined benefit obligations:**		
	At the beginning of the year	**66.73**	82.56
	Liabilities assumed on business combination	**-**	-
	Recognised in profit or loss		
	Current service cost	**6.88**	8.22
	Interest cost	**4.42**	5.52
	Recognised in other comprehensive income		
	Actuarial (gains)/losses on obligations -		
	Due to change in demographic assumptions	**1.92**	(8.64)
	Due to change in financial assumptions	**0.39**	(1.15)
	Due to experience	**10.88**	(12.75)
	Benefit paid	**(6.93)**	(7.03)
	At the end of the year	**84.29**	66.73
2	**Movement in fair value of plan assets:**		
	At the beginning of the year	**1.41**	1.22
	Recognised in profit or loss		
	Interest income	**0.09**	0.08
	Expected return on plan assets	**0.06**	(0.04)
	Employer contributions	**1.00**	1.20
	Benefit paid	**(1.25)**	(1.05)
	At the end of the year	**1.31**	1.41
3	**Recognised in profit or loss**		
	Current service cost	**6.88**	8.22
	Interest expense	**4.42**	5.52
	Interest income	**0.09**	0.08
	For the year	**11.21**	13.66
4	**Recognised in other comprehensive income**		
	Actuarial (gains)/losses on obligations	**11.80**	(22.54)
	For the year	**11.80**	(22.54)
5	**Plan assets for this Fund are insurance funds. (100%)**		

Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2019

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

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

(₹ in million)

Particulars	31 March 2019	31 March 2018
Rate of increase in salaries (%)	6.00% -9.00%	7.00% -8.00%
Discount rate (%)	6.66%	6.63%
Employee turnover rate	23.00%-55.00%	26.00%-51.85%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

7 **Sensitivity of the defined benefit obligation**

(₹ in million)

	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.00)	2.49	(1.16)	1.21
Rate of increase in salaries (1% movement)	2.44	(1.99)	1.18	(1.16)
Rate of employee turnover (1% movement)	(0.29)	0.64	(0.31)	0.30

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 year 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 31 March 2020 is ₹ 15.10 million. (31 March 2019:₹ 6.37 million).

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

(₹ in million)

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
31 March 2019	**19.14**	**16.83**	**28.35**	**14.44**	**78.76**
Defined benefit obligations (gratuity - non funded)	16.45	14.86	25.25	13.41	**69.98**
Defined benefit obligations (gratuity)	2.69	1.97	3.10	1.03	**8.79**
31 March 2018	**23.01**	**15.15**	**25.87**	**10.47**	**74.50**
Defined benefit obligations (gratuity - non funded)	20.81	13.40	22.54	8.89	**65.64**
Defined benefit obligations (gratuity)	2.20	1.75	3.33	1.58	**8.86**

(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 Consolidated Statement of Profit and Loss during the year. The following table provides details in relation to compensated absences.

(₹ in million)

Particulars	31 March 2019	31 March 2018
Expenses for the year	27.73	12.81
Closing balance	70.35	56.72

Notes to the Consolidated Ind AS Financial Statements (Continued)

for the year ended 31 March 2019

Note 39 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

(₹ in million)

Description	31 March 2019	31 March 2018
Income from lease of shops in hotels included in revenue from operations	**18.58**	4.72
Income from lease of office premises included in revenue from operations	**90.73**	54.43
Income from lease of investment properties included in revenue from operations	**180.48**	111.94
Total	**289.79**	171.09

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

(₹ in million)

Future minimum lease receivables	31 March 2019	31 March 2018
Less than one year	**15.36**	16.44
Between one and five years	**32.05**	45.97
More than five years	**16.80**	19.13
	64.21	81.54

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

(₹ in million)

Future minimum lease receivables	31 March 2019	31 March 2018
Less than one year	**490.23**	122.42
Between one and five years	**3,326.26**	401.76
More than five years	**5,117.64**	281.30
Total	**8,934.13**	805.48

B. Leases as lessee

The Group has taken lease on office premises and land on lease on which the Four Points by Sheraton Vashi Hotel is situated. All agreements are cancellable at short notice.

(₹ in million)

	31 March 2019	31 March 2018
Lease expense in the Consolidated Statement of Profit and Loss	**20.84**	22.83

Notes to the Consolidated Ind AS Financial Statements (Continued)
for the year ended 31 March 2019

Note 40 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.

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 1 November 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 11 September 2017. The Scheme has become effective 1 October 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 1 November 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 31 March 2018.

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as at 31 March 2019

Note 41 Contingent liabilities and commitments (to the extent not provided for)

(₹ in million)

	31 March 2019	31 March 2018
Contingent liabilities		
Claims against the Group not acknowledged as debts		
Disputed service tax demands	**92.08**	96.57
Disputed income tax demands	**10.27**	-
Disputed VAT demands	**12.70**	12.70
Disputed provident funds demands	**5.80**	5.80
Property tax	**0.30**	27.55
ESIC	**-**	0.35
SFIS/SEIS Scheme	**224.07**	5.74

a. 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.

b. 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.

c. 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 consolidated financial information. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2019 is ₹ 53.32 million (31 March 2018: ₹ 54.52 million) and carrying value of property, plant and equipment as at 31 March 2019 is ₹ 436.66 million (31 March 2018: ₹ 449.27 million).

d. The Directorate of Revenue Intelligence ("DRI") has issued a show-cause notice dated 29 November 2018 to the Company in respect of import of goods against SFIS Scrip/License under Foreign Trade Policy 2004-09 and 2009-14 and the post-export service benefits availed, under the provisions of the Customs Act, 1962 directing the Company to show cause as to why duty amounting to ₹ 195.18 million and ₹ 23.14 million, plus interest and penalty as may be levied under the Customs Act, should not be recovered.

