**DRAFT RED HERRING PROSPECTUS**
Dated July 2, 2018
Please read Section 32 of the Companies Act 2013
*(This Draft Red Herring Prospectus will be updated upon filing with the RoC)*
**100% Book Building Offer**

# CHALET HOTELS LIMITED

Our Company was incorporated as "Kenwood Hotels Private Limited" on January 6, 1986, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation granted by the Registrar of Companies, Maharashtra, at Mumbai ("**RoC**"). On July 19, 1997, our Company was converted into a public company under section 43A (1B) of the Companies Act, 1956 and, consequently our name was changed to "Kenwood Hotels Limited". Pursuant to a resolution of our shareholders dated March 2, 1998 and a fresh certificate of incorporation issued by the RoC on April 6, 1998, the name of our Company was changed to "K. Raheja Resorts & Hotels Limited". Further, pursuant to a resolution of our shareholders dated April 24, 1999 and a fresh certificate of incorporation issued by the RoC on May 4, 1999, the name of our Company was changed to "Chalet Hotels Limited". On the conversion of our Company to a private limited company pursuant to a resolution passed by our shareholders dated August 25, 2011 and a fresh certificate of incorporation issued by the RoC on October 15, 2011, our name was changed to "Chalet Hotels Private Limited". Subsequently, pursuant to a resolution passed by our shareholders on June 4, 2018 and a fresh certificate of incorporation issued by the RoC on June 6, 2018 our Company was converted to a public limited company and our name was changed to "Chalet Hotels Limited". For details of changes in name and registered office of our Company, see "***History and Certain Corporate Matters***" on page 170.

**Corporate Identity Number:** U55101MH1986PLC038538
**Registered and Corporate Office:** Raheja Tower, Plot No.C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai 400051 **Tel**: +91 22 – 26564000 **Facsimile**: +91 22 – 26565451
**Contact Person**: Christabelle Baptista, Company Secretary and Dhanraj Mulki, Compliance Officer; **Tel:** +91 22- 26565420 **Facsimile**: +91 22 - 26565451
**E-mail**: investorrelations@chalethotels.com **Website**: www.chalethotels.com

**OUR PROMOTERS:** RAVI C. RAHEJA, NEEL C. RAHEJA, K RAHEJA CORP PRIVATE LIMITED, K RAHEJA PRIVATE LIMITED, IVORY PROPERTIES AND HOTELS PRIVATE LIMITED, GENEXT HARDWARE & PARKS PRIVATE LIMITED, TOUCHSTONE PROPERTIES AND HOTELS PRIVATE LIMITED, CAPE TRADING LLP, CAPSTAN TRADING LLP, CASA MARIA PROPERTIES LLP, ANBEE CONSTRUCTIONS LLP, PALM SHELTER ESTATE DEVELOPMENT LLP, RAGHUKOOL ESTATE DEVELOPMENT LLP AND IVORY PROPERTY TRUST

**INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF CHALET HOTELS LIMITED ("OUR COMPANY" OR "THE COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 9,500 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 24,685,000 EQUITY SHARES (THE "OFFERED SHARES") AGGREGATING TO ₹ [●] MILLION, COMPRISING AN OFFER FOR SALE OF (i) UP TO 5,550,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY RAVI C. RAHEJA; (ii) UP TO 5,550,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY NEEL C. RAHEJA; (iii) UP TO 10,784,176 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY K. RAHEJA CORP PRIVATE LIMITED; (iv) UP TO 800,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY PALM SHELTER ESTATE DEVELOPMENT LLP; AND (v) UP TO 2,000,824 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY IVORY PROPERTIES & HOTELS PRIVATE LIMITED (COLLECTIVELY THE "SELLING SHAREHOLDERS", AND SUCH OFFER FOR SALE, THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE UP TO [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER AND IN [•] EDITIONS OF [●] (A WIDELY CIRCULATED MARATHI NATIONAL DAILY NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE IN THE PLACE WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE", AND TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.**

## THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), the Registered Brokers, Collecting Registrar and Share Transfer Agents ("**CRTAs**") and Collecting Depository Participants ("**CDPs**").

In terms of Rule 19(2) (b) (iii) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**") read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**"), this is an Offer for at least 10% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allotted on a proportionate basis to Qualified Institutional Buyers (the "**QIBs**") (the "**QIB Category**"), provided that our Company and the Selling Shareholders in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors (the "**Anchor Investor Allocation Price**"). Post allocation to the Anchor Investors, the QIB Category will be reduced by such number of Equity Shares. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders, other than the Anchor Investors are mandatorily required to participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process, providing details of their respective bank accounts in which the Bid amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). The Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "***Offer Procedure***" beginning on page 633.

## RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹ 10 and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Offer Price (as determined and justified by our Company and the Selling Shareholders in consultation with the BRLMs, in accordance with SEBI ICDR Regulations, and as stated in "***Basis for Offer Price***" on page 122) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 17.

## ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to such Selling Shareholder and/or its portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, each Selling Shareholder, does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to our Company or the other Selling Shareholders in this Draft Red Herring Prospectus.

## LISTING

The Equity Shares offered though the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of this Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "***Material Contracts and Documents for Inspection***" on page 691.

| BOOK RUNNING LEAD MANAGERS | | | REGISTRAR TO THE OFFER |
| --- | --- | --- | --- |
| JM FINANCIAL | AXIS CAPITAL | Morgan Stanley | KARVY Computershare |
| **JM Financial Limited**<br>7th Floor, Cnergy<br>Appasaheb Marathe Marg, Prabhadevi<br>Mumbai 400 025<br>Maharashtra, India<br>**Tel:** +91 22 6630 3030<br>**Fax:** +91 22 6630 3330<br>**Email:** chalet.ipo@jmfl.com<br>**Investor grievance email:** grievance.ibd@jmfl.com<br>**Website:** www.jmfl.com<br>**Contact Person:** Prachee Dhuri<br>**SEBI Registration No.**: INM000010361 | **Axis Capital Limited**<br>1st Floor, Axis House<br>C 2 Wadia International Centre<br>Pandurang Budhkar Marg<br>Worli, Mumbai 400 025<br>Maharashtra, India<br>**Tel:** +91 22 4325 2183<br>**Fax:** +91 22 4325 3000<br>**E-mail:** chalet.ipo@axiscap.in<br>**Investor grievance E-mail:** complaints@axiscap.in<br>**Website:** www.axiscapital.co.in<br>**Contact Person:** Mangesh Ghogle/ Mayuri Arya<br>**SEBI Registration No.:** INM000012029 | **Morgan Stanley India Company Private Limited**<br>18F, Tower 2, One Indiabulls Centre<br>841, Senapati Bapat Marg Mumbai 400 013<br>Maharashtra, India<br>**Tel:** +91 22 6118 1000<br>**Fax:** +91 22 6118 1040<br>**Email:** chalet_ipo_2018@morganstanley.com<br>**Investor grievance email:**<br>investors_india@morganstanley.com<br>**Website:** www.morganstanley.com/about-us/globaloffices/india<br>**Contact Person:** Anirudh Premkumar<br>**SEBI Registration. No.:** INM000011203 | **Karvy Computershare Private Limited**<br>Karvy Selenium Tower B, Plot 31-32<br>Gachibowli, Financial District<br>Nanakramguda, Hyderabad 500 032<br>India<br>**Tel**: +91 40 6716 2222<br>**Fax**: +91 40 2343 1551<br>**E-mail**: einward.ris@karvy.com<br>**Investor grievance e-mail**:<br>chalethotels.ipo@karvy.com<br>**Website**: https://karisma.karvy.com<br>**Contact person**: M Murali Krishna<br>**SEBI Registration No.**: INR000000221 |

| BID/OFFER PERIOD | | | |
| --- | --- | --- | --- |
| **BID/OFFER OPENS ON*** | [●] | **BID/OFFER CLOSES ON **** | [●] |

* *Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

.** *Our Company and the Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

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## SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.*

*Unless the context otherwise indicates, all references to "**the Company**", "**our Company**" and "**the Issuer**" are references to Chalet Hotels Limited, a company incorporated in India under the Companies Act 1956 with its Registered and Corporate Office at Raheja Tower, Plot No.C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and references to "**we**", "**us**" and "**our**" are references to our Company, together with its Subsidiary (each as defined below).*

### Company Related Terms

| Term | Description |
|---|---|
| Adjusted EBITDA before Exceptional Items | Profit / (loss) from continuing operations including other income after exclusion of exceptional items, depreciation and amortisation expense, finance costs, share of profit from associate and tax expense |
| Anbee Constructions | Anbee Constructions LLP |
| AoA/Articles of Association or Articles | The articles of association of our Company, as amended |
| Aqualine | Aqualine Real Estate Private Limited |
| Audit Committee | The audit committee of our Board |
| Auditors/ Statutory Auditors | The statutory auditors of our Company, being M/s B S R & Co. LLP Chartered Accountants |
| Average Cost of Indebtedness | Total interest cost (including amounts capitalised and exchange loss on foreign currency borrowings) to the average borrowings during the period. The Average Cost of Indebtedness is helpful in understanding the overall interest rate being paid by a company for various types of debt financing. This measure gives investors an idea of the company's risk level compared to others because riskier companies generally have a higher cost of debt. |
| Board/ Board of Directors | The board of directors of our Company, or a duly constituted committee thereof |
| BOB | Bank of Baroda |
| Brookfields | Brookfields Agro & Development Private Limited |
| Cape Trading | Cape Trading LLP |
| Capstan Trading | Capstan Trading LLP |
| Carin Properties | Carin Properties Private Limited |
| Casa Maria | Casa Maria Properties LLP |
| Cavalcade | Cavalcade Properties Private Limited |
| Citibank | Citibank N.A. |
| Challenge | Challenge Properties Private Limited |
| Chief Executive Officer/CEO | Chief Executive Officer of our Company |
| Chief Financial Officer/ CFO | Chief Financial Officer of our Company |
| Company Secretary | Company Secretary of our Company |
| Compliance Officer | Compliance Officer of our Company appointed in accordance with the requirements of the SEBI ICDR Regulations |
| Convex Properties | Convex Properties Private Limited |
| Director(s) | The director(s) on our Board |
| ESOP 2018 | Employee Stock Option Plan 2018 of our Company, as amended. |
| Equity Shareholders | The holders of the Equity Shares |
| Equity Shares | The equity shares of our Company of face value of ₹ 10 each |
| Feat | Feat Properties Private Limited |
| Genext | Genext Hardware & Parks Private Limited |
| Flabbergast | Flabbergast Properties Private Limited |
| Grandwell | Grandwell Properties & Leasing Private Limited |
| Grange | Grange Hotels & Properties Private Limited |
| Group | The Company and its Subsidiary |
| Group Companies | The group companies of our Company, being companies covered under the applicable accounting standards and other companies as considered material by our Board, if any, in accordance the Materiality Policy and described in "***Group Companies***" on page 212. |
| HDFC | Housing Development Finance Corporation Limited |

| Term | Description |
|---|---|
| ICICI | ICICI Bank Limited |
| ICICI Bahrain | ICICI Bank Limited, Bahrain Branch |
| ICICI UK | ICICI Bank UK Plc. |
| Immense | Immense Properties Private Limited |
| Imperial | Imperial Serviced Offices and Property Management Private Limited |
| Independent Director(s) | A Non-Executive, Independent Director as per the Companies Act, 2013 and the SEBI Listing Regulations. |
| Inorbit | Inorbit Malls (India) Private Limited |
| Intime | Intime Properties Limited |
| IPO Committee | The IPO committee of our Board constituted to facilitate the process of the Offer |
| Ivory Properties | Ivory Properties and Hotels Private Limited |
| Ivory Trust | Ivory Property Trust |
| KMP/ Key Managerial Personnel | Key management personnel of our Company in terms of Regulation 2(1) (s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act 2013 and as described in "***Our Management***" on page 177. |
| K Raheja | K Raheja Private Limited |
| K Raheja Corp | K Raheja Corp Private Limited |
| K Raheja Corporate | K Raheja Corporate Services Private Limited |
| K Raheja Cyprus | K Raheja Corp Advisory Services (Cyprus) Private Limited |
| K Raheja IT Park | K Raheja IT Park (Hyderabad) Limited |
| Magna | Magna Warehousing & Distribution Private Limited |
| MAPHPL | Marble Arch Properties and Hotels Private Limited |
| Materiality Policy | The policy adopted by our Board in its meeting dated June 12, 2018 for determining (i) Group Companies; (ii) outstanding material litigation involving our Company, Subsidiary , Directors, Promoters and Group Companies; and (iii) outstanding dues to creditors in respect of our Company, in terms of the SEBI ICDR Regulations for the purposes of disclosure in the offer documents. For further details, see "***Group Companies***" and "***Outstanding Litigation and Other Material Developments***" on pages 212 and 569, respectively. |
| MoA/Memorandum of Association | The memorandum of association of our Company, as amended |
| Mindspace | Mindspace Business Parks Private Limited |
| Newfound | Newfound Properties and Leasing Private Limited |
| NPHPL | Neerav Properties and Hotels Private Limited |
| Compensation, Nomination and Remuneration Committee | The compensation, nomination and remuneration committee of our Board |
| Non-cumulative Redeemable Preference Shares/NCRPS | 0.001 % non-cumulative redeemable preference shares of our Company of face value ₹ 100,000 each |
| Non-Executive Director(s) | A director not being an Executive Director or an Independent Director. |
| Novel | Novel Properties Private Limited |
| Pact | Pact Real Estate Private Limited |
| Palm Shelter | Palm Shelter Estate Development LLP |
| Paradigm | Paradigm Logistics & Distribution Private Limited |
| Preference Shares | Non-cumulative Redeemable Preference Shares and Zero Coupon Non-cumulative Non-Convertible Redeemable Preference Shares |
| Promoter Group | Such persons and entities which constitute the promoter group of our Company pursuant to Regulation 2 (1)(zb) of the SEBI ICDR Regulations comprising<br><br>(A) individuals: Chandru L. Raheja; Jyoti C. Raheja; Sumati R Raheja; Jaya N Raheja; Shreya R Raheja; Anoushri R Raheja; Rhea N Raheja; Sahil N Raheja; Nishi Pokardas; Murli Pokardas; Kusum Dadlani; Jayna P Lakhiani; Saket Burman; Indira Burman;<br><br>(B) entities: Aqualine Properties Private Limited; Aqualine Real Estate Private Limited; Avacado Properties & Trading (India) Private Limited; Brookfields Agro & Development Private Limited; Carin Properties Private Limited; Cavalcade Properties Private Limited; Content Properties Private Limited; Convex Properties Private Limited; Ekaakshara Trading Co. Private Limited; Eternus Real Estate Private Limited; Eternus (Singapore) Pte Limited; Euroweave Exports Private Limited; Feat Properties Private Limited; Flabbergast Properties Private Limited; G Corp Neerav Developers Private Limited; G Corp Projects Private Limited; Gigaplex Estate Private Limited; Grange Hotels & Properties Private Limited; Horizonview Properties Private Limited; Hornbill Trading Company Private Limited; Immense Properties Private Limited; Imperial Serviced Offices & Property Management Private Limited; Inorbit Malls (India) Private Limited; Intime Properties |

| Term | Description |
|---|---|
| | Limited; Jewel of India; J.T Holdings Private Limited; Juhu Beach Resort Limited; K Raheja Corp Advisory Services (Cyprus) Private Limited; K Raheja Corp Investment Managers LLP; K Raheja Corporate Services Private Limited; K Raheja IT Park (Hyderabad) Private Limited; K Raheja Properties & Finance; K Raheja Sales; K Raheja Services Private Limited; KRC Infrastructure & Projects Private Limited; Lonhome Properties & Investments PTE Limited; Louisiana Investment & Finance Private Limited; Marvel International Private Limited; Mindspace Business Parks Private Limited; MR & Co.; MR Combine; Nakshtra Logistics Private Limited; Neerav Investments Advisory Services (Cyprus) Private Limited; Neerav Investments & Holdings Pte. Limited; Neogen Properties Private Limited; Newfound Properties & Leasing Private Limited; Nirankar Properties Private Limited; Novel Properties Private Limited; Pact Real Estate Private Limited; Paradigm Logistics & Distribution Private Limited; Polo Chenjal Holding PTE Limited; Pramaan Properties Private Limited; Shoppers Stop Limited; Stargaze Properties Private Limited; Sundew Properties Limited; Sundew Real Estate Private Limited; Support Properties Private Limited; Sustain Properties Private Limited; Sycamore Properties Private Limited; Terraco India Private Limited; Whispering Heights Real Estate Private Limited; and<br><br>(C) the following entities which have been included solely on account of the shareholding of immediate relatives of the spouses of the individual promoters: Adbur Private Limited; Adfluence Hub Private Limited; Celeste Box LLC; Chowdry Associates; Dabur Ayurvedic Specialities Limited; Dabur India Limited; Dabur Invest Corp; Dabur Pharmaceuticals Limited; Dabur Securities Private Limited; Eastern Enterprises; Jetage Infrastructure Limited; Maneswari Trading Company; Mina Assets INC.; Siddharth Burman HUF; SGBNO Pte. Limited; Upvan Farms & Services Private Limited.<br><br>It is clarified that the Promoter Group shall not include the Mumbai Undivided Entities and Southern Undivided Entities. For further details, please see "**Outstanding Litigation and Other Material Developm*ents – Litigation involving Ravi C. Raheja***" on page 569".] |
| Promoters | The promoters of our Company, namely Ravi C. Raheja, Neel C. Raheja, K Raheja Corp Private Limited, K Raheja Private Limited, Ivory Properties and Hotels Private Limited, Genext Hardware & Parks Private Limited, Touchstone Properties and Hotels Private Limited, Cape Trading LLP, Capstan Trading LLP, Casa Maria Properties LLP, Anbee Constructions LLP, Palm Shelter Estate Development LLP, Raghukool Estate Development LLP and Ivory Property Trust |
| Raghukool Estate | Raghukool Estate Development LLP |
| RBL | RBL Bank |
| Registered and Corporate Office | The registered and corporate office of our Company located at Raheja Tower, Plot No.C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India. |
| Registrar of Companies/RoC | Registrar of Companies, Maharashtra at Mumbai. For further details, see "***General Information***" on page 77. |
| Restated Consolidated Summary Financial Information | The restated consolidated summary financial information of the Group, which comprises of the restated consolidated summary statement of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the restated consolidated summary statement of profit and loss, the restated consolidated summary statement of changes in equity and restated consolidated summary statement of cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 for our Company, its Subsidiaries and its associate, on a consolidated basis, during the relevant periods, read along with all the schedules and notes thereto prepared under the Indian Accounting Standards and included in "***Summary Financial Information***" on page 240. |
| Restated Summary Financial Information | Collectively, the Restated Consolidated Summary Financial Information and the Restated Standalone Summary Financial Information |
| Restated Standalone Summary Financial Information | The restated standalone summary financial information of our Company, restated standalone summary statement of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the related restated standalone summary statement of profit and loss, the restated standalone summary statement of changes in equity and restated standalone summary statement of cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 for our Company, read along with all the schedules and notes thereto prepared under the Indian Accounting Standards and included in "***Summary Financial Information***" on page 240. |
| SCB | Standard Chartered Bank |
| Selling Shareholders | Ravi C. Raheja, Neel C. Raheja, K Raheja Corp Private Limited, Ivory Properties and Hotels Private Limited and Palm Shelter Estate Development LLP |

| Term | Description |
|---|---|
| Senior Management Personnel/ SMP | Certain senior management personnel of our Company, other than our Directors and Key Management Personnel, as disclosed in the section "**Our Management**" on pages 197 to 198. |
| Stakeholders' Relationship Committee | The stakeholders' relationship committee of our Board |
| Subscription Agreement | Subscription agreement dated June 4, 2018 entered into among our Company, Ravi C. Raheja and Neel C. Raheja |
| Subsidiary | Chalet Hotels and Properties (Kerala) Private Limited. For further details see "***History and Certain Corporate Matters – Subsidiary of our Company***" on page 177. |
| Sundew | Sundew Real Estate Private Limited |
| Sundew Properties | Sundew Properties Limited |
| Sustain | Sustain Properties Private Limited |
| Sycamore | Sycamore Properties Private Limited |
| The Residency | The Residency Hotels Private Limited |
| Touchstone | Touchstone Properties and Hotels Private Limited |
| Trion | Trion Properties Private Limited |
| Yes Bank | Yes Bank Limited |
| Zero Coupon Non-cumulative Non- Convertible Redeemable Preference Shares/Zero Coupon NCRPS | Series A/Series B 0.00 % non-cumulative non-convertible redeemable preference shares of our Company of face value ₹ 100,000 each |

**Offer Related Terms**

| Term | Description |
|---|---|
| Acknowledgment Slip | The slip or document issued by the Designated Intermediary(ies) to a Bidder as proof of registration of the Bid |
| Allotment Advice | The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange |
| Allotted/Allotment/Allot | The issue, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares to successful Bidders pursuant to the Offer |
| Allottee | A successful Bidder to whom the Equity Shares are Allotted |
| Anchor Investor | A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to Anchor Investors on the Anchor Investor Bidding Date in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs |
| Anchor Investor Bidding Date | The date, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids in the Anchor Investor Portion, and allocation to the Anchor Investors shall be completed |
| Anchor Investor Offer Price | The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and Selling Shareholders, in consultation with the BRLMs |
| Anchor Investor Portion | Up to 60% of the QIB Category, which may be allocated by our Company and Selling Shareholders, in consultation with the BRLMs, to Anchor Investors, on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price |
| Application Supported by Blocked Amount/ ASBA | The application (whether physical or electronic) by a Bidder (other than Anchor Investors) to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account |
| ASBA Account | A bank account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder |
| ASBA Bidder | Prospective investors (other than Anchor Investors) in the Offer who intend to submit the Bid through the ASBA process |
| | |
| ASBA Form | An application form, whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Axis Capital | Axis Capital Limited |
| Banker(s) to the Offer | The Escrow Bank(s), Refund Bank(s) and Public Offer Account Bank(s), as the case may be |

| Term | Description |
|---|---|
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in "***Offer Procedure***" on page 633. |
| Bid | An indication to make an offer during the Bid/Offer Period by an ASBA Bidder (other than an Anchor Investor), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe for or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' will be construed accordingly. |
| Bid Amount | The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Anchor Investor or as blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable |
| Bid cum Application Form | The form in terms of which the Bidder (including an Anchor Investor) shall make a Bid, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus |
| Bid Lot | [●] Equity Shares |
| Bid/Offer Closing Date | Except in relation to Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids for the Offer, which shall be published in all editions of [●] (a widely circulated English national daily newspaper), in all editions of [●] (a widely circulated Hindi national daily newspaper, and in [●] edition of [●] (a widely circulated Marathi regional newspaper, Marathi being the regional language in the place where our Registered and Corporate Office is located**)** and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and also intimated to SCSBs, the Registered Brokers, CRTAs and CDPs. Our Company and Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations |
| Bid/Offer Opening Date | Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall be published in all editions of [●] (a widely circulated English national daily newspaper), in all editions of [●] (a widely circulated Hindi national daily newspaper), and in [●] editions of [●] (a widely circulated Marathi regional newspaper, Marathi being the regional language in the place where our Registered and Corporate Office is located) |
| Bid/Offer Period | Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, and includes an Anchor Investor |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated SCSB Branches, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs. |
| Book Building Process | The book building process as described in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made |
| Book Running Lead Manager(s)/ BRLM(s) | JM Financial Limited, Axis Capital Limited and Morgan Stanley India Company Private Limited |
| Broker Centres | Broker centres of the Registered Brokers, where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges |
| CAN / Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date |
| Cap Price | The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, including any revisions thereof |
| Circular on Streamlining of Public Issues | Circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Client ID | Client identification number of the Bidder's beneficiary account |
| Collecting Depository Participants/CDPs | A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of the Circular on Streamlining of Public Issues. |
| Collecting Registrar and Share Transfer Agents or CRTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the Circular on Streamlining of Public Issues. |
| Cut-off Price | The Offer Price, finalized by our Company and Selling Shareholders, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors are |

| Term | Description |
|---|---|
| | entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price |
| Demographic Details | The details of the Bidders including the Bidders' address, names of the Bidders' father/husband, investor status, occupation and bank account details |
| Designated SCSB Branches | Such branches of the SCSBs which may collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time |
| Designated CDP Locations | Such centres of the Collecting Depository Participants where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time |
| Designated Date | The date on which the funds from the Escrow Accounts are transferred to the Public Offer Account or the Refund Account(s), as appropriate, and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, to the Public Offer Account or Refund Account, as applicable, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC |
| Designated Intermediaries | Collectively, the members of the Syndicate, sub-syndicate members/agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorized to collect Bid cum Application Forms from the Bidders (other than Anchor Investors), in relation to the Offer |
| Designated RTA Locations | Such centres of the CRTAs where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time |
| Designated Stock Exchange | [●] |
| Draft Red Herring Prospectus/DRHP | This draft red herring prospectus dated July 2, 2018, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto |
| Eligible NRI | A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares |
| Escrow Account | Account opened with the Escrow Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid |
| Escrow Agreement | Agreement dated [●], to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Bank, the Public Offer Account Bank and Refund Bank for collection of the Bid Amounts and where applicable, remitting refunds, if any, on the terms and conditions thereof |
| Escrow Bank | A bank, which is a clearing member and registered with SEBI as a banker to an offer and with whom the Escrow Account will be opened, in this case being [●] |
| First Bidder | The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bidders, whose name appears as the first holder of the beneficiary account held in joint names |
| Floor Price | The lower end of the Price Band, and any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares |
| Fresh Issue | Fresh issue of [●] equity shares by our company aggregating up to ₹ 9,500 million by our Company as part of the Offer, in terms of the Red Herring Prospectus and Prospectus |
| General Information Document | The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and certain other amendments to applicable laws and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI and included in "***Offer Procedure***" on page 633. |
| Maximum RII Allottees | The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot |
| Minimum Promoters' Contribution | Aggregate of 20% of the fully diluted post-Offer equity share capital of our Company that are eligible to form part of the minimum promoter's contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters that shall be locked-in for a period of three years from the date of Allotment |
| JM Financial | JM Financial Limited |
| Morgan Stanley | Morgan Stanley India Company Private Limited |

| Term | Description |
|---|---|
| Mutual Fund Portion | 5% of the QIB Category (excluding the Anchor Investor Portion) or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price |
| Net Proceeds | Proceeds of the Offer that will be available to our Company, i.e., gross proceeds of the Fresh Issue, less Offer expenses to the extent applicable to the Fresh Issue |
| Non-Institutional Category | The portion of the Offer, being not less than 15% of the Offer or [●] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price |
| Non-Institutional Investors/NIIs | All Bidders, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs) |
| Offer | Public issue of up to [●] Equity Shares of face value ₹ 10 each for cash at a price of ₹ [●] including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] million comprising Fresh Issue and Offer for Sale |
| Offer Agreement | The agreement dated June 29, 2018 entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer |
| Offer for Sale/OFS | The offer for sale of up to 5,550,000 Equity Shares by Ravi C. Raheja, up to 5,550,000 Equity Shares by Neel C. Raheja, up to 10,784,176 Equity Shares by K Raheja Corp Private Limited, up to 2,000,824 Equity Shares by Ivory Properties and Hotels Private Limited and up to 800,000 Equity Shares by Palm Shelter Estate Development LLP, in terms of the Red Herring Prospectus |
| Offer Price | The final price at which Equity Shares will be Allotted to the successful Bidders (other than Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company and the Selling Shareholders, in consultation with the BRLMs in terms of the Red Herring Prospectus on the Pricing Date |
| Price Band | Price band ranging from a Floor Price of ₹ [●] to a Cap Price of ₹ [●], including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the with the BRLMs, and advertised in all editions of [●] (a widely circulated English national daily), all editions of [●] (a widely circulated Hindi national daily newspaper, and [●] editions of [●] (a widely circulated Marathi regional newspaper, Marathi being the regional language in the place where our Registered and Corporate Office is located) at least five Working Days prior to the Bid/ Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their websites |
| Pricing Date | The date on which our Company and the Selling Shareholders, in consultation with the BRLMs, shall finalize the Offer Price |
| Prospectus | The Prospectus to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act 2013 and the SEBI ICDR Regulations, containing the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto |
| Public Offer Account(s) | The bank account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act 2013 to receive monies from the Escrow Accounts and the ASBA Accounts on the Designated Date |
| Public Offer Account Bank | The bank(s) with whom the Public Offer Account is opened for collection of Bid Amounts from the Escrow Account and ASBA Accounts on the Designated Date, in this case being [●] |
| QIB Category | The portion of the Offer, being not more than 50% of the Offer or [●] Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the BRLM), subject to valid Bids being received at or above the Offer Price |
| Qualified Institutional Buyers or QIBs | A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations |
| Red Herring Prospectus or RHP | The red herring prospectus to be issued in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be Allotted and which shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto |
| Refund Account(s) | Account(s) opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors or other Bidders, if required |
| Refund Bank(s) | The bank(s) with whom the Refund Account(s) have will be opened, in this case being [●] |
| Registered Brokers | Stock brokers registered with SEBI and the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids at the Broker Centres in terms of circular number CIR/CFD/14/2012 dated October 14, 2012, issued by SEBI |