(₹ in million)

	31 March 2019	31 March 2018
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**746.11**	60.82

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as at 31 March 2019

Note 42 Dues to micro and small suppliers

(₹ in million)

	31 March 2019	31 March 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year.		
Principal	**29.71**	4.55
Interest	**0.47**	0.23
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 year 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	**1.22**	0.75
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	**-**	-

Note 43 Payment to auditors

(₹ in million)

Particulars	31 March 2019	31 March 2018
Audit fees	**4.03**	4.60
Tax audit fees	**0.40**	0.40
Other services	**0.75**	0.67
Out of pocket expenses	**0.66**	-
Amount debited to Consolidated Statement of Profit and Loss	**5.84**	**5.67**
Other services in connection with filing of Draft Red Herring prospectus and Red Herring prospectus with SEBI (refer note no. 51)	**12.11**	-
Total	**17.95**	5.67

Note 44 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 year ended 31 March 2019 and 31 March 2018.

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

Note 45 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.

(₹ in million)

31 March 2019	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in equity shares	46.95	-	46.95	-	-	46.95	46.95
Other investments		0.13	0.13	-	0.13	-	0.13
Loans	-	121.75	121.75	-	121.75	-	121.75
Other non-current financial assets	-	51.08	51.08	-	51.08	-	51.08
Current financial assets							
Trade receivables	-	476.81	476.81	-	-	-	-
Cash and cash equivalents	-	400.04	400.04	-	-	-	-
Other bank balances	-	426.71	426.71	-	-	-	-
Loans	-	18.05	18.05	-	-	-	-
Other current financial assets	-	239.07	239.07	-	-	-	-
	46.95	1,733.64	1,780.59	-	172.96	46.95	219.91
Non-current financial liabilities							
Borrowings	-	13,392.45	13,392.45	-	13,392.45	-	13,392.45
Other non-current financial liabilities	-	208.44	208.44	-	208.44	-	208.44
Current financial liabilities							
Borrowings	-	717.78	717.78	-	-	-	-
Trade payables	-	1,217.00	1,217.00	-	-	-	-
Other financial liabilities	-	1,593.66	1,593.66	-	-	-	-
Derivative liability	63.15	-	63.15	-	63.15	-	63.15
	63.15	17,129.33	17,192.48	-	13,664.04	-	13,664.04

(₹ in million)

31 March 2018	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
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
Current financial assets							
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	-	207.23	207.23	-	-	-	-
Derivative asset	14.38	-	14.38	-	14.38	-	14.38
	57.42	3,589.11	3,646.53	-	178.56	43.04	221.60
Non-current financial liabilities							
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
Current financial liabilities							
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
	37.83	28,520.07	28,557.90	-	22,341.13	-	22,341.13

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

(i) 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.

(ii) Fair value measurements using significant unobservable inputs (level 3)
Reconciliation of level 3 fair values

(₹ in million)

Particulars	FVTPL Equity shares
Balance at 1 April 2018	43.04
Additions during the year	3.91
Balance at 31 March 2019	46.95

(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**	Significant unobservable inputs
	31 March 2019	31 March 2018
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.

(₹ in million)

	Profit or loss		Profit or loss	
	31 March 2019		31 March 2018	
	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

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

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.

(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.

(₹ in million)

Particulars	31 March 2019	31 March 2018
(a) Trade Receivables considered good - Secured;		
(b) Trade Receivables considered good - Unsecured;		
Neither past due not impaired		
Past due not impaired		
1-90 days	**432.70**	421.34
90-180 days	**39.92**	57.98
180-365 days	**12.83**	48.21
More than 365 days	**15.89**	28.00
Total	**501.33**	555.52
(c) Trade Receivables which have significant increase in Credit Risk; and	**65.14**	-
(d) Trade Receivables - credit impaired-	**89.66**	3.82

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

(₹ in million)

Particulars	31 March 2019	31 March 2018
Balance as at April 1	3.82	9.22
Impairment loss recognised / (reversed)	85.84	(5.92)
Amounts written off	-	0.52
Balance as at 31 March	89.66	3.82

(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.

(₹ in million)

31 March 2019	Contractual cash flows					
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings (including current maturity of long term debt)	14,742.54	19,745.63	2,647.24	3,005.32	9,135.32	4,957.75
Security deposits	208.44	208.44	-	208.44	-	-
Retention money	-	-	-	-	-	-
Current, non derivative financial liabilities						
Borrowings	717.78	717.78	717.78	-	-	-
Trade payables	1,217.00	1,217.00	1,217.00	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	306.72	306.72	306.72	-	-	-
Derivative financial liabilities						
Currency swap	-	-	-	-	-	-
Interest rate swap	-	-	-	-	-	-
Forward exchange contract (gross settled)						
- Outflow	1,484.50	1,484.50	1,484.50	-	-	-
- Inflow	(1,383.43)	(1,383.43)	(1,383.43)	-	-	-
Total	17,293.55	22,296.65	4,989.82	3,213.76	9,135.32	4,957.75

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

31 March 2018	Carrying amount	Contractual cash flows Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
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	-	-
Current, non derivative financial liabilities						
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)	294.24	294.24	294.24	-	-	-
Derivative financial liabilities						
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)	-	-	-
Total	28,590.91	37,672.27	8,405.88	4,789.60	17,249.46	7,227.33

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 years 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.

Particulars	Buy / Sell	Currency	Cross Currency	**31 March 2019**	31 March 2018
Forward contract	Buy	USD	INR	**USD 20 Million**	USD 20 Million
Currency swap	Buy	INR	USD	**Nil**	Nil

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.

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

The amounts reflected in the table below represent the INR exposure to the respective currency.

(₹ in million)

	31 March 2019			31 March 2018		
	USD	**EUR**	**GBP**	USD	EUR	GBP
Financial liabilities						
Foreign currency loans (including interest accrued)	**1,819.00**	**-**	**-**	5,000.06	-	-
Trade payables	**333.30**	**0.47**	**-**	331.09	0.74	-
Buyers' credit	**55.24**	**-**	**-**	249.76	2.53	-
	2,207.54	**0.47**	**-**	5,580.91	3.26	-
Derivatives						
Foreign currency forward exchange contract	**(1,383.43)**	**-**	**-**	(1,300.88)	-	-
	(1,383.43)	**-**	**-**	(1,300.88)	-	-
Net exposure	**824.11**	**0.47**	**-**	4,280.03	3.26	-

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.

(₹ in million)

	Profit or loss before tax			
	31 March 2019		31 March 2018	
	Strengthening	**Weakening**	Strengthening	Weakening
Effect in INR (before tax)				
USD (1% movement)	**8.24**	**(8.24)**	42.80	(42.80)
EUR (1% movement)	**-**	**-**	0.03	(0.03)
GBP (1% movement)	**-**	**-**	-	-
	8.24	**(8.24)**	42.83	(42.83)

(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

31 March 2019	NIL
31 March 2018	USD 48.65 million

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is as follows.

(₹ in million)

	Carrying amount	
	31 March 2019	31 March 2018
Fixed-rate instruments		
Loans given		
Loans to related parties	-	(2,326.55)
Non current borrowings		
Vehicle loan from bank	-	5.21
Non-cumulative redeemable preference shares	**518.18**	160.00
Current borrowings		
Loan from related parties other than directors	**23.80**	948.68
Buyer's credit	**55.24**	252.29
Total	**597.22**	(960.37)
Variable-rate instruments		
Non current borrowings		
Rupee term loans from banks	**7,538.51**	12,760.60
Rupee term loans from financial institutions	**3,616.46**	5,975.65
Foreign currency term loans from banks	**1,719.30**	3,250.07
Current maturity of long term debt	**1,350.09**	3,467.40
Current borrowings		
Cash credit/overdraft accounts from banks	**638.74**	433.19
Less: Interest rate swaps	-	(3,164.40)
Total	**14,863.10**	22,722.51
TOTAL	**15,460.32**	21,762.14

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.

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.

(₹ in million)

	Profit or loss before tax	
	100 bps increase	100 bps decrease
31 March 2019	(1.49)	1.49
31 March 2018	(2.27)	2.27

Note 46 Capital management

The Group’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 Group 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.

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

The Group's adjusted net debt to equity ratio at is as follows:

(₹ in million)

Particulars	31 March 2019	31 March 2018
Total borrowings	15,460.32	27,253.09
Less : Cash and cash equivalents	400.04	295.21
Less : Bank deposits	426.71	21.50
Adjusted net debt	14,633.57	26,936.38
Total equity	14,254.51	4,955.06
Adjusted net debt to adjusted equity ratio	1.03	5.44

Note 47 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

B. Information about reportable segments

For the year ended 31 March 2019

(₹ in million)

Particulars	Reportable segments				
	Hospitality (Hotels)	Real Estate	Commercial and Retail	Unallocated	Total
Revenue					
External Customers	9,136.80	344.24	390.69	-	9,871.73
Inter-segment					
Total Revenue	9,136.80	344.24	390.69	-	9,871.73
Segment profit / (loss) before tax	2,629.86	(188.83)	(118.50)	-	2,322.53
Unallocated expenses					
Interest Expenses	-	-	-	(2,656.69)	(2,656.69)
Depreciation	-	-	-	(5.83)	(5.83)
Other Expenses	-	-	-	(319.57)	(319.57)
Total Unallocated Expenses	-	-	-	(2,982.09)	(2,982.09)
Unallocated income					

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

Particulars	Reportable segments				
	Hospitality (Hotels)	**Real Estate**	**Commercial and Retail**	**Unallocated**	**Total**
Interest Income	-	-	-	**213.79**	**213.79**
Other Income	-	-	-	**262.29**	**262.29**
Total Unallocated Income	-	-	-	**476.08**	**476.08**
Loss before Taxation	-	-	-	-	**(183.48)**
Tax Credit					**(107.21)**
Loss after taxation	-	-	-	-	**(76.28)**
Segment assets	**21,895.65**	**3,951.09**	**7,227.95**	**2,524.10**	**35,598.79**
Segment liabilities	**1,636.29**	**3,129.51**	**569.15**	**16,009.33**	**21,344.28**
Other disclosures					
Capital expenditure	**356.03**	-	**99.75**	**1.12**	**456.90**
Depreciation and amortisation	**935.99**	**0.54**	**211.84**	**5.83**	**1,154.20**
Non cash expenses other than depreciation and amortisation	**135.22**	-	**0.86**	**363.91**	**499.99**

For the year ended 31 March 2018

(₹ in million)

Particulars	Reportable segments				
	Hospitality (Hotels)	Real Estate	Commercial and Retail	Unallocated	Total
Revenue					
External Customers	8,394.91	(680.23)	240.79	-	7,955.47
Inter-segment	-	-	-	-	-
Total Revenue	8,394.91	(680.23)	240.79	-	7,955.47
Segment profit / (loss) before tax	2,419.28	(1,862.44)	(76.56)	-	480.28
Unallocated expenses					
Interest Expenses	-	-	-	(2,119.21)	(2,119.21)
Depreciation	-	-	-	(5.94)	(5.94)
Other Expenses	-	-	-	(360.73)	(360.73)
Total Unallocated Expenses	-	-	-	(2,485.88)	(2,485.88)
Unallocated income					
Interest Income	-	-	-	197.39	197.39
Other Income	-	-	-	359.92	359.92
Total Unallocated Income	-	-	-	557.31	557.31
Loss before Taxation	-	-	-	-	(1,448.29)
Tax Credit					(519.54)
Loss after taxation	-	-	-	-	(928.75)
Segment assets	23,151.33	3,000.22	6,949.04	4,059.38	37,159.97
Segment liabilities	1,541.39	2,188.89	219.15	28,255.48	32,204.91
Other disclosures					
Capital expenditure	733.10	-	440.70	1.96	1,175.76
Depreciation and amortisation	979.56	1.01	129.82	5.94	1,116.33
Non cash expenses other than depreciation and amortisation	21.50	1,251.37	6.83	(105.19)	1,174.51

C. Geographic information

The Company's operations are based in India and therefore the Company has only one geographical segment - India.

D. Information about major customers

The company did not have any external revenue from a particular customer which exceeded 10% of total revenue during the year.

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 48 Details of interests in subsidiaries and associates

Subsidiaries

The details of the Company's subsidiary at 31 March 2019 is set below. The country of incorporation is also the principal place of business

Name of entity	Country of Incorporation	Shareholding % As on 31 March 2019	Shareholding % As on 31 March 2018
Chalet Hotels & Properties (Kerala) Private Limited	India	90%	90%

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 31 March 2019	Non-controlling interest 31 March 2018
Chalet Hotels & Properties (Kerala) Private Limited	India	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.