| Term | Description |
|---|---|
| Registrar Agreement | The agreement dated June 28, 2018, entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer |
| Registrar to the Offer | Karvy Computershare Private Limited |
| Retail Category | The portion of the Offer, being not less than 35% of the Offer or [●] Equity Shares, available for allocation to Retail Individual Investors, which shall not be less than the minimum Bid Lot, subject to availability in the Retail Category |
| Retail Individual Investors/ RIIs | Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Offer is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) |
| Revision Form | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB Category and Non-Institutional Investors bidding in the Non-Institutional Category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date |
| Self Certified Syndicate Banks or SCSBs | The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time |
| Selling Shareholders | K Raheja Corp Private Limited, Neel C. Raheja, Ravi C. Raheja, Palm Shelter Estate Development LLP and Ivory Properties & Hotels Private Limited |
| Share Escrow Agreements | Agreements to be entered into among the Selling Shareholders, our Company and a share escrow agent in connection with the transfer of the respective portion of the Offered Shares by each Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees |
| Specified Locations | Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form |
| Stock Exchanges | Collectively, the BSE Limited and the National Stock Exchange of India Limited |
| Syndicate Agreement | The agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer in relation to the collection/ procurement of Bid cum Application Forms by the Syndicate (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to the Registered Brokers at the Broker Centres) |
| Syndicate Members | Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, as may be appointed by our Company, in consultation with the BRLMs |
| Syndicate or members of the Syndicate | Collectively, the BRLM and the Syndicate Members |
| Systemically Important Non-Banking Financial Company | A non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five thousand million rupees as per the last audited financial statements |
| Underwriting Agreement | The agreement dated [●] among our Company, the Selling Shareholders, the Underwriters and the Registrar to the Offer, to be entered into on or after the Pricing Date but prior to filing of the Prospectus |
| Wilful Defaulter(s) | Wilful Defaulter as defined under Regulation 2(zn) of the SEBI ICDR Regulations |
| Working Day(s) | All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai, India are open for business; provided however, for the purposes of announcement of Price Band and the Bid/ Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai, India are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016. |

## Conventional and General Terms and Abbreviations

| Term | Description |
|---|---|
| AGM | Annual general meeting |
| AIF(s) | Alternative Investment Funds, as defined in, and registered under the SEBI AIF Regulations |
| AS | Accounting Standard referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Institute of Chartered Accountants of India |
| Bn/bn | Billion |

| Term | Description |
|---|---|
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| Category I FPIs | FPIs registered as category I FPIs under the SEBI FPI Regulations |
| Category II FPIs | FPIs registered as category II FPIs under the SEBI FPI Regulations |
| Category III FPIs | FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| CLRA | Contract Labour (Regulation and Abolition) Act, 1970 |
| Companies Act | The Companies Act 1956 and the Companies Act 2013, as applicable |
| Companies Act 1956 | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) |
| Companies Act 2013 | Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, notifications, clarifications and modifications thereunder |
| Consolidated FDI Policy | The Consolidated Foreign Direct Investment Policy, effective from August 28, 2017 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time |
| Copyright Act | Copyright Act, 1957 |
| CPC | Code of Civil Procedure, 1908 |
| CSR | Corporate Social Responsibility |
| Depositories Act | The Depositories Act, 1996 |
| Depository | A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI |
| DP ID | Depository Participant’s identity number |
| EBITDA | Earnings before interest, tax, depreciation and amortization |
| EPF Act | Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings per share |
| ESI Act | Employees’ State Insurance Act, 1948 |
| ESOP | Employee stock option plan |
| FCA | Forest (Conservation) Act, 1980 |
| FCNR Account | Foreign Currency Non Resident (Bank) account established in accordance with the FEMA |
| FCPA | U.S. Foreign Corrupt Practices Act of 1977 |
| FDI | Foreign direct investment |
| FEMA | The Foreign Exchange Management Act, 1999 read with rules, regulations, notifications, circulars and directions thereunder |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 |
| Finance Act | Finance Act 2018 |
| Financial Year/Fiscal/ Fiscal Year | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year |
| FPIs | A foreign portfolio investor who has been registered with SEBI pursuant to the SEBI FPI Regulations |
| FVCI | Foreign Venture Capital Investors (as defined under the SEBI FVCI Regulations) registered with SEBI |
| GAAR | General Anti-Avoidance Rules |
| GDP | Gross Domestic Product |
| GoI/ Central Government/ Government | The Government of India |
| GST | Goods and services tax |
| HUF(s) | Hindu Undivided Family(ies) |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| Income Tax Act | Income Tax Act, 1961 |
| Ind AS | The Indian Accounting Standards referred to in and notified by the Ind AS Rules |
| Ind AS 24 | Indian Accounting Standard 24 notified under the IND AS Rules |
| Ind AS Rules | Companies (Indian Accounting Standards) Rules, 2015 |

| Term | Description |
|---|---|
| Indian GAAP | Generally Accepted Accounting Principles in India |
| INR or Rupee or ₹ or Rs. | Indian Rupee, the official currency of the Republic of India |
| IPO | Initial public offering |
| IRDAI | Insurance Regulatory and Development Authority of India |
| IRDAI Investment Regulations | Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 |
| IT | Information Technology |
| ITC | Input Tax Credit |
| LLP | Limited Liability Partnership |
| LLP Act | Limited Liability Partnership Act, 2008 |
| MCA | The Ministry of Corporate Affairs, GoI |
| MEP | Mechanical, Electrical and Plumbing |
| Mn | Million |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| NCLT | National Company Law Tribunal |
| NCDs | Non-Convertible Debentures |
| NCR | National Capital Region |
| Notified Sections | The sections of the Companies Act 2013 that have been notified by the MCA and are currently in effect |
| NR/ Non-resident | A person resident outside India, as defined under the FEMA and includes an NRI |
| NRI | Non-Resident Indian |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent account number |
| PAT | Profit after tax |
| RBI | The Reserve Bank of India |
| RERA | Real Estate (Regulation and Development) Act, 2016. |
| Regulation S | Regulation S under the U.S. Securities Act |
| Rule 144A | Rule 144A under the U.S. Securities Act |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | SEBI (Alternative Investment Funds) Regulations, 2012 |
| SEBI ESOP Regulations | Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEZ | Special Economic Zones |
| SEZ Act | The Special Economic Zones Act, 2005 |
| SEZ Rules | Special Economic Zones Rules, 2006 |
| STT | Securities Transaction Tax |
| Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| Trade Marks Act | The Trade Marks Act, 1999 |
| U.S. GAAP | Generally Accepted Accounting Principles in the United State of America |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| US$/ USD/ US Dollar | United States Dollar, the official currency of the United States of America |
| U.S./ US/ USA/ United States | United States of America, its territories and possessions, any state of the United States of America and the District of Columbia |
| VAT | Value Added Tax |

| Term | Description |
|---|---|
| VCFs | Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be |
| Water Act | Water (Prevention and Control of Pollution) Act, 1974 |

**Industry Related Terms**

| Term | Description |
|---|---|
| ADR | Average daily rate. ADR represents hotel room revenues divided by total number of room nights sold in a given period. |
| Average Occupancy or Occupancy | Average occupancy represents the total number of room nights sold in a given period divided by the total number of room nights available at a hotel or group of hotels in the same period |
| CAGR | CAGR = ((Ending Value / Beginning Value)^(1 / # of years)) – 1 |
| Chain-affiliated hotels | Chain-affiliated hotels are hotels that are either (i) owned and operated by hotel chains, (ii) operated by hotel chains on behalf of other owners, or (iii) operated by owners themselves or third parties under a franchise arrangement from hotel chains. These include all recognized international global chains operating in India, irrespective of the number of hotels or rooms operated by them in the country and domestic hotel chains that are generally considered as operating under common branding. Chain-affiliated hotels do not include other domestic chains which have less than five hotels operating regionally in India, groups that have multiple hotels only within one state (unless they are generally regarded as chain-affiliated hotels by the market), companies that are primarily operating time share facilities and one star hotels. |
| Economy segment | These are typically two star hotels providing functional accommodations and limited services, while being focused on price consciousness. |
| FSI | Floor Space Index, calculated as the ratio between the built up area for a project or hotel to the area of the plot or land parcel on which the building stands. |
| Horwath Report | ‘Industry Report – Top tier and Upscale Hotels’ dated June 25, 2018 prepared by Horwath HTL India |
| Keys | Available rooms at a hotel |
| LEED | Leadership in Energy and Environmental Design |
| Luxury-upper upscale segment | Typically refers to top tier hotels. In India, these would generally be classified as five star, deluxe and luxury hotels |
| MICE | Meetings, Incentives, Conferences and Events |
| Midscale segment | These are typically three star hotels with distinctly moderate room sizes, quality and pricing, and a lower quality of services, while domestic brand midscale hotels are often more full service in nature, services tend to be more selectively available among international branded midscale hotels |
| OTA | Online Travel Agent |
| PAR | Per Available Room |
| RevPAR | Revenue per available room. RevPAR is calculated by multiplying ADR charged and the average occupancy achieved, for a given period. RevPAR does not include other ancillary, non-room revenues, such as food and beverage revenues or transport, telephone and other guest service revenues generated by a hotel |
| Upper Midscale segment | These hotels are more moderately positioned and priced than upscale hotels. These may be full service or even select service hotels, typically with fewer public areas and facilities and possibly smaller room sizes, than upscale hotels. In India, these would generally be classified as four star and sometimes three star hotels |
| Upscale segment | These are hotels which are more moderately positioned and priced, with smaller room sizes, than the top tier hotels. In India, these would generally be classified as four or even five star hotels |

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "***Main Provisions of the Articles of Association***", "***Statement of Tax Benefits***", "***Industry Overview***", "***Our Business***", "***Risk Factors***", "***Regulations and Policies***", "***Summary Financial Information***", "***Outstanding Litigation and Other Material Developments***", "***Government and Other Approvals***" and "***Part B***" of "***Offer Procedure***", will have the meaning ascribed to such terms in these respective sections.

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

### Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India.

Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

### Financial Data

Unless stated or the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Summary Financial Information. The Restated Summary Financial Information has been examined by the Auditor and prepared in accordance with Ind AS and in accordance with the Companies Act and relevant rules framed thereunder and have been restated in accordance with the SEBI ICDR Regulations. For further information, see "***Summary Financial Information***" on page 240. Certain other financial information pertaining to our Subsidiary, Promoters and Group Companies is derived from their respective financial statements.

Our Company's financial year commences on April 1 and ends on March 31 of the following year; accordingly, all references in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended March 31 of such year, unless otherwise specified. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures, in decimals have been rounded off to the second decimal for all amounts in ₹ million and all percentage figures have been rounded off to two decimal places unless stated otherwise.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in their respective sources.

### Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" on page 17.

Additionally, we have commissioned a report titled "Industry Report – Top Tier & Upscale Hotels" dated June 25, 2018, prepared by Horwath HTL and reports titled "CBRE India Retail Market View H2 2017", "CBRE India Market Outlook Report April 2018" and "CBRE India Office Market View Q1 2018", released in years 2017 and 2018, prepared by CBRE Research, for the purpose of confirming our understanding of the industry in connection with the Offer.

In this regard, Horwath HTL, has issued the following disclaimer:

*"Crowe Horwath HTL Consultants Pvt. Ltd. (CHHTL) does not accept any liability arising out of reliance by any person or entity on contents of its report, or any information contained in its report, or for any errors or omissions in its report. Any use, reliance or publication by any person or entity on contents of its report or any part of it is at their own risk. In no event shall CHHTL or its directors or personnel be liable to any party for any damage, loss, cost, expense, injury or other liability that arises out of or in connection with this report including, without limitation, any indirect, special, incidental, punitive or consequential loss, liability or damage of any kind.*

*Our opinions are based on information available to us at the time of preparation of the report and economic, market and other conditions prevailing at the date of this report. Such conditions may change significantly over relatively short periods of time. Should circumstances change significantly, or additional information become available, after the issuance of this report, the conclusions and opinions expressed herein may require revision. There is no requirement for CHHTL to update this report in any such circumstances. The statements and opinions expressed in this report are made in good faith and in the belief that such statements and opinions are not false or misleading. Recipients should make their own enquiries and evaluations they consider appropriate to verify the information contained in the Industry Report. This Industry Report does not purport to provide all of the information the recipient may require in order to arrive at a decision.*

***Forward-Looking Statements***

*This Industry Report contains estimates / projections / outlook and statements that may be regarded as forward-looking statements. These statements are based on a number of assumptions, expectations and estimates which, while considered by us to be reasonable, are inherently subject to significant uncertainties and contingencies many of which are beyond the control of ourselves or Chalet Hotels Limited (on whose behalf this report has been prepared) or which may reflect future business decisions which are subject to change. Recipients of this information are advised that the estimates / projections / outlook may be regarded as inherently tentative. Due to the subjective judgments and inherent uncertainties of statements about future events, there can be no assurance that the future results, or subsequent estimates / projections / outlook will not vary significantly from the estimates / projections / outlook and other statements set out in Industry Report.*

*The disclaimer must accompany every copy of this Industry Report, which is an integral document and must be read in its entirety".*

In this regard, CBRE Research, has issued the following disclaimer:

*"The CBRE reports are based on public information considered to be reliable and other market assumptions and CBRE does not warrant the accuracy or completeness of the information contained therein. Users are advised to read the entire reports and conduct their own research / due diligence before relying on the contents of the reports. Any person's reliance on the reports is on an as is where is basis with no specific representations and warranties by CBRE. CBRE owes no person or entity any contractual or tort liability with respect to their reliance on their reports. Website: cbre.co.in"*

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors-This Draft Red Herring Prospectus contains information from third party industry sources, including the report commissioned from Horwath HTL India and publically available reports published by CBRE Research, which have not been independently verified by us. Prospective investors are advised not to place undue reliance on such information*" on page 37.