Note 49 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

List of related parties

Relationship	Name of party 31 March 2019	Name of party 31 March 2018
Key Managerial Personnel / Relative (KMP)	Sanjay Sethi -Managing Director & CEO	Sanjay Sethi -Managing Director & CEO (Appointed w.e.f. February 9, 2018)
	Ramesh M. Valecha , Non-Executive Director (Resigned w.e.f. May 2, 2018)	Ramesh M. Valecha , Non-Executive Director (from August 1, 2017)
	Rajeev Newar, 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
	Ravi C Raheja, Non-Executive Director	Ravi C Raheja, Non-Executive Director
	Neel C Raheja, Non-Executive Director	Neel C Raheja, Non-Executive Director
	Rajeev Chopra, Non-Executive Director (Resigned w.e.f. May 2, 2018)	Rajeev Chopra, Non-Executive Director (from June 1, 2017)
	Roshan M. Chopra, relative of director (upto May 2, 2018)	Roshan M. Chopra, relative of director
	Arthur De Haast, Independent Director	Arthur De Haast, Independent Director (from August 3, 2017)
	Joseph Conrad D'Souza, Independent Director	Joseph Conrad D'Souza, Independent Director
	Hetal Gandhi, Independent Director	Hetal Gandhi, Independent Director
	Radhika Piramal (Appointed as Independent Director w.e.f. June 12, 2018)	Christabelle Baptista, Company Secretary
	Christabelle Baptista, Company Secretary	

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

Relationship	Name of party 31 March 2019	31 March 2018
Enterprises Controlled / Jointly controlled by KMPs	Brookfields Agro & Development Private Limited	Brookfields Agro & Development Private Limited
	Cavalcade Properties Private Limited	Cavalcade Properties Private Limited
	Convex Properties Private Limited	Convex Properties Private Limited
	Grange Hotels And Properties Private Limited	Grange Hotels And Properties Private Limited
	Immense Properties Private Limited	Immense Properties Private Limited
	Novel Properties Private Limited	Novel Properties Private Limited
	Pact Real Estate Private Limited	Pact Real Estate Private Limited
	Paradigm Logistics & Distribution Private Limited	Paradigm Logistics & Distribution Private Limited
	Sustain Properties Private Limited	Sustain Properties Private Limited
	Sycamore Properties Private Limited	Sycamore Properties Private Limited
	Aqualine Real Estate Private Limited	Aqualine Real Estate Private Limited
	Feat Properties Private Limited	Feat Properties Private Limited
	Carin Properties Private Limited	Carin Properties Private Limited
	Flabbergast Properties Private Limited	Flabbergast Properties Private Limited
	Sundew Real Estate Private Limited	The Residency Hotels Private Limited
	K Raheja Corp Advisory Services (Cyprus) Private Ltd	Sundew Real Estate Private Limited
		K Raheja Corp Advisory Services (Cyprus) Private Limited
Shareholders of the Company	Anbee Constructions LLP	Anbee Constructions LLP
	Cape Trading LLP	Cape Trading LLP
	Capstan Trading LLP	Capstan Trading LLP
	Casa Maria Properties LLP	Casa Maria Properties LLP
	Ivory Properties And Hotels Private Limited	Ivory Properties And Hotels Private Limited
	K. Raheja Corp Private Limited	K. Raheja Corp Private Limited
	K. Raheja Private Limited	K. Raheja Private Limited
	Palm Shelter Estate Development LLP	Palm Shelter Estate Development LLP
	Raghukool Estate Development LLP	Raghukool Estate Development LLP
	Touchstone Properties And Hotels Private Limited	Touchstone Properties And Hotels Private Limited
	Ivory Property Trust	Ivory Property Trust
	Genext Hardware & Parks Private Limited	Genext Hardware & Parks Private Limited

Related party disclosures for Year ended 31 March 2019

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Interest income from instruments measured at amortised cost	-	-	149.50
2	Sale of material	-	-	3.14
3	Sales of services - Rooms income, Food, beverages and smokes	-	-	1.45
4	Other expense	-	1.90	0.01
5	Director sitting fees	-	3.02	-
6	Salaries, wages, bonus and stock option related expenses	-	66.58	-
7	Interest expenses	-	-	5.18
8	Loans given	-	1.00	180.79

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
9	Loans repaid	-	2.42	2,582.72
10	Loans borrowed	-	-	27.24
11	Preference shares	-	237.15	272.85
12	Equity Shares	-	-	27.78
	Balances outstanding as at the year-end			
13	Trade receivables	-	-	0.28
14	Loans payable	-	-	19.14
15	Interest payable	-	-	4.66
16	Preference shares outstanding	-	237.15	272.85
17	Equity shares outstanding	-	-	27.78

Significant transactions with material related parties for year ended 31 March 2019

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	**Interest income from instruments measured at amortised cost**			
	K. Raheja Private Limited	-	-	149.44
2	**Sale of material**			
	K. Raheja Private Limited			2.47
	Pact Real Estate Private Limited	-	-	0.67
3	**Sales of services - Rooms income, Food, beverages and smokes**			
	Paradigm logistics & Dist Private Limited			0.49
	K. Raheja Private Limited			0.27
	K Raheja Corp Private Limited	-	-	0.64
4	**Other expenses**			
	Arthur De Haast	-	1.71	-
	K Raheja Corp Private Limited	-	-	0.01
	Roshan M. Chopra	-	0.19	-
5	**Director sitting fees**			
	Hetal Gandhi	-	0.71	-
	Joseph Conrad D' Souza	-	0.73	-
	Arthur De Haast	-	0.15	-
	Chandru L. Raheja	-	0.01	-
	Radhika Piramal	-	0.20	-
	Rajeev Chopra	-	0.02	-
	Neel C.Raheja	-	0.50	-
	Ravi C.Raheja	-	0.71	-
6	**Salaries, wages, bonus and stock option related expenses***			
	Rajeev Newar	-	19.10	-
	Sanjay Sethi	-	47.48	-

* During the current year, the managerial remuneration paid by the Company to its Managing Director & CEO and its Executive Director & CFO is in excess of limits laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act by ₹ 52.41 million The Company is in the process of obtaining approval from its shareholders.

Sr. no	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
7	**Loans given**			
	Sanjay Sethi	-	1.00	-
	K. Raheja Private Limited	-	-	180.79

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
8	**Loans repaid**			
	Rajeev Newar	-	1.42	-
	Sanjay Sethi	-	1.00	-
	K. Raheja Private Limited	-	-	2,332.79
10	**Loans borrowed**			
	K Raheja Corp Private Limited	-	-	27.24
9	**Preference shares**			
	Ivory Properties and Hotels Private Limited		-	43.35
	K Raheja Corp Private Limited		-	229.50
	Neel C.Raheja		118.58	-
	Ravi C.Raheja		118.58	-
10	**Equity Shares**			
	K Raheja Corp Private Limited	-	-	27.78
11	**Trade Receivables**			
	K Raheja Corp Private Limited			0.28
12	**Preference shares outstanding**			
	Ivory Properties and Hotels Private Limited			43.35
	K Raheja Corp Private Limited			229.50
	Neel C.Raheja	-	118.58	
	Ravi C.Raheja	-	118.58	
13	**Equity shares outstanding**			
	K Raheja Corp Private Limited	-	-	27.78

Related party disclosures for Year ended 31 March 2018

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Interest income from instruments measured at amortised cost	-	-	173.54
2	Miscellaneous income	-	-	3.59
3	Sales of services - Rooms income, Food, beverages and smokes	-	1.22	8.60
4	Other expense	-	4.82	0.50
5	Director sitting fees	-	0.40	-
6	Salaries, wages and bonus	-	52.27	-
7	Interest expenses	-	-	17.65
8	Loans given	-	2.00	6,923.70
9	Loans taken	-	-	267.60
10	Loans repaid	-	82.08	6,602.44
11	Deposit received	-	-	1.90
12	Guarantees given on behalf of the Company	-	870.36	-
	Balances outstanding as at the year-end			
13	Loans receivable	-	1.42	2,153.33
14	Interest receivable	-	-	171.81
15	Loans payable	-	-	240.50
16	Interest payable	-	-	15.89
17	Guarantees outstanding	-	870.36	-

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

Significant transactions with material related parties for year ended 31 March 2018

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	**Interest income from instruments measured at amortised cost**			
	Ivory Property Trust	-	-	82.85
	K. Raheja Private Limited	-	-	70.77
2	**Miscellaneous income**			
	Sycamore Properties Private Limited	-	-	3.48
3	**Sales of services - Rooms income, Food, beverages and smokes**			
	Neel C. Raheja	-	1.22	-
	K. Raheja Private Limited	-	-	8.19
4	**Other expense**			
	Arthur De Haast	-	0.98	-
	Roshan M. Chopra	-	3.83	-
	K. Raheja Corp Private Limited	-	-	0.50
5	**Director sitting fees**			
	Joseph Conrad D'Souza	-	0.09	-
	Neel C. Raheja	-	0.09	-
	Rajeev Chopra	-	0.04	-
	Ravi C. Raheja	-	0.05	-
	Chandru L Raheja	-	0.05	-
	Hetal Gandhi	-	0.07	-
6	**Salaries, wages and bonus**			
	Rajeev Newar	-	18.19	-
	Ramesh Valecha	-	7.76	-
	Sanjay Sethi	-	26.32	-
7	**Interest expenses**			
	K. Raheja Corp Private Limited	-	-	17.65
8	**Loans given**			
	Rajeev Newar	-	2.00	-
	Ivory Property Trust	-	-	1,781.60
	K. Raheja Private Limited	-	-	4,572.00
9	**Loans taken**			
	K. Raheja Corp Private Limited	-	-	267.60
10	**Loans repaid**			
	Neel C. Raheja	-	27.50	-
	Ravi C. Raheja	-	46.50	-
	Ivory Property Trust	-	-	3,168.20
	K. Raheja Private Limited	-	-	2,450.74
11	**Deposit received**			
	Genext Hardware & Parks Private Limited	-	-	1.90
12	**Guarantees given on behalf of the Company**			
	Neel C. Raheja	-	870.36	-
13	**Loans receivable**			
	Rajeev Newar	-	1.42	-
	K. Raheja Private Limited	-	-	2,152.00
14	**Interest receivable**			
	Ivory Property Trust	-	-	82.02

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
	K. Raheja Private Limited	-	-	70.06
15	**Loans payable**			
	K. Raheja Corp Private Limited	-	-	240.50
16	**Interest payable**			
	K. Raheja Corp Private Limited	-	-	15.89
17	**Guarantees outstanding**			
	Neel C. Raheja	-	870.36	-

Note 50 Employee Stock Option Schemes

Description of share-based payment arrangements:

At March 31 2019, Company had following share-based payment arrangements:

Employee Stock Option Plan 2018:

The primary objective of the plan is to reward the key employee for his assosciation, dedication and contributions to the goals of the company.The plan is established is with efffect from 13 June 2018 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (₹) per share
Chalet Hotels Limited'- 'Employee Stock Option Plan'-2018	200,000	For the Options to vest, the Grantee has to be in employment of the Group on the date of the vesting.	The exercise year for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise.	3 years	26-Jun-18	One year from vesting year	320.00

Reconciliation of Outstanding share options

The number and weighted-average exercise price of share options under the share share option plans are as follows:

(₹ in million)

	31 March 2019	
	Weighted average exercise price	**Number of options**
Outstanding at the beginning of the year	-	-
Granted during the year	**320**	**200,000**
Exercised during the year	-	-
Lapsed/ forfeited /surrendered	-	-
Outstanding at the end of the year	**320**	**200,000**
Exercisable at the end of the year	-	-

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

Measurement of Fair value
The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the statement of Profit and Loss over the vesting year.

The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	Unit	Chalet Hotels Limited'-'Employee Stock Option Plan'-2018	Description of inputs used
Fair value of the option at grant date	₹ /share	143 - 189	As per Black Scholes Model
Exercise price	₹ /share	320	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	31.91% - 32.77%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	1.99 - 3.99	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	7.4% - 7.85%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at 31 March 2019 have an exercise price of ₹ 320 and a weighted average remaining contractual life of 2.57 year.