**Currency and Units of Presentation**

All references to "**Rupees**" or "**₹**" or "**Rs.**" or "**INR**" are to Indian Rupees, the official currency of the Republic of India. All references to "**US$**", "**U.S. Dollar**", "**USD**" or "**U.S. Dollars**" are to United States Dollars, the official currency of the United States of America. All references to "**GBP**", "**Pound**" or "**£**" are to British Pound, the official currency of the United Kingdom

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in million or in whole numbers, where a figure is too small to express in million. One million represents '0.1 crore' or '10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

In this Draft Red Herring Prospectus, our Company has presented information related to area in various units. The conversion ratio of such units is as follows:

- 1 square metre = 10.76 square feet; and
- 1 acre = 4,046.86 square metre = 43,560.00 square feet

**Exchange Rates**

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD.

*(in ₹)*

| Currency | Exchange rate as on | | | | |
|---|---|---|---|---|---|
| | March 28, 2018* | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 28, 2014** |
| 1 USD | 65.04 | 64.84 | 66.33 | 62.59 | 60.10 |
| 1 GBP | 92.28 | 80.88 | 95.09 | 92.46 | 99.85 |

*Source: RBI Reference Rate*

* *Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 29, 2018 and March 30, 2018 being public holiday and March 31, 2018 being a Saturday.*

** *Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.*

**Disclaimer of the Hotel Operator (Marriott)**

*"The Marriott Group (which includes Marriott or any of its affiliates) is not a promoter or sponsor of the Company. The Marriott Group does not, or will not, vouch for the accuracy and completeness of any statements or information included in this DRHP and shall not be held responsible for the same. Further, our Company has no rights or interests over the intellectual property owned by Marriott or its affiliates."*

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements include statements which can generally be identified by words or phrases such as "***aim***", "***anticipate***", "***believe***", "***expect***", "***estimate***", "***intend***", "***likely to***", "***objective***", "***plan***", "***propose***"," "***will continue***", "***seek to***", "***will pursue***" or other words or phrases of similar import. Further, statements that describe our strategies, objectives and plans are also forward looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our expectations include, but not limited to the following:

- ***slowdown in economic growth in India could adversely effect our business operations;***
- ***termination or non renewal of our hotel operation and related agreements with Marriott;***
- ***any adverse impact on the reputation of our hotels or a failure of quality control systems at our hotels;***
- ***any adverse developments affecting our hotels or regions were our hotels are situated could have an adverse effect on our business;***
- ***any non-compliance with, or changes in, regulations applicable to us may adversely affect our business;***
- ***a failure to manage operational risks could have an adverse effect on our business.***

For a further discussion of factors that could cause our actual results to differ from our expectations, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 17, 146 and 537, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as the statement based on them could prove to be inaccurate.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

These statements are based on the management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions as well as statements based on them could prove to be inaccurate. Neither our Company, nor the Selling Shareholders, our Promoters, our Directors, nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the requirements of SEBI, our Company, the BRLMs will ensure that investors in India are informed of material developments until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer. Each of the Selling Shareholders (severally and not jointly) will ensure that Bidders in India are informed of material developments in relation to the statements relating to and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to it or its respective portion of the Offered Shares until the receipt of final listing and trading approvals from the Stock Exchanges.

## SECTION II - RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we currently operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could be adversely affected, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "**Our Business**", "**Industry Overview**" and "**Management's Discussions and Analysis of Financial Condition and Results of Operations**" on pages 146, 128 and 537 respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

*Prospective investors should pay particular attention to the fact that our Company and Subsidiary is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see "**Forward-Looking Statements**" on page 16.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Consolidated Summary Financial Information included in this Draft Red Herring Prospectus. For further information, see "**Summary Financial Information**" on page 240. .*

*The industry information contained in this section is derived from a report titled "Industry Report – Top tier and Upscale Hotels" dated June 25, 2018 prepared by Horwath HTL India and commissioned by our Company in connection with the Offer. We have also utilised publically available research reports titled "CBRE India Retail Market View H2 2017", "CBRE India Market Outlook Report April 2018" and "CBRE India Office Market View Q1 2018, released in years 2017 and 2018, prepared by CBRE Research. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. References to hotel segments in this section are in accordance with the presentation in the Horwath Report and we do not report our financial information by these segments.*

***Internal Risk Factors***

***Risks Relating to our Business***

1. ***A slowdown in economic growth in India could have an adverse effect on our business, results of operations and financial condition.***

   We operate in the luxury-upper upscale and upscale hotel segments in India according to the Horwath Report, where consumer demand from business, leisure, MICE (meetings, incentives, conferences and events) travellers for our 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, according to the Horwath Report. 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. For example, according to the Horwath Report, a slowdown in demand growth starting from the global financial crisis in the financial year 2008 and a corresponding slowdown in the Indian economy resulted in moderate performance in the industry between the financial years 2008 and 2013. Any future slowdown in economic growth could affect business and personal discretionary spending levels and lead to a decrease in demand for our services for prolonged periods.

Such events could lead to a reduction in revenue derived from our hotels. During periods of such economic contraction, we may have to delay or cancel our ongoing or proposed investments in new projects or our ongoing investments in developing new properties may not yield results that we anticipated. We cannot assure you that such macroeconomic and other factors, which are beyond our control would not significantly affect demand for our services. Consequently, the occurrence of such events could have an adverse effect on our business, results of operations and financial condition. For details, of fluctuations in demand in the hospitality industry in India in recent years, see "***Industry Overview – Supply and Demand" and "Industry Overview – Performance of Hotels in India in Recent Years***" commencing on pages 49 and 140, respectively.

**2.** ***We have entered into hotel operation and related agreements with Marriott to receive operation and marketing services in relation to our hotels. If our hotel operators decide to terminate or not renew any agreement with us, our business, financial condition and results of operations may be adversely affected.***

As of March 31, 2018, we own four hotels (including a hotel with a co-located serviced residence) which are operated by third parties, which represent 2,176 keys in aggregate. Our hotels operated by third parties accounted for 88.20%, 85.64% and 88.45% of our revenue from operations for the financial years 2018, 2017 and 2016, respectively. As of March 31, 2018, these hotels are operated by a single third party hotel operator, Marriott Hotels India Private Limited and its affiliates (collectively, "**Marriott**").

We benefit from hotel operation contracts with Marriott, with terms generally ranging from 10 to 20 years, in order to avail hotel operation services for these hotels. The hotel operation agreements provide the hotel operator with day-to-day operational discretion, including personnel management, setting price and rate schedules, managing food and beverage service, procurement of inventories, supplies and services, negotiating and executing agreements with third parties such as vendors, licensees and concessionaires and carrying out marketing, sales, reservations and advertising operations for the hotel, among others. For our hotels we are generally obliged to pay one time fees for design and construction consulting services, as well as, periodic operating fees, management fees, royalty fees for licensing the use of certain trademarks, fees for centralised services, trainings, reservations and loyalty programs and other technical services rendered based on invoices raised and reimbursements for advertising, marketing, promotion, sales and software related expenses incurred by the hotel operator or their affiliates.

Pursuant to such agreements, we are required to maintain good and marketable title in the freehold property and hotel building, free and clear of any and all liens, encumbrances, or other charges. Other than in the manner specifically set out under the agreements, we agree not to enter into or grant a mortgage on the hotels. We are obliged not to enter into any agreement for the sale or transfer of some of the hotels (other than among certain specified affiliates) unless we obtain prior written consent of the respective hotel operator. Further, we may be required to notify hotel operators of our intent to develop a new hotel in a defined area and in good faith negotiate an operating agreement for such hotel as per present or future agreements, we execute.

We cannot assure you that we will be able to fully comply with all the terms of the agreements which we have entered into in relation to our hotels. In the event that any agreement for our hotels is terminated due to our non-compliance with its terms or for any other reason, we may be subject to certain damages and may be unable to replace the operator within a reasonable time or may be required to operate the hotel on our own. In case of termination, we may be unable to benefit from the existing marketing expenditure and similar operating expenditures made by us or the hotel operators. The hotel operation contracts for our hotel, including our serviced residence, at Powai, Mumbai will be due for renewal in March 2020, and for our hotel at Mindspace, Hyderabad will be due for renewal in December 2021. Subject to other terms, these contracts stipulate that they are to be renewed six and 11 months prior to their expiry for the properties at Powai, Mumbai and Mindspace, Hyderabad respectively. If we are unable to renew such agreements or enter into new agreements in the future, on terms favourable to us, or at all, we will not be able to leverage our longstanding association with Marriott and we may have to incur additional expenditure to conduct improvements and repairs in accordance with brand standards of subsequent hotel operators. In the event an agreement is terminated prior to its tenure, or if it is not renewed, or if we are required to cease our relationship with certain hotel operators, for any reason whatsoever, our business, financial condition and results of operations may be adversely affected.

3. ***We utilize the brands of third party licensors, and rely on third parties for the quality of services at our hotels. Any adverse impact on the reputation of our hotels or a failure of quality control systems at our hotels could adversely affect our business, results of operations and financial condition.***

We do not have our own hotel brand and utilize the brands of our brand licensors to market our hotels. We benefit from agreements entered into with Marriott for use of global brands such as JW Marriott, Westin, Marriott, Marriott Executive Apartments, Renaissance and Four Points by Sheraton. In the event these agreements are terminated prior to their tenure, or if not renewed, we may not have access to these brands and their loyalty programs. For example, our license agreement for our hotel at Vashi, Navi Mumbai will be due for renewal in December 2021. Further, we may seek to rebrand our hotel assets or reposition our properties by using alternate brands at our hotels. In the event we are unable to execute agreements with international brands of similar to higher positioning as our current brands, our business, financial condition and results of operations may be adversely affected including due to disruptions and expenses related to such re-flagging or re-branding.

Further, the performance and quality of services at our hotels are critical to the success of our business. As our hotels are in the luxury-upper upscale and upscale hotel segments, we are expected to provide high levels of service quality. Any incident where our hotels lack, or are perceived to lack, such standards may adversely affect our reputation. Our quality standards depend significantly on the effectiveness of quality control systems and standard operating procedures, which in turn, depend on the skills and experience of our hotels operators, our personnel, the quality of training programs, and our ability to ensure that such hotel operators and personnel adhere to stipulated policies and guidelines. Any decrease in the quality of services rendered at our hotels including due to reasons beyond our control, or on account of deficiency or inefficiency of the hotel operators, or any third party service provider, including but not limited to non-compliance with the terms and conditions set out in the agreements or arrangements with such hotel operators or third party service providers, or allegations of defects, even when false, at any of our hotel properties could tarnish the image of our hotels, result in negative reviews and feedback from our guests on online travel portals and may cause guests to choose the services of our competitors.

We are also dependent on third party service providers for providing some of the services to our guests such as spas, manpower contracts and laundry, among others, and any failure or deficiency on the part of such service providers may adversely affect our hotels' reputation and profitability. Any adverse development or decline in quality involving our hotels may impair our reputation, dilute the impact of branding and marketing initiatives and adversely affect our business, results of operations and financial condition.

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

We own a portfolio of five operating hotels (including a hotel with a co-located serviced residence), representing 2,328 keys as of March 31, 2018, in Mumbai Metropolitan Region, Hyderabad and Bengaluru. Consequently, our revenues are derived from a few hotels and from hotels concentrated in a few geographical regions. Our hotel, convention center and serviced residence at Powai, Mumbai contributed to 27.51%, 31.03% and 39.17% of our revenue from operations for the financial years 2018, 2017 and 2016, respectively and our hotel at Sahar, Mumbai, contributed to 27.10%, 27.78% and 25.66% of our revenue from operations for the financial years 2018, 2017 and 2016, respectively. Further, our hotels located in the Mumbai Metropolitan Region contributed to 60.33%, 65.48% and 73.28% of our revenue from operations for the financial years 2018, 2017 and 2016, respectively. Any decrease in revenues from these hotels, including due to increased competition or supply, or reduction in demand, in the markets in which these hotels operate, may have an adverse effect on our business, results of operations and financial condition.

Further, any significant disruption, including due to social, political or economic factors or natural calamities, epidemics or civil disruptions, impacting these hotels or these regions may adversely affect our business. Changes in the policies of the state or local governments of the regions where these hotels are located, could require us to incur significant capital expenditure and change our business strategy. We cannot assure you that we will be able to address our reliance on these few hotels and hotels located in these regions, in the future.

5. ***We are subject to extensive government regulation with respect to safety, health, environmental, real estate, excise and labour laws. Any non-compliance with, or changes in, regulations applicable to us may adversely affect our business, results of operations and financial condition.***

We are subject to a broad range of safety, health, environmental, real estate, excise and related laws and regulations in the jurisdictions in which we operate, which impose controls on our operations. In connection with our ownership of hotels and development of properties, we are subject to various national, state and local laws and regulations relating to environmental laws. Under some of these laws, an owner of real estate property may be held liable for the costs of investigating or remediating hazardous or toxic substances or wastes on, under or in such real property. Further, a person who arranges for the disposal or treatment of a hazardous or toxic substance, or who transports such substance to or from such property, may be liable for the costs of removal or remediation of such substance released into the environment at the disposal or treatment facility. The costs of investigating or remediating contamination at our properties or at properties where we sent substances or wastes for disposal, may be substantial.

Further, government regulations and policies of India, can also impact the demand for, expenses related to and availability of our hotel services and rooms. We are also subject to regulations, which are periodically amended, including relating to the sale and service of food, alcoholic and non-alcoholic beverages and hosting of events and weddings at our hotel properties. For example**,** there is a criminal proceeding initiated against our employee and our client who was hosting an event at our hotel property in Powai, Mumbai, for serving liquor without a valid permit. For details, see "***Outstanding Litigation and Other Material Developments***" on page 569. We cannot assure you that we will not be involved in litigation or other proceedings, or be held liable in any litigation or proceedings in relation to safety, health, real estate, excise and environmental matters, the costs of which may be significant.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Further, complying with, and changes in, laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition. We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wages and maximum working hours, overtime, working conditions, ring and termination of employees, contract labour and work permits and maintenance of regulatory or statutory records and making periodic payments. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. Any losses that we incur in this regard could have an adverse effect on our reputation, business, results of operations and financial condition.

6. ***Operational risks are inherent in our business as it includes rendering services at high quality standards at our hotels. A failure to manage such risks could have an adverse impact on our business, results of operations and financial condition.***

Certain operational risks are inherent in our businesses due to the nature of the industry in which we operate. We provide hospitality services, including food and beverage, cleaning and housekeeping, and security services, at our hotels. In rendering such services our personnel are required to adhere to regulatory requirements and standard operating procedures with regard to health, safety and hygiene and in their interaction with our guests and other members of the public. Food and beverage services require proper packaging and labelling and the careful and hygienic handling of food products, which if improperly packaged or handled may have an adverse impact on the health of our guests. Similarly, cleaning and housekeeping services involve the handling of chemicals such as cleaning solutions, which if handled improperly may have an adverse impact on the health of our employees, guests and on the environment. Consequently, our business is associated with certain safety, privacy and public health concerns.

Failure to effectively implement corporate, crisis response, training and management policies and protocols and to adequately address and manage risks inherent in our business, or a failure to meet the requirements of our guests, or a failure to develop effective risk mitigation measures, could have an adverse effect on our hotels' reputation, guest loyalty and consequently, our business, results of operations and financial condition.

7. ***Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations.***

The hotel and hospitality industry in India is subject to seasonal variations. The periods during which our hotel properties experience higher revenues vary from property to property, depending principally upon location and the guests served. Our revenues are generally 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 sector (meetings, incentives, conferences and events) including weddings. According to the Horwath Report, the winter months are preferred for travel in India, for leisure, MICE events, management or business travel and more recently for destination weddings. Further, inbound foreign leisure travel varies more with climatic factors, such that it mainly occurs between October and March and to a lesser extent (with lower visitor profile and travel budgets) during the summer and monsoon seasons, as per the Horwath Report. This seasonality can be expected to cause quarterly fluctuations in our revenue, profit margins and net earnings. Further, the timing of opening of newly constructed hotels and the timing of any hotel acquisitions or dispositions may cause a variation of revenue and earnings from quarter to quarter. Further, the hospitality industry is subject to weekly variations. While leisure travel increases during weekends, business travel is high during the weekdays.

Further, the hospitality industry is cyclical, and demand generally follows, on a lagged basis, key macroeconomic indicators. There is a history of increases and decreases in demand for hotel rooms, in occupancy levels and in room rates realized by owners of hotels through macro-economic cycles according to the Horwath Report. The combination of changes in economic conditions and in the supply of hotel rooms, including periods of excess supply, can result in significant volatility in results for owners and managers of hotel properties. The costs of running a hotel tend to be more fixed than variable. As a result, in an environment of declining revenues the rate of decline in profits can be higher than the rate of decline in revenues.

As a result of such seasonal fluctuations, our room rates, sales and results of operations of a given half of the financial year may not be reliable indicators of the sales or results of operations of the other half of the financial year or of our future performance.

8. ***We are exposed to risks associated with the development of our hotel properties and commercial and retail projects. Delays in the constructions of new buildings or improvements on our properties may have an adverse effect on our business, results of operations and financial condition.***

Our development pipeline consists of 410 rooms across two hotels as well as approximately 1.12 million square feet of built-up commercial space across two projects. Certain of our projects are being developed on land parcels contiguous to or adjoining existing hotels or projects. The development of such projects may impact regular business operations at the hotels or projects located in their proximity.

We classify projects for which land is owned by us together with relevant agreements or memorandum of understanding having been executed for such use; relevant construction approvals have been applied for; and our preliminary design plans are complete, as projects under development. Development and construction of projects subject us to inherent development risks, including:

- the identification of, conducting diligence on and ascertaining title rights associated with suitable strategically located properties and the acquisition of such properties on favourable terms;
- competition from other real estate owner and developers, which may increase the purchase price of a desired property;
- insufficient cash from operations, or an inability to obtain the necessary debt or equity financing on satisfactory terms, to consummate an acquisition or a development project;
- availability, terms and conditions associated with and timely receipt of zoning and other regulatory approvals, the denial of which could delay or prevent placing a hotel or commercial and retail projects into operation;

- the cost and timely completion of construction (including unanticipated risks beyond our control, such as weather conditions or labour suspension, shortages of materials or labour and construction cost overruns);our dependency on the third parties whom we contract to construct our hotels or commercial and retail projects, including their ability to meet construction timing, quality and budget expectations;

- design or construction defects that could result in additional costs associated with repair, delay or the closing of part or all of a property during such repair period;

- the resulting lack of capitalization on any investment related to identifying and valuing development opportunities, should we subsequently decide to abandon such opportunities; and

- the ability to achieve an acceptable level of occupancy or tenancy upon completion of construction.

In the event we experience delays in the delivery of the construction works and design and engineering services for our new buildings or improvements for our existing buildings or if our contractors fail to comply with their obligations under their respective agreements, we will not be able to start operations until completion of the construction of new buildings or improvements on our existing properties. Further, the consents and approvals which we may require to develop and construct our hotels or commercial and retail projects may impose conditions with respect to the height, number of rooms or leasable area, security features and other operational aspects of our hotels and commercial and retail projects. These risks could result in substantial unanticipated delays or expenses as well alteration to the design and operational parameters of our properties. Under certain circumstances, these risks could prevent completion of development or redevelopment projects once undertaken, resulting in capital expenditure incurred and investments made being written off or making the project less profitable than originally estimated, or not profitable at all, and therefore have an adverse effect on our business, results of operations and financial condition.

**9.** ***Our hotel located at Vashi, Navi Mumbai is subject matter of a litigation with City & Industrial Development Corporation of Maharashtra Limited ("CIDCO"). Any adverse order by the Supreme Court of India in this matter may result in a direction to demolish our hotel, which may adversely affect our business and results of operations.***

Our hotel located at Vashi, Navi Mumbai is situated on leasehold land allotted to our Promoter, K Raheja Corp Private Limited ("**KRCPL**") by CIDCO. Agreements entered into by us in this regard provide that the possession of the land would be handed over to us on receipt of occupancy certificate for the premises. The premises after receipt of the occupation certificate, were handed over to us, and we have been operating our hotel since then. In terms of the agreements, we are entitled to use, occupy and operate our hotel at the premises.

The allotment of the land to KRCPL by CIDCO was challenged in two public interest litigations filed before the High Court of Bombay ("**High Court**"). The High Court held the allotment to be illegal, arbitrary and in violation of Article 14 of the Constitution of India and directed KRCPL to hand over vacant possession of the land to CIDCO within a period of six months from November 2014. KRCPL filed a special leave petition dated January 8, 2015 ("**SLP**") before the Supreme Court of India ("**Supreme Court**") against the order of the High Court. The Supreme Court has directed the parties to maintain status-quo and a SLP is currently pending before the Supreme Court. For more details, see "***Outstanding Litigation and Other Material Developments***" on page 569. Any adverse order by the Supreme Court directing demolition of our hotel and handing over possession of the premises to CIDCO may adversely affect our reputation, business and results of operations.

**10.** ***Our residential project at Koramangala, Bengaluru is the subject matter of litigation with Hindustan Aeronautics Limited. Any adverse order in relation to this litigation may adversely affect our ability to complete the project, and our business, results of operations and reputation.***

We own a property situated at Koramangala Industrial Layout, Bengaluru, where we are constructing a residential complex (the "**Property**" and the residential complex, the "**Koramangala Project**"). The Property is located within the proximity of an aerodrome operated by the Hindustan Aeronautics Limited

("**HAL**"). HAL is responsible for the issuance of no-objection certificates ("**NOC**") related to the height of structures in the vicinity of the aerodrome. Accordingly, we were required to submit a report to HAL and also obtain their NOC in respect of the permissible height of the Koramangala Project. HAL granted their NOC dated October 28, 2011 for the development of a 17 floor residential building with height up to 62 meters on the basis of which we had started development of the Koramangala Project and have allotted apartments to several customers. Thereafter, the NOC granted was cancelled by HAL on August 16, 2013. At the time of such cancellation of the NOC, five wings with 17 floors had been constructed up to the height of 62 meters and more than 200 apartments had been allocated by us to our customers.

We filed a writ petition before the Karnataka High Court challenging HAL's action cancelling the NOC, for directing HAL to permit us to construct up to the maximum height and further direct HAL to revalidate the NOC for a further period of five years from the date of the final order. Further, several customers of our Company have got themselves impleaded as respondents in the writ petition filed by us. The Karnataka High Court passed an interim order dated October 23, 2013 directing us not to modify/alter/renovate/develop the Property above 40 meters from ground level and further directed us not to sell or agree to sell or enter into an agreement with third parties in any manner whatsoever in respect of any portion of the Property above 40 meters. The Karnataka High Court passed a further order dated July 31, 2014 and an order dated November 5, 2015 directing the Airport Authority of India ("**AAI**") to conduct an aeronautical study of the Bengaluru aerodrome as per the notified parameters of HAL airport and the requisite government notification. The AAI issued its report dated January 27, 2016 confirming that full height of the completed building-wings up-till then was permissible as it did not adversely affect aircraft operations. The writ petition is currently pending before the Karnataka High Court. For more details, see "***Outstanding Litigation and Other Material Developments***" on page 569.

Further, our Company has registered the Koramangala Project under the Real Estate (Regulation and Development) Act, 2016 ("**RERA**") on a without prejudice basis and has also informed the Bruhat Bengaluru Mahanagara Palike ("**BBMP**") as well as the customers of our Company about the writ petition. We have requested the BBMP for an extension of the validity period of the building sanction plan for the Koramangala Project. For our customers, we have also introduced a mitigation program. As part of the mitigation program, we offered the customers who had been allotted apartments an option either to sell the allotted apartment back to our Company or to continue with the Koramangala Project, and accept certain goodwill compensation. Some customers have exited the Koramangala Project whereas other customers have continued to hold their allocations and have accepted the goodwill compensation offered by us under the mitigation program.

In order to meet the costs, expenses and liabilities pertaining to the Koramangala Project, Ravi C. Raheja, Neel C. Raheja, K. Raheja Corp Private Limited and Ivory Properties and Hotels Private Limited, Promoters of our Company, have subscribed through a Subscription Agreement dated June 4, 2018 to 10,000 (zero percent) non-cumulative non-convertible redeemable preference shares ("**Series A Zero Coupon NCRPS** ") and 10,000 (zero percent) non-cumulative non-convertible redeemable preference shares ("**Series B Zero Coupon NCRPS** ") issued by our Company to provide funds as required by our Company in connection with all costs, expenses and liabilities pertaining to the development of the Koramangala Project. In accordance with the terms and conditions of the Subscription Agreement, the Promoters of our Company shall undertake to bear costs for all expenditure including cost of completion of the Koramangala Project, any litigation and other penalties arising out of it until the completion of the Koramangala Project ("**Project Costs**"). In case, the Project Costs exceeds the initial subscription amount, our Company may require the Promoters to pay such further amounts towards call money relating to the Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS as and when calls are made by the Company to meet such Project Costs. For more details of the Share Subscription Agreement, please see "***History and Other Corporate Matters- Material Agreements***".

In the event that the Karnataka High Court passes an adverse order, our Company will not be in a position to complete the Koramangala Project up to the intended height of 62 meters and may have to demolish the existing construction in excess of 40 meters. Further, we may also be subjected to penalties under RERA for non-completion of the Koramangala Project within the specified timelines, which may have an adverse effect on our business, results of operation and reputation.

11. ***Low occupancy levels of our leased retail and commercial office space or lower footfalls at our retail malls may adversely affect our results of operations and financial condition.***

We derive lease and rental income from the lease of our commercial and retail projects in Bengaluru and Mumbai. Our commercial and retail projects accounted for 2.69%, 1.91% and 0.13% of our revenue from operations for the financial years 2018, 2017 and 2016, respectively. The amount that we receive in rental income is based upon the amount of space we have leased, the minimum guaranteed amount we charge for that leased space and our share of revenues from the clients to whom we have leased such space. The occupancy, revenue share and minimum guaranteed amount depend on various factors including the location and design of the project, the retail client mix, prevailing economic conditions and competition. During the financial years 2018 and 2017, our aggregate average occupancy levels at our commercial and retail projects were 92.34% and 90.16% respectively. Future inability on our part to maintain and attract clients to lease our completed retail and commercial office projects may have an adverse effect on our revenues, financial condition and results of operations.