The expense recognised for the year ended 31 March 2019 is ₹ 14.64 million.

Note 51 Share issue expenses
During the year the company has made Initial Public Offering of 58,613,571 equity shares of face value of ₹ 10 each for cash at a price of ₹ 280 per equity share (including a share premium of ₹ 270 per equity share) aggregating to ₹ 16,411.80 million comprising a fresh issue of 33,928,571 equity shares aggregating to ₹ 9,500 million and an offer for sale of 24,685,000 equity shares aggregating to ₹ 6,911.80 million.

The proceeds from IPO were ₹ 9,500 million. (Gross of issue related expenses ₹ 309.65 million).

The equity shares of the company were listed on National Stock Exchange of India Limited (NSE) via ID CHALET and BSE Limited (BSE) via ID 542399 on 7 February 2019.

Details of utilisation of net IPO proceeds are as follows:

(₹ in million)

Particulars	Object of the issue as per the prospectus	Utilisation upto 31 March 2019	Unutilised amounts as at 31 March 2019
Repayment/Pre-payment in full or in part of certain loans availed	7,200.00	7,200.00	NIL
General Corporate purpose	1,961.25	1,990.35	NIL

The Company has incurred ₹ 526.18 millions (excluding GST) of IPO expenses. Of the above IPO expenses, certain expenses (such as listing fees and stamp duty expenses) aggregating to ₹ 11.96 millions are directly attributable to the Company and

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

have been adjusted towards the securities premium account. The remaining expenses aggregating to ₹ 514.22 millions, have been allocated between the Company ₹ 297.69 millions and selling shareholders ₹ 216.53 millions in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the selling shareholders. The amount of ₹ 297.69 millions allocated to the Company has also been adjusted towards the securities premium account.

The gross share issues expenses include a sum of ₹ 12.11 millions (excluding GST) paid to the statutory auditors, which is included in the amount adjusted towards the securities premium account.

Note 52 Disclosure as per guidance note on accounting for real estate transactions

(₹ in million)

Particulars	31 March 2018
Gross Project Revenue recognised as revenue	(680.23)
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

(₹ in million)

In respect of all projects in progress as at	31 March 2018
Aggregate amount of cost incurred to date	(289.81)
Advances received as at	1,026.35
Income received in advance (net) as at	208.36
Amount of work in progress as at	3,031.94
Less: Provision for impairment	(376.65)
Amount of work in progress as at (net)	2,655.29
Excess of revenue recognised over actual bills raised (unbilled revenue)	195.33

Note 53 Bengaluru residential project

(₹ in million)

Particulars	31 March 2019	31 March 2018
Inventories	**4,171.91**	3,031.94
Less: Provisions for impairment	**(451.74)**	(376.65)
Inventories, net	**3,720.17**	2,655.29
Trade receivables	-	32.46
Income received in advance (unearned revenue)	-	208.36
Advances from customers towards sale of residential flats	**2,169.20**	967.91

Note 54 Disclosure under Ind AS 115, Revenue from Contracts with Customers

Details of contract balances

(₹ in million)

Particulars	For the year ended 31 March 2019
Details of Contract Balances:	
Balance as at beginning of the year	(1,242.51)
Trade receivables as on April 1	9.01
Less: Repayment to the customer on cancellation	180.23
Significant change due to other reasons	(1,115.93)
Balance as on 31 March 2019	(2,169.20)
Total	(2,169.20)

As on 31 March 2019, revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is ₹ Nil.

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

Information on performance obligations in contracts with Customers:

Real Estate Development Project:

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects as at 31 March 2019

(₹ in million)

Particulars	2019	2020	2021-2025	Beyond 2025	Total
Contract Revenue	-	-	1,687.87	-	1,687.87
Contract Expense	-	-	1,673.51	-	1,673.51
Total	-	-	14.36	-	14.36

Hospitality and Commercial & Retail

The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Note 55 Disclosure on transition to Ind AS 115

Changes in accounting policies:

Except for the changes below, the Group has consistently applied the accounting policies to all years presented in these consolidated financial statements.

The Group has adopted Ind AS 115 Revenue from Contracts with Customers (" Ind AS 115") with a date of initial application of 1 April 2018. As a result, the group has changed its accounting policy for revenue recognition as detailed below.

Real Estate Development

The Group accounted for its sale of residential flats in their real estate projects on a percentage completion basis as prescribed under the Guidance note for Accounting for Real Estate Transactions. Under Ind AS 115, the Group recognises the revenue from sale of residential projects at a point in time, i.e. when all the risks and rewards associated are transferred to the customer. Accordingly the Group has reversed the cumulative revenue recognised on sale of residential flats in the opening reserve as on April 1, 2018.

A. Reconciliation between balances without adoption of Ind AS 115 and as reported

Ind AS 8 requires an entity to reconcile equity and total comprehensive income for the reported year.

(I) Reconciliation of equity as at 31 March 2019

(₹ in million)

Particulars	Impact of changes in accounting policies		
	As reported	Adjustments	Balances without adoption of Ind AS 115
ASSETS			
Non-current assets			
Property, plant and equipment	20,492.15	-	20,492.15
Capital work-in-progress	342.47	-	342.47
Investment property	6,809.57	-	6,809.57
Goodwill	226.11	-	226.11
Other intangible assets	6.33	-	6.33
Financial assets	-		
(i) Investments	47.08	-	47.08
(ii) Loans	121.75	-	121.75
(iii) Others	51.08	-	51.08
Deferred tax assets (net)	732.40	-	732.40
Other non-current assets	258.06	(17.23)	240.83
Non-current tax assets (net)	517.70	-	517.70

Notes to the Consolidated Ind AS Financial Statements (Continued)

as at 31 March 2019

(₹ in million)