Further, risk of lower footfalls in our retail malls may adversely affect our revenues, business and results of operations. Various factors may affect customer profile and footfalls in both our existing retail malls and any new retails malls we acquire or develop, including location and floor layout for new retail developments and regional economy, amongst others, specific to the states in which we operate in. In addition, we believe that to successfully operate our retail developments and commercial office projects we need to have the ability to forecast demand, as well as enter into operating and branding relationships with popular retail clients. A decline in consumer and retail spending or a decrease in the popularity of the retail clients' business could cause retail clients to cease operations or experience significant financial difficulties that could harm our ability to continue to attract successful retail clients and visitors to our retail developments, which would adversely affect our business, results of operations and financial condition.

12. ***We have a large number of personnel or third party service providers deployed across our hotels, consequently we may be exposed to service related claims and losses or employee disruptions that could have an adverse effect on our reputation, business, results of operations and financial condition.***

We deploy a large workforce across our hotels. As of March 31, 2018, we had 2,402 permanent employees across our operations. In addition to our permanent employees, we utilize 524 personnel engaged on a contractual basis. The risks associated with the utilization of a large number of personnel include possible claims relating to:

- actions, inactions, errors or malicious acts by our personnel or third party service providers, including matters for which we may have to indemnify the guests at our hotels;
- failure of our personnel or third party service providers to adequately perform their duties including rendering deficient services, shortage in shift, absenteeism or lateness;
- violation by personnel of security, privacy, health and safety regulations and procedures;
- any failure to adequately verify personnel backgrounds and qualifications resulting in deficient services;
- injury or damages to any guest's person or property due to negligence of our personnel or third party service providers;
- criminal acts including sexual harassment, torts or other negligent acts by our personnel or third party service providers; and
- use of third party vehicles resulting in accidents.

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and adversely impact the reputation of our hotels. We may also be affected in our operations by the acts of third parties, including sub-contractors and service providers. Any losses that we incur in this regard may have an adverse effect on our reputation, business, results of operations and financial condition.

13. ***We are exposed to a variety of risks associated with safety, security and crisis management.***

We are committed to ensure the safety and security of our guests, employees and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as extreme weather, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cybercrime, pandemics, fire and day-to-day accidents, incidents, health crises of guests and petty crime which impact the guest or employee experience, could cause loss of life, sickness or injury and result in compensation claims, fines from regulatory bodies, litigation and impact our reputation. Further, the terror attacks in Mumbai in November 2008 combined with the global financial crisis led to a decline in foreign tourist arrivals in India in the financial year 2009, while foreign tourist arrival growth was slower in the year 2013 due to security concerns around women's safety, combined with a slowing economy, according to the Horwath Report. Serious incidents or a combination of events could escalate into a crisis which, if managed poorly, could further expose us and our hotels to significant reputational damage.

Any accidents or any criminal activity at our hotel properties may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation and cause a loss of consumer confidence in our business. For example, in the year 2015 a police complaint was lodged against a certain employee at our hotel property at Powai, Mumbai, on the grounds of causing death by negligence as a result of death by drowning of one of our guests in the hotel swimming pool. For details, see "***Outstanding Litigation and Other Material Developments***" on page 569. Such events occurring at any one of our hotel properties may also have an adverse effect on our reputation and may also adversely affect operations of our other properties.

14. ***We, as well as our Promoters, Group Companies and certain of our Directors are involved in certain legal proceedings. Any adverse outcome in any of these proceedings may adversely affect our profitability, reputation, business, financial condition and results of operations.***

Our Company, Group Companies, Directors and Promoters are involved in certain legal proceedings, which are pending at varying levels of adjudication at different fora. The summary of the outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company, Group Companies, Directors and Promoters. All pending litigation involving our Company, Promoters, Directors and Group Companies, other than criminal proceedings, statutory or regulatory actions and taxation matters, are considered material if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of ₹ 10 million or if an adverse outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation.

| S. No. | Name of Entity | Criminal Proceedings | Tax proceedings | Statutory/ Regulatory proceedings | Material civil litigation | Aggregate amount involved[#] (*₹ in million)* |
|---|---|---|---|---|---|---|
| 1. | **Company** | | | | | |
| | By the Company* | 3 | - | - | 4 | 42.73 |
| | Against the Company | 9 | 21 | 25 | 2 | 462.24 |
| 2. | **Promoters** | | | | | |
| | By the Promoters | 1 | - | - | 26 | 2,407.01 |
| | Against the Promoters | 5 | 21 | 27 | 27 | 24,036.41 |
| 3. | **Group Companies** | | | | | |
| | By the Group Companies | 8 | - | - | 13 | 2.66 |
| | Against the Group Companies | 6 | 64 | 42 | 23 | 1,807.59 |
| 4. | **Directors (other than Promoter)** | | | | | |
| | By the Directors | - | - | - | - | NIL |
| | Against the Directors | 4 | - | 1 | - | NIL |
| | **Total** | **36** | **106** | **95** | **95** | **28,758.64** |

# To the extent quantifiable.

*Our Company has initiated 6 proceedings before the relevant authorities in relation to refund of indirect taxes aggregating to ₹ 25.16 million. These proceedings are not included in the above table.

Involvement in such proceedings could divert our management's time and attention, and consume financial resources. Further, an adverse judgment in these proceedings could have an adverse impact on our business, results of operations and financial condition. For further details, in relation to the proceedings involving our Company, Group Companies, Promoters and Directors, see "***Outstanding Litigation and Other Material Developments***" on page 569.

We cannot assure you that any of these outstanding litigation matters will be settled in our favour or in favour of our Promoters or Group Companies or Directors, as applicable, or that no additional liability will arise out of these proceedings.

**15.** ***Any adverse development in the writ petition filed by our Promoter Directors, Ravi C. Raheja and Neel C. Raheja before the Karnataka High Court against the Registrar of Companies, Bengaluru in connection with the inclusion of their names in the list of disqualified directors under section 164(2)(a) of the Companies Act, 2013 may affect their ability to continue on the Board of our Company, and on the board of directors of our Subsidiary and Group Companies, and thus, may have an adverse effect on our business and reputation.***

The names of two of our Directors, Ravi C. Raheja and Neel C. Raheja, who are also our Company's Promoters, have been 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 for the period from November 1, 2014 to October 31, 2019 and November 1, 2015 to October 31, 2020. The said disqualification is in relation to non-filing of financial statements or annual returns for a continuous period of three financial years by K. Raheja Hotels and Estates Private Limited (which is a private company). The said Directors, Ravi C. Raheja and Neel C. Raheja, through their letters dated February 17, 2014 (which is prior to their incurring any disqualification under the provisions of Companies Act 2013 and also prior to the provisions of the Companies Act 2013 becoming applicable to private companies) to the Registrar of Companies, Bengaluru had already resigned as Directors of K. Raheja Hotels and Estates Private Limited. K. Raheja Hotels and Estates Private Limited is an entity which is a part of the Southern Undivided Entities and is marked as "having management dispute" under an order dated August 10, 2011 passed by the Company Law Board, Chennai. For more details, see "***Outstanding Litigation and Other Material Developments- Litigation involving Ravi C. Raheja***".

Our Directors, Ravi C. Raheja and Neel C. Raheja have 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 Promoter Directors to act as directors. Any adverse development in the writ petition which may affect their ability to continue on the Board of our Company or on the board of directors of our Subsidiary or Group Companies may have an adverse effect on our business and reputation. For further details, see "***Outstanding Litigation and Other Material Developments- Litigation involving Ravi C. Raheja".***

**16.** ***Our operations are dependent on our ability to attract and retain qualified personnel, including our key senior management and any inability on our part to do so, could adversely affect our business, results of operations and financial condition.***

Our operations are dependent on our ability to attract and retain qualified personnel since we aim to provide our guests with high levels of service. While we believe that we currently have adequate qualified personnel for our operations, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. Competition for qualified personnel with relevant industry expertise in India is intense and the loss of the services of our key personnel may adversely affect our business, results of operations and financial condition. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires.

Further, our performance depends largely on the efforts and abilities of our Promoters, including Mr. Ravi C. Raheja and Mr. Neel C. Raheja and senior management, including, Managing Director and CEO, Mr. Sanjay Sethi and our Executive Director and CFO, Mr. Rajeev Newar as well as other Key Managerial Personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Any inability on our part to attract and retain qualified personnel and senior management could adversely affect our business, results of operations and financial condition.

**17. *We have incurred indebtedness which requires significant cash flows to service, and limits our ability to operate freely. We will continue to have indebtedness and debt service obligations following the Offer.***

As on May 31, 2018, we had outstanding secured borrowings (excluding interest) of ₹ 26,309.95 million and unsecured borrowings (excluding interest) of ₹ 919.99 million on a consolidated basis. We may also incur additional indebtedness in the future. Our current or future level of leverage could have significant consequences for our shareholders and our future financial results and business prospects, including:

- increasing our vulnerability to a downturn in business in India and other factors which may adversely affect our operations;
- requiring us to dedicate a substantial portion of our cash flow from operations to service debt, thereby reducing the availability of cash-flows to fund capital expenditures and growth initiatives, meet working capital requirements and use for other general corporate purposes or make dividend payouts;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- placing us at a competitive disadvantage to any of our competitors that have less debt;
- increasing our interest expenditure;
- requiring us to meet additional financial covenants; and
- limiting our ability to raise additional funds or refinance existing indebtedness.

We cannot assure you that our business will generate cash in an amount sufficient to enable us to service our debt or proposed borrowings or fund other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms, or at all.

For more information regarding our indebtedness, see the Section titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Indebtedness***" and "***Financial Indebtedness***" on pages 537 and 566, respectively, of the Draft Red Herring Prospectus.

**18. *Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations.***

Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of actions, any of which could adversely affect our business and financial condition. Our Company and/or our Subsidiaries, as applicable, are required to obtain prior written consent from lenders for, among other things:

- change in shareholding control or management control without prior consent of the lender, as applicable;
- undertake or permit any amalgamation, demerger, merger, consolidation, scheme of arrangement or compromise with the shareholders or creditors;

- changing or altering capital structure;
- declaration or payment of dividend in case of event of default in payment of dues;
- raising of new loans against the security provided to existing lender;
- making any amendments to the memorandum and articles of our Company or our Subsidiary, as applicable; and
- reduction of shareholding of promoter group below 51% of our Company.

In addition, certain terms of our borrowings require us to maintain financial ratios, which are tested periodically, including on a quarterly or annual basis. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Any future failure to satisfactorily comply with any condition or covenant under our financing agreements (including technical defaults) may lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities, and enforcement of events of default as well as cross-defaults under certain of our other financing agreements, any of which may adversely affect our business, financial condition and results of operations.

We have in the past breached certain financial and sanction covenants with respect to five facilities that were availed by us. However, we have received letters from the lenders that have waived off the breach in relation to the financial covenant and letters which confirm that the Company has taken corrective actions in the form that were acceptable and no actions have triggered an event of default. For more details, see the Section titled "***History and Certain Corporate Matters – Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company***" on page 175.

Further, we have granted security interests over certain of our assets, including our hotels and charge over operating cash flows and book debts, in order to secure our borrowings, and any failure to satisfy our obligations under such borrowings could lead to the forced sale and seizure of such assets, which may adversely affect our business, financial condition and results of operations. For further details of our indebtedness, see "***Financial Indebtedness***" on page 566.

**19.** ***The hotel industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition.***

The hotel industry in India is intensely competitive and we compete with large multinational and Indian companies, in each of the regions that we operate. Some of our competitors may develop alliances to compete against us or have more financial and other resources. We cannot assure you that new or existing competitors will not significantly lower rates or offer greater convenience, services or amenities or significantly expand or improve facilities in a market in which we operate. We may also face increased competition from internet-based homestay and hostel aggregators and alternative accommodation options such as luxury homestays and bed and breakfasts.

Our success is largely dependent upon our ability to compete in areas such as room rates, location of the property, the quality and scope of other amenities, including food and beverage facilities, quality of accommodation and service level as well as the brand recognition of our hospitality partners. In addition, our competitors may significantly increase their advertising expenses to promote their hotels, which may require us to similarly increase our advertising and marketing expenses and change our pricing strategies, which may have an adverse effect on our business, results of operations and financial condition. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

**20.** ***We have in the past entered into related party transactions which may potentially involve conflicts of interest.***

We have entered into various transactions with related parties, including for the purposes of acquisition of land by sub-lease; provision of goods and services; non-exclusive and limited license use of trademarks; use and occupation of licensed premises; support services; and provision of repairs and maintenance services. See "***Summary Financial Information – Restated Standalone Statement of Related Party Transactions and Balances***" beginning on page 240.

We cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Such related party transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company. For details on our related party transactions, see "***Related Party Transactions***" on page 239. We cannot assure you that such related party transactions, individually or in the aggregate, will always be in the best interests of our shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

**21.** ***Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own or intend to acquire in connection with the development or acquisition of new hotels or properties.***

There is no central title registry for real property in India and the documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level and in local languages, and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated in a timely manner, may be illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In addition, there may be a discrepancy between the duration of the principal lease under different orders issued by state governments in respect of a particular parcel of revenue land. Furthermore, title to land in India is often fragmented, and in many cases, land may have multiple owners.

The difficulty of obtaining title guarantees in India means that title records provide only for presumptive rather than guaranteed title. The original title to lands may often be fragmented and the land may have multiple owners. In addition, title insurance is not commercially available in India to guarantee title or development rights in respect of land. The absence of title insurance, coupled with the difficulties in verifying title to land, may increase our exposure to third party claims to the property. Title may also suffer from irregularities, such as non-execution or non-registration of conveyance deeds and inadequate stamping, and may be subjected to encumbrances that we are unaware of. Any defects in, or irregularities of, title that we enjoy may prejudice our ability to continue to operate our hotels and commercial and real estate projects on such land and require us to write off substantial expenditures in respect of establishing such properties.

Further, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favour of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. Consequently, any acquisition of the land made by us is subject to risks and potential liabilities arising from inaccuracy of such information. Such inaccurate information and any defects or irregularities of title may result in the loss of title or development rights over the land, and the cancellation of our development plan in respect of such land. As a result, potential disputes or claims over title to the land on which our hotels are or will be situated may arise. The title to the land on which our hotel Four Points by Sheraton Navi Mumbai, Vashi is situated is subject to an ongoing litigation. For details, see "***Outstanding Litigation and Other Material Developments***" on page 569. Also, such disputes, whether resolved in our favour or not, may divert management's attention, harm our reputation or otherwise disrupt our business.

**22.** ***In the event that we are unable to acquire lands for which we have entered into agreements to sell or similar arrangements, or the agreements to sell or similar agreements are held to be invalid or expire, then we may not be able to acquire the land and may also lose advances paid towards acquisition of such lands.***

As part of our land acquisition process, we enter into agreements to sell or similar arrangements with third parties prior to the transfer or conveyance of title to parcels of land to ensure that the sellers of the land satisfy certain conditions within the stipulated time frame specified under these agreements. Upon entering into such agreements to sell, we are required to pay these landowners certain advances towards the purchase of the lands. These agreements also provide that the lands must be conveyed in our favour within a prescribed period of time. In the event that we are not able to acquire the lands covered by these agreements to sell, we may not be able to recover all, or part of the advance monies related to these lands. Further, in the event that these agreements to sell are either invalid or have expired, we may lose the right to acquire these lands and also may not be able to recover the advances made in relation to the land. Also, any indecisiveness or delay on our part to perform our obligations under these agreements may jeopardize our ability to acquire these lands before these agreements expire. Additionally, any failure to renew any of these agreements on similar terms or recover the advanced monies from the relevant counterparties following the expiration of the initial term of such agreement could adversely affect our business, financial condition and results of operations. We cannot assure you that such lands will be conveyed to us, that we will be successful in acquiring them or that we will be successful in registering them in our name or the name of our Subsidiary.

**23.** ***We are subject to risks relating to owning real estate assets.***

We are subject to risks that generally relate to real estate assets due to the hotel properties and commercial and real estate projects we own. Regulations and interest rates can make it more expensive and time-consuming to develop real property or expand, modify or renovate hotels or commercial and real estate projects. Changes in local markets or neighbourhoods may diminish the value of the real estate assets we hold. Real estate assets may not be as liquid as certain other types of assets, and this lack of liquidity may limit our ability to react promptly to changes in economic, market or other conditions. Our ability to dispose of real estate assets, if required, on advantageous terms depends on factors beyond our control, including competition from other sellers, demand from potential buyers and the availability of attractive financing for potential buyers. We cannot predict the various market conditions affecting real estate assets that may exist at any particular time in the future. Due to the uncertainty of market conditions that may affect the future disposition of our real estate assets, we cannot assure you that we will be able to sell our real estate assets at a profit in the future, if required.

**24.** ***As on the date of this Draft Red Herring Prospectus there are family disputes between some of our Promoters and the G. L. Raheja family as a result of which there could arise, from time to time, claims and counterclaims, between some of our Promoters and the G. L. Raheja family. Further, there are several litigation, pending at different forums in relation to the family separation arrangement and any adverse decision in relation to any of the matters may have an adverse effect on our reputation.***

Our Promoters, Ravi C. Raheja and Neel C. Raheja, are involved in certain family disputes with G.L. Raheja family in relation to the division of properties and management of certain entities forming part of K Raheja Corp group. C.L. Raheja (father of Ravi C. Raheja and Neel C. Raheja) and the late G.L. Raheja had entered into various agreements to split or partition all entities and assets of the K. Raheja Corp Group between them. However, the separation and distribution of certain properties and entities, remained unresolved due to the differences between the groups. The G.L. Raheja family filed various suits in respect of the family arrangement against Ravi C. Raheja, Neel C. Raheja and others. Ravi C. Raheja and Neel C. Raheja have also filed suits against the G.L. Raheja family. For more details, see "***Outstanding Litigation and Other Material Developments***" on page 569. Any adverse decision by the courts in relation to any of these family litigations may have an adverse effect on our reputation.

**25.** ***Our financing agreements entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.***

The interest rate for borrowings excluding preference capital of ₹ 160 million availed by us, aggregating to ₹ 27,093.09 million as of March 31, 2018, is expressed as the base rate or marginal cost of funds based lending rate of a specified lender or London Interbank Offering Rate and interest spread, which is variable to each Lender. Further, our financing agreements include provisions providing for interest rates to be periodically reset, or changed based on the lender's internal policies. We are susceptible to fluctuations in interest rates and associated risks. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition. See "***Financial Indebtedness***" on page 566 for a description of the range of interest typically payable under our financing agreements.

**26.** ***Our operations entail certain fixed costs and recurring costs, and our inability to reduce such costs during periods of low demand for our services may have an adverse effect on our business, results of operations and financial condition.***

Our operations entail certain fixed costs such as costs incurred towards the maintenance of our hotel properties, employee related costs, property taxes as well as certain significant recurring costs such as utility expenses and insurance payments. Further, the agreements we have entered into with Marriott, generally include agreed periodic payments at fixed rates. We may also have to incur costs towards periodic re-designing, re-structuring, refurbishing or repair of defects at our hotels. The costs of running a hotel tend to be more fixed than variable. The hotel industry experiences changes in demand and supply, which we may not be able to predict accurately. Consequently, we may be unable to reduce fixed and recurring costs in a timely manner, or at all, in response to a reduction in the demand for our services. Further, our hotel properties and commercial and real estate projects may be subject to an increase in operating and other expenses in the event of increases in property and other tax rates, increase in utility costs due to increase in electricity or water supply charges, insurance costs, repairs and maintenance and administrative expenses, which may adversely affect our business, results of operations and financial condition.

**27.** ***We may be unable to successfully grow our business in new markets in India, which may adversely affect our business prospects, results of operations and financial condition.***

We seek to diversify our geographical footprint, to reduce our exposure to local, seasonal and cyclical fluctuations and to access a more diversified guest base across geographies. We intend to strengthen and expand our portfolio to newer geographies across India which typically attract significant traffic from business and leisure travellers. However, we cannot assure you that we will be able to grow our business in these markets. Inability to access infrastructure, certain logistical challenges in these regions and our relative inexperience with certain newer markets, may prevent us from expanding our presence in these regions.

Further, we may be unable to compete effectively with the services of our competitors who are already established in these regions. Our expansion plans may also result in increased advertising and marketing expenditure and challenges caused by distance, language and cultural differences. Also, demand for our services may not grow as anticipated in certain newer markets. If we are unable to grow our business in such markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

**28.** ***Our business derives a portion of its revenue from corporate customers, and the loss of such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our services could adversely affect our business, results of operations and financial condition.***

Our hotel operations are dependent on our corporate customers, including large corporate key accounts such as information technology companies, airlines, multi-national corporations, consultancy firms and banks, for a portion of revenues. Any reduction in growth or a slow-down in the business of our customers in India, could result in a reduction of their requirement for our services, and result in a significant decrease in the revenues we derive from these customers. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, and thus our results of operations, financial condition and cash flows. Further, corporate customers may be able to negotiate better or more favourable terms or discounts compared to bookings made through direct channels or online travel agents. We cannot assure you that we will be able to maintain historic levels of business from such significant customers in the future.

**29.** ***Demand for rooms in our hotels or our conferencing and meeting facilities may be adversely affected by the increased use of business-related technology or change in preference of our corporate customers.***

The increased use of teleconference and video-conference technology by businesses could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without traveling to a centralized meeting location, such as our hotels. To the extent that such technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, demand for our hotel rooms or our conferencing and meeting facilities may decrease from business travellers and corporate customers. Similarly, changes in business spending and preferences of our corporate customers due to evolving cost of travel, spending habits and budgeting patterns may lead to a change in the perceived attractiveness of our hotels, services and the locations at which our hotels are situated.

**30.** ***A portion of our hotel bookings originate from online travel agents and intermediaries. In the event such companies continue to gain market share compared to direct booking channels or our competitors are able to negotiate more favourable terms with such online travel agents and intermediaries, our business and results of operations may be adversely affected.***

A portion of bookings for our hotels originate from large multinational, regional and local online travel agents and intermediaries, such as online aggregators, with whom we have contractual arrangements and to whom we pay commissions. These third-parties, including online travel agents, offer a wide breadth of services, often across multiple brands, have growing booking and review capabilities, and may create the perception that they offer the lowest prices when compared to our direct booking channels. Some of these online travel agents and intermediaries have strong marketing budgets and aim to create brand awareness and brand loyalty among consumers and may seek to commoditize hotel brands through price and attribute comparison. In the event these companies continue to gain market share, they may impact our profitability, undermine direct booking channels and online web presence and may be able to increase commission rates and negotiate other favourable contract terms. Negative reviews and feedback on online travel portals may cause guests to choose the services of our competitors. Further, our competitors may be able to negotiate better or more favourable terms with such online travel agents and intermediaries, impacting our hotel bookings from these channels, which in turn may adversely affect our business and results of operations.

**31.** ***Our Statutory Auditors have included certain matters of emphasis in their report on our Restated Summary Financial Information.***

Our Statutory Auditors examination reports in respect of Restated Standalone Summary Financial Information and Restated Consolidated Summary Financial Information includes a certain emphasis of matter, which does not require any corrective adjustments in the financial information.

Such emphasis of matter is detailed in the Statutory Auditors' examination report in relation to the Restated Standalone Summary Financial Information and Restated Consolidated Summary Financial Information. For further details, see "***Summary Financial Information***" on page 240 of this Draft Red Herring Prospectus.

We cannot assure you that our Statutory Auditors reports for any future fiscal periods will not contain qualifications, remarks, comments or emphasis of matter or that such qualifications, remarks, comments or emphasis of matter will not require any adjustment in our financial statements for such future periods or otherwise affect our results of operations in such future periods.

**32.** ***Any failure of our information technology systems could adversely affect our business and our operations.***

We utilize information technology systems that support our business processes, including centralised software and systems such as reservations systems and property management systems of our hotel operators and their affiliates. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, break-ins and similar events. Effective response to such disruptions will require effort and diligence on the part of our third-party vendors and employees to avoid any adverse effect to our information technology systems.

In addition, our systems and proprietary data stored electronically, including our guests' sensitive personal and financial information, may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. Such technology systems may also be vulnerable to ransomware attacks, which may block or restrict access to these systems and impair their functionality, unless certain ransom money is paid. If such unauthorized use of our systems were to occur, data related to our guests and other proprietary information could be compromised. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation. We are also dependent on third party vendors for providing some of the services to our guests such as internet and television, among others, and any failure or deficiency on the part of such vendors may adversely affect our reputation, brand perception and results of operations.

**33.** ***In the event we or our hotel operators fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, including in respect of which we have made relevant applications that are currently pending, including due to any default on the part of the owners of the properties we lease and manage, our business and results of operations may be adversely affected.***

Our operations are subject to extensive government regulations and we or our hotel operators are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business and for each of our hotel properties including, without limitation, sanction of building plans, occupation certificates, trade licenses, FSSAI registrations, shops and establishments registrations, star classifications and reclassifications for hotels, licenses to sell liquor and environmental approvals and clearances. For details of approvals relating to our business and operations, see "***Government and Other Approvals***" on page 606.

While we have obtained a number of approvals required for our operations, certain key approvals for which we have submitted applications are currently pending. We are also in the process of applying for the renewal of certain key approvals. In addition, we may need to apply for more approvals, including the renewal of approvals which may expire from time to time, and approvals in the ordinary course of business. For example, the consent to operate issued by the Maharashtra Pollution Control Board and 5-star classification issued by Government of India - Department of Tourism (H&R Division) for our hotel at Vashi, Navi Mumbai have expired. While we have made applications for renewal of these approvals, we cannot assure that the approvals shall be renewed. Any inability to renew these approvals may have an adverse effect on the operations of our hotel. For further details on pending approvals, see "***Government and Other Approvals***" on page 606.

We cannot assure you that such approvals will be issued or granted to us, or at all. If we fail to obtain or retain any of these approvals or licenses or renewals thereof, in a timely manner or at all, our business may be adversely affected. In addition, we require the co-operation and assistance of the hotel operators in order to apply for and renew such approvals and permits in a timely manner. Any failure on the part of the hotel operators to render cooperation and undertake the necessary actions to obtain and renew such approvals, may adversely impact the operations at our hotels.

Further, the approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer disruption in our operations, any of which could adversely affect our business.

**34.** ***If we pursue a strategy of expansion through acquisition of hotels or properties, we may not be able to successfully consummate favourable transactions or such transactions may not yield intended results or achieve expected returns and other benefits.***

From time to time, we may evaluate potential acquisition of hotels or properties that would further our strategic objectives. However, we may not be able to identify suitable hotels or properties, consummate a transaction on terms that are favourable to us, or achieve expected returns and other benefits. Hotels or properties acquired by us may not be profitable or may not achieve sales levels and profitability that justify the investments made. Our acquisitions may entail financial and operational risks, including diversion of management attention from its existing core businesses. Future acquisitions could also result in the incurrence of debt, utilization of our internal accruals, increased contingent liabilities and increased operating expenses, all of which could adversely affect our business, financial condition and results of operations. We may incur additional debt or use internal accruals for acquisition which could affect our financial condition.

**35.** ***Statements as to the period in which our properties under development are expected to commence operations and the number of rooms or leasable area expected in such properties are based on management estimates and have not been independently appraised.***

The expected period of opening or commencement of operations for our hotels and commercial and retail projects under development, presented in this Draft Red Herring Prospectus, is based on management estimates and has not been independently appraised. The expected date of opening or commencement of operations, number of rooms or leasable area, size, acreage and square footage actually developed may differ, based on various factors such as market conditions, modifications of engineering or design specifications, changes in regulatory requirements, stipulations in the consents and approvals we receive and any inability to obtain required consents and approvals. Investors are cautioned to not place undue reliance on these numbers in their evaluation of our business, prospects and results of operation. See also "***Forward Looking Statements***" on page 16.