Particulars	Impact of changes in accounting policies		
	As reported	Adjustments	Balances without adoption of Ind AS 115
Total non current assets	29,604.70	(17.23)	29,587.47
Current assets			
Inventories	3,954.64	(1,073.47)	2,881.17
Financial assets			-
(i) Trade receivables	476.81	-	476.81
(ii) Cash and cash equivalents	400.04	-	400.04
(iii) Bank balances other than (ii) above	426.71	-	426.71
(iv) Loans	18.05	-	18.05
(v) Others	239.07	-	239.07
Other current assets	478.77	-	478.77
Total current assets	5,994.09	(1,073.47)	4,920.62
TOTAL ASSETS	35,598.79	(1,090.70)	34,508.09
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2,050.24	-	2,050.24
Other equity	12,176.48	16.44	12,192.91
Equity attributable to equity holders of the parent	27.79	-	27.79
Total Equity	14,254.51	16.44	14,270.94
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	13,392.45		13,392.45
(ii) Others	208.44		208.44
Provisions	57.58		57.58
Deferred tax liabilities (net)	290.87	8.82	299.69
Other non-current liabilities	144.35		144.35
Total non current liabilities	14,093.69	8.82	14,102.51
Current liabilities			
Financial liabilities			
(i) Borrowings	717.78		717.78
(ii) Trade payables	1,217.00		1,217.00
(iii) Other financial Liabilities	1,656.81		1,656.81
Other current liabilities	2,692.31	(1,115.95)	1,576.36
Provisions	966.69		966.69
Total current liabilities	7,250.59	(1,115.95)	6,134.64
Total liabilities	21,344.28	(1,107.13)	20,237.15
Total Equity and Liabilities	35,598.79	(1,090.70)	34,508.09

(II) Reconciliation of total comprehensive income for the year ended 31 March 2019

(₹ in million)

Particulars	As reported	Adjustments	Balances without adoption of Ind AS 115
Revenue			
Revenue from operations	9,871.73		9,871.73
Other income	476.08		476.08
Total Revenue	10,347.81	-	10,347.81
Expenses			
Real estate development cost	194.08		194.08

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

(₹ in million)

Particulars	As reported	Adjustments	Balances without adoption of Ind AS 115
Food and beverages consumed	866.67		866.67
Operating supplies consumed	262.83		262.83
Employee benefits expense	1,448.08		1,448.08
Other expenses	3,668.11		3,668.11
Total expenses	6,439.77	-	6,439.77
Earnings before interest, depreciation, amortisation, exceptional items and tax (EBITDA)	3,908.04	-	3,908.04
Depreciation and amortisation expenses	1,154.17		1,154.17
Finance costs	2,656.69		2,656.69
Profit before tax	97.18	-	97.18
Tax expense:	(107.21)		(107.21)
Current Tax	10.00		10.00
Deferred Tax	(117.21)		(117.21)
Profit for the year after Tax	204.39	-	204.39
Other comprehensive expense			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(11.80)		(11.80)
Income tax on above	4.12		4.12
Other comprehensive expense for the year, net of tax	**(7.68)**	**-**	**(7.68)**
Total comprehensive income for the year	196.71	-	196.71

Note 56

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'.

for the year ended 31 March 2019

(₹ in million)

	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
Parent								
Chalet Hotels Limited	**102%**	**14,468.88**	**134%**	**(102.07)**	**100%**	**(7.68)**	**131%**	**(109.75)**
Subsidiary (parent's share)								
Chalet Hotel & Properties (Kerala) Private Limited	**0%**	**32.60**	**181%**	**(137.95)**	**0%**	**-**	**164%**	**(137.95)**
Non-controlling interests in subsidiary	**0%**	**3.62**	**0%**	**-**	**0%**	**-**	**0%**	**-**
Eliminations	**0%**	**(250.60)**	**(215%)**	**163.75**	**0%**	**-**	**(195%)**	**163.75**
At 31 March 2019	**102%**	**14,254.51**	**100%**	**(76.27)**	**100%**	**(7.68)**	**100%**	**(83.95)**

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

for the year ended 31 March 2018

(₹ in million)

	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
Parent								
Chalet Hotels Limited	105%	5,223.00	109%	(1,008.65)	100%	14.66	108.74%	(993.99)
Subsidiary (parent's share)								
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
At 31 March 2018	100%	4,955.06	100%	(928.75)	100%	14.66	100%	(914.09)

Note 57 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 31 March 2019 as per section 186(4) of the Companies Act, 2013:

(₹ in million)

Name of entity	31 March 2018	Investments made	Investments redeemed / sold	**31 March 2019**
Chalet Hotels and Properties (Kerala) Private Limited	0.09	250.00	-	**250.09**
Stargaze Properties Private Limited	0.01	-	-	**0.01**
Intime Properties Limited	0.72	-	-	**0.72**
Krishna Valley Power Private Limited	8.64	3.90	-	**12.54**
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 31 March 2018 as per section 186(4) of the Companies Act, 2013:

(₹ in million)

Name of entity	31 March 2017	Investments made	Investments Redeemed / Sold	31 March 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

Notes to the Consolidated Ind AS Financial Statements (Continued)
as at 31 March 2019

Note 58:
The MCA vide notification dated 11 October 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the 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

For and on behalf of the Board of Directors of
Chalet Hotels Limited
(*formerly known as Chalet Hotels Private Limited***)**
(CIN No.L55101MH1986PLC038538)

Aniruddha Godbole
Partner
Membership No: 105149

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN 00468125)

Christabelle Baptista
Company Secretary
Membership No: AI7817

Mumbai
10-May-19

Mumbai
10-May-19

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below.

I The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19:

	Name of Directors	Designation	Ratio of Remuneration of each Director to median remuneration	Remuneration (₹)
1	Mr. Chandru L. Raheja [3]	Non Executive Director	-	-
2	Mr. Hetal Gandhi [4]	Non Executive Chairman & Independent Director	2.92:1	685,000
3	Mr. Ravi C. Raheja	Non Executive Director	2.96:1	695,000
4	Mr. Neel C. Raheja	Non Executive Director	2.04:1	480,000
5	Mr. Joseph Conrad D'Souza	Independent Director	3.00:1	705,000
6	Mr. Arthur De Haast [5]	Independent Director	7.90:1	1,855,335
7	Ms. Radhika Piramal [6]	Independent Director	0.85:1	200,000
8	Mr. Sanjay Sethi	Managing Director and CEO	139.83:1	32,837,240
9	Mr. Rajeev Newar	Executive Director and CFO	81.34:1	19,101,464
10	Mr. Ramesh M. Valecha [7]	Non Executive Director	-	0
11	Mr. Rajeev Chopra [7]	Non Executive Director	0.04:1	10,000

II The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2018-19 as compared to financial year 2017-18:

Name of Directors and KMPs	Designation	% increase / decrease in Remuneration
Mr. Chandru L. Raheja	Non Executive Director	Please refer note 3
Mr. Hetal Gandhi	Non Executive Chairman & Independent Director	661.11% (Please refer notes 4 & 8)
Mr. Ravi C. Raheja	Non Executive Director	1058.33% (Please refer note 8)
Mr. Neel C. Raheja	Non Executive Director	336.36% (Please refer note 8)
Mr. Joseph Conrad D'Souza	Independent Director	540.91% (Please refer note 8)
Mr. Arthur De Haast	Independent Director	88.76% (Please refer notes 5 & 8)
Ms. Radhika Piramal	Independent Director	NA (Please refer note 6)
Mr. Sanjay Sethi	Managing Director and CEO	24.78% (Please refer note 9)
Mr. Rajeev Newar	Executive Director and CFO	67.72 %(Please refer note 10)
Mr. Ramesh M. Valecha	Non Executive Director	Please refer note 7
Mr. Rajeev Chopra	Non Executive Director	Please refer note 7
Ms. Christabelle Baptista	Company Secretary	9.51%

NOTES:

1 The remuneration of Non Executive Directors consists of Sitting Fees.

2 The median remuneration of the Company for all its employees is ₹ 234,864 for the financial year 2018-19.

3 Mr. Chandru L. Raheja, Non- Executive Director of the Company, stepped down from the Directorship of the Company w.e.f. April 26, 2018.

4 Mr. Hetal Gandhi was appointed as Chairman of the Company w.e.f. June 12, 2018.

5 Mr. Arthur DeHaast was paid professional fee as per the terms of his appointment.

6 Ms. Radhika Piramal was appointed as an Independent Director of the Company w.e.f. June 12, 2018.

7 Mr. Ramesh M. Valecha and Mr. Rajeev Chopra stepped down from Directorship of the Company w.e.f. May 02, 2018.

8 The variation in percentage of remuneration of non-executive directors is on account of payment of sitting fees, during the year under review, vis a vis the preceding financial year, for the meetings attended by them. During the year under review, there has been a revison in the quantum of sitting fee.

9 Mr. Sanjay Sethi's remuneration for previous year is for part period. The period during which he was not associated with the Company due to his resignation has not been considered.

10 Mr. Rajeev Newar's remuneration for previous year is for part period. He joined the Board as Executive Director w.e.f. August 3, 2017.

III The percentage increase in the median remuneration of employees in the financial year 2018-19 :

The percentage increase in the median remuneration of all employees in the financial year was 3.66 %.

IV The number of permanent employees on the rolls of company as on March 31, 2019 :

The number of permanent employees on the rolls of Company as on March 31, 2019 were 2447.

V Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

The average percentage increase in salaries for employees other than managerial personnel was 9.5%. The average percentage increase in salaries for managerial personnel was 27.38%(including recognition of ESOP expense in Financial Year 2018 - 19). The benchmark for salary increase was done based on the compensation survey conducted by the Company.

VI It is affirmed that the remuneration paid to the directors, key managerial personnel and members of senior management team is as per the Appointment and Remuneration of Directors and Senior Management Policy of the Company.

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 ₹ 8,50,000/- or more per month and ₹ 1,02,00,000/- or more per annum

Sr No	Name of the Employee	Designation	Relation to any Director or Manager of the Company	Age as on 31/03/19	Gross Remuneration (₹)	Qualification	Experience (Years)	Previous Employment & Designation	Date of Commencement of Employment	Percentage of Equity Shares held by the Employee in the Company
1	Sanjay Sethi	Managing Director & Chief Executive Officer	No	54	32,837,240	Diploma - Hotel Management	30	ITC Limited – Chief Operating Officer – Hotel Division	05-Feb-18	NIL
2	Dietmar Kielnhofer	General Manager – J W Marriott Mumbai Sahar	No	57	26,012,027	Doctorate in Philosophy Business Management & Masters Degree in Marketing	36	Westin Tokyo - General Manager	03-May-17	Nil
3	Rajeev Newar	Executive Director & Chief Financial Officer	No	51	19,101,464	B.Com, CA, CS	26	The Indian Hotels Company Limited: VP – Finance	02-Aug-17	Nil
4	Nicholas Dumbell	General Manager – Renaisance Mumbai Convention Centre & Lakeside Chalet	No	44	13,332,624	Bachelor of Science	27	Bengaluru Marriott Hotel Whitefield - General Manager	01-Sep-16	Nil
5	Ravindra Kolhe	Vice President - Finance	No	48	7,630,075	BE, MBA	24	K. Raheja Corporate Services Pvt Ltd. - VP Finance	01- May–18	Nil
6	Rohit Dar	General Manager – The Westin Hyderabad Mindspace	No	50	7,682,400	Post Graduate Diploma from Oberoi Centre Of Learning & Development	27	Jaipur Marriott Hotel - General Manager	22-May-17	Nil
7	Amit Mehrotra	Associate Vice President - Project Management	No	43	7,417,004	Masters in Architecture	18	K. Raheja Corporate Services Pvt. Ltd. – A V P Project Management	01-Apr-18	Nil
8	Milind Wadekar	Vice President - Finance & Tax	No	49	6,282,798	B.Com, CA	27	Hotel Leela Venture Limited - Financial Controller	24-Aug-09	Nil
9	Roberto Zorzoli	Italian Chef - JW Marriott Mumbai Sahar	No	36	5,706,770	Govt Hotel School Vallesana Sondalo Italy	21	Hyatt Regency Chennai - Chef De Cuisine	01-Oct-15	Nil
10	Krishna Mohan N	Senior Vice President - Engineering	No	56	3,109,404	ME	34	K. Raheja Corporate Services Pvt. Ltd.- Sr VP- Engineering	01-Dec-18	Nil

Notes

Notes

/Concept, content and design at AICL (hello@aicl.in)

CHALET
HOTELS

CHALET HOTELS LIMITED
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