**36.** ***We may require additional equity or debt in the future in order to continue to grow our business, which may not be available on favourable terms or at all.***

Our strategy to grow our business and maintain our market share may require us to raise additional funds or refinance our existing debt for our working capital or long term loans. We cannot assure you that such funds will be available on favourable terms or at all. Additional debt financing may increase our financing costs. Our financing agreements may contain terms and conditions that may restrict our ability to operate and manage our business, such as terms and conditions that require us to maintain certain pre-set debt service coverage ratios and leverage ratios and require us to use our assets, including our cash balances, as collateral for our indebtedness. If we are unable to raise additional funds on favourable terms or at all as and when required, our business, financial condition, results of operations and prospects could be adversely affected.

**37.** ***We rely on various contractors or third parties in developing our hotel, commercial, retail and other real assets, and factors affecting the performance of their obligations could adversely affect our projects.***

Most of our hotel and other commercial projects require the services of contractors and various other parties including architects, engineers, consultants and suppliers of labour and materials for such projects. The timing and quality of construction of these projects that we develop depends on the availability and skill of these parties, as well as contingencies affecting them, including labour and construction material shortages and industrial action such as strikes and lockouts. We may not be able to identify appropriately experienced third parties and cannot assure you that skilled third parties will continue to be available at reasonable rates and in the areas in which we undertake our projects, or at all. As a result, we may be required to make additional investments or provide additional services to ensure the adequate performance and delivery of contracted services and any delay in project execution could adversely affect our profitability. In addition, if such contractors or third parties do not complete our orders in a timely manner or match our requirements on quality, our reputation and financial condition could be adversely affected.

**38.** ***Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.***

Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. We have an external union at our hotel property in Powai, Mumbai and we cannot assure you that our other employees will not unionize in the future. In the event our employee relationships deteriorate or we experience significant labour unrest, strikes and other labour action, work stoppages could occur and there could be an adverse impact on our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

**39.** ***We rely on contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. As of March 31, 2018, we utilized 524 personnel engaged on a contractual basis. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as notified and enforced by the central government and adopted with such modifications as may be deemed necessary by the respective state governments, we may be required to absorb a number of such contract labourers as permanent employees. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

**40.** ***Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.***

We could be held liable for accidents that occur at our hotels or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our properties are insured with independent third parties covering various aspects such as property damage inter-alia in respect of buildings, plant and machinery breakdowns, fire insurance, deterioration of stocks, accidental damage, pressurised equipment such as boilers and vessels, losses of rent, loss of profit, business interruptions, terrorism etc. We also maintain directors' and officers' liability insurance for our management personnel and accident group insurance, health insurance and life insurance for our employees.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

**41.** ***Disruptions or lack of basic infrastructure such as electricity and water supply could adversely affect our operations.***

We require a significant amount and continuous supply of electricity and water and any disruption in the supply thereof could affect the operations of our hotels and the services to our guests. We currently source our water requirements from governmental water supply undertakings and water tankers and depend on state electricity boards and private suppliers for our energy requirements. Although we have diesel generators to meet exigencies at all of our hotels, we cannot assure you that our hotels will have sufficient power during power failures. Any failure on our part to obtain alternate sources of electricity or water, in a timely fashion, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

**42.** ***We are exposed to the risk of events that adversely affect domestic or international travel, such as epidemics and terrorism or war.***

The room rates and occupancy levels of our hotels could be adversely affected by external events that reduce domestic or international travel, such as epidemics and spread of infectious diseases or threats thereof, actual or threatened acts of terrorism or war, geo-political crisis or civil unrest, travel-related accidents or industrial action, natural disasters, or other local factors impacting individual hotels, as well as increased transportation and fuel costs. A decrease in the demand for hotel rooms as a result of such events may have an adverse impact on our operations and financial results. In addition, inadequate planning, preparation, response or recovery in relation to a major incident or crisis may cause loss of life, prevent operational continuity, or result in financial loss and consequently affect our reputation.

**43.** ***Our inability to protect or use intellectual property rights may adversely affect our business.***

We own the registered name and mark 'Chalet' under various classes provided for under the Trade Marks Act, 1999. Additionally, we have applied for registration of CHALET logo under various classes, while application for registration under certain classes are currently pending. We have in the recent past received a notice of opposition in relation to registration of a class 43 trademark "Chalet Hotels" with the Trade Mark Registry. Any adverse order by the Registrar of Trade Marks may impact our ability to use the said trademark.

Further, the use of our, or those of our brand partners', trademarks or logos by third parties could adversely affect our hotels' reputation, which could in turn adversely affect our business and results of operations. We may not be able to prevent infringement of our or our brand partners' trademarks. If our or our brand partners' trademarks or other intellectual property are improperly used, the value and reputation of our hotels could be harmed. The application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Further, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

**44.** ***We, as well as our Promoters and Group Companies, have, from time to time, availed unsecured or other credit facilities that are repayable on demand. Any unexpected demand for repayment may adversely affect our liquidity, business, financial condition, results of operations and prospects.***

We, as well as our Promoters and Group Companies, have from time to time, availed unsecured or other credit facilities that are repayable on demand by the lenders. In the event that the respective lenders call in any such credit facilities, alternative sources of financing may not be available to any of us on commercially reasonable terms, to the same extent, or at all. Any failure to service such indebtedness or comply with any obligations under such financing agreements may cause us to incur penalty interest or may result in the termination of one or more of our credit facilities or acceleration or cross-acceleration of payments under such credit facilities, as well as the declaration of an event of default or cross-default. Any such unexpected demand for repayment may adversely affect our liquidity, business, financial condition, results of operations and prospects.

**45.** ***Some of our corporate records are not traceable.***

Our Company does not have access to a secretarial form filing i.e., Form 5 for sub-division of equity shares in the year 1998.

While information in relation to such subdivision, has been disclosed under Capital Structure in this Draft Red Herring Prospectus, based on certified true copy of the board and shareholder resolutions, we may not be able to furnish any further document evidencing such subdivision. We cannot further assure you that we will be able to locate the said secretarial filing record, or not be penalized by the relevant supervisory and regulatory authorities in India for not maintaining such RoC form.

**46.** ***Our Company has acquired land in the past from entities which are related to our Promoters and may undertake such acquisitions in the future.***

Our Company acquired approximately 8.62 acres of land from Genext, one of our corporate Promoters in Bengaluru for our Whitefield project. Our Promoters and Directors, Ravi C. Raheja and Neel C. Raheja are also shareholders and directors of Genext. Our Company has also entered into a 'memorandum of understanding' that grants our Company an option to acquire leasehold rights for 0.98 acres of land from Mindspace for our proposed hotel in Airoli and our Company may decide to exercise this option and acquire land in the future. Our Promoters and Directors, Ravi C. Raheja and Neel C. Raheja are also shareholders and directors of Mindspace. Our Company is part of the K Raheja Corp group and generally undertakes transactions with other entities forming part of the group. In the future, our Company may undertake further acquisitions of land from entities forming part of the K Raheja Corp group or entities related to any of our Promoters or Directors. For more information on the acquisition from Genext and the proposed acquisition from Mindspace, please see "***Our Promoters and Promoter Group- Interests of our Promoters and Related Party Transactions***" on page 198.

**47.** ***We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialize, may adversely affect our financial condition.***

As of March 31, 2018, in accordance with IND AS 37, we had certain contingent liabilities on a restated consolidated basis that have not been provided for in our financial statements. For details, see "***Summary Financial Information – Restated Consolidated Summary Financial Information***" on page 240. If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

**48.** ***We face foreign exchange risks that could adversely affect our results of operations.***

Our operations are in India, most of our revenues and expenses in India are denominated in the Indian Rupee, and we report our results of operations in the Indian Rupee. However, we earn foreign exchange through transactions made by our guests who arrive from overseas. We have availed external commercial borrowings excluding interest accrued of USD 75.85 million as of March 31, 2018, which also exposes us to currency risk. Further, we have certain periodic payment obligations to Marriott which are denominated in United States Dollars. Any fluctuation of the Indian Rupee against such foreign currencies may have a negative impact on our results of operations, as the revenue that we make may be lower in Rupee terms or the expenses that we have to incur may be higher in Rupee terms.

**49.** ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our Company has not declared dividends in the past. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends in the future. For details of dividend paid by our Company in the past, see "***Dividend Policy***" on page 238.

**50.** ***This Draft Red Herring Prospectus contains information from third party industry sources, including the report commissioned from Horwath HTL India and publically available reports published by CBRE Research, which have not been independently verified by us. Prospective investors are advised not to place undue reliance on such information.***

This Draft Red Herring Prospectus includes information derived from third party industry sources and from the Horwath Report prepared by Horwath HTL India, pursuant to an engagement with our Company. We have also referred to publically available reports, "CBRE India Retail Market View H2 2017", "CBRE India Market Outlook Report April 2018" and "CBRE India Office Market View Q1 2018" released in years 2017 and 2018, prepared by the CBRE Research. We commissioned the Horwath Report for the purpose of confirming our understanding on the Indian hospitality business, together with the future outlook of the hospitality industry in India. Neither we, nor the Promoters, nor Directors, nor any of the BRLMs, nor any other person connected with the Offer has independently verified the information in these reports and other industry sources quoted in this Draft Red Herring Prospectus, and while we believe them to be true, we cannot guarantee the accuracy, adequacy or completeness of any such information. Moreover, these industry sources contain certain industry and market data, based on certain assumptions. Accordingly, investors should read the industry-related disclosure in this Draft Red Herring Prospectus in this context.

Further, the reports use certain methodologies for market sizing and forecasting. There are no standard data gathering methodologies in the hospitality or commercial and retail sector, and methodologies and assumptions vary widely among different industry sources. Such assumptions may change based on various factors. We cannot assure you that such assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, these reports or any other industry data or sources are not recommendations to invest in our Company. Prospective investors are advised not to place undue reliance on the industry reports or extracts thereof as included in this Draft Red Herring Prospectus, when making their investment decisions. Also, see "***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation***" and "***Industry Overview***" on pages 13 and 128, respectively.

**51.** ***We will continue to be controlled by our Promoters after the completion of the Offer***

After the completion of the Offer, our Promoters will continue to hold majority of our outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. They may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders. By exercising their control, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot guarantee that our Promoters will act in our interest while exercising their rights.

**52.** ***Some of our Promoters have pledged their Equity Shares with a lender. Any exercise of such pledge by the lender could dilute the shareholding of these Promoters, which may adversely affect our business and prospects***

As of the date of this Draft Red Herring Prospectus, 47,023,720 Equity Shares constituting 27.48% of the pre-Offer paid-up equity share capital of our Company held by Capstan Trading LLP, Raghukool Estate Development LLP, Touchstone Properties and Hotels Private Limited, Anbee Construction LLP and Cape Trading LLP, our Promoters, are pledged in favour of HDFC Limited to secure borrowings availed by certain of our Promoters and Group Companies. Any default by one or more of such Promoters or Group Companies, under their respective borrowing arrangements pursuant to which these Equity Shares have been pledged, will entitle the lender to enforce such pledge. In case the lender chooses to invoke the pledge, the aggregate shareholding of our Promoters in our Company will be reduced and may also result in the price of the Equity Shares being adversely affected.

**53.** ***We have issued Equity Shares during the last one year at a price that may be lower than the Offer Price.***

We have allotted 18,953,040 Equity Shares to the shareholders of Genext Hardware & Parks Private Limited ("**Genext**"), pursuant to the scheme of arrangement effecting the demerger of Genext with our Company. No cash consideration was paid at the time of allotment of these Equity Shares. The price at which such Equity Shares were allotted may be lower than the Offer Price. In addition, ESOPs granted, if exercised prior to determination of the Offer Price, may be at a price lower than the Offer Price. For further details, see "***Capital Structure***" on page 87.

**54.** ***Some of our Group Companies have incurred losses in the last preceding financial year and have negative net worth, based on the last audited financial statements available.***

Some of our Group Companies have incurred losses in the preceding financial years and have negative net worth, based on the respective Group Companies' last available audited financial statements. For further details, see "***Our Group Companies – Group Companies with negative net worth***" and "***Our Group Companies – Details of Loss making Group Companies***" beginning on page 212, respectively. We cannot assure you that our Group Companies will not incur losses or have negative net worth in the future.

55. ***We have experienced negative cash flows in relation to our operating activities and investing activities in the last five financial years, on a consolidated basis. Any negative cash flows in the future would adversely affect our results of operations and financial condition.***

We had a negative cash flow from operating activities of ₹ 122.96 million in the financial year 2015, on a restated consolidated basis. Further, we had a negative cash flow from investing activities of ₹ 1,289.98 million, ₹ 1,722.78 million, ₹ 1,895.97 million and ₹ 1,212.42 million in the financial years 2018, 2016, 2015 and 2014, respectively, on a restated consolidated basis. If we experience any negative cash flows in the future, this could adversely affect our results of operations and financial condition. For further details, see "***Summary Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 240 and 537, respectively.

56. ***Certain of our Group Companies and our Promoters are engaged, or are authorized by their constitutional documents to engage, in business activities which are similar to those undertaken by our Company and Subsidiaries, or have interests in other companies, which are in businesses similar to ours, which may result in conflicts of interest.***

Certain of our Group Companies, are authorised under their respective memorandums of association to carry on the business of owning, operating or managing hotels and resorts. For details, see "***Group Companies***" on page 212. We cannot assure you that our Group Companies, will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business and results of operations. For further details, see "***Our Promoters, Promoter Group and Group Companies – Common Pursuits of our Promoters, members of Promoter Group and Group Companies***" on pages 198 and 212.

Further, a conflict of interest may occur between our business and the business of certain of our Promoters and Group Companies which could have an adverse effect on our operations. For example, certain of our Promoters and Group Companies own a resort in Madh Island, Mumbai and a minority equity interest in the hotel JW Marriott Mumbai Juhu, which compete with our existing hotels. Conflicts of interest may also arise out of common business objectives shared by us and certain of our Promoters. Our Promoters may compete with us and have no obligation to direct any opportunities to us. We cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

57. ***Our Directors and Key Management Personnel may have interests in us other than reimbursement of expenses incurred, normal employee remuneration or benefits payable under the terms of their agreements with us, which may potentially involve conflict of interests with our Shareholders.***

Our Directors and Key Management Personnel are interested in us to the extent of remuneration paid to them for services rendered, including any shares and employee stock options held by them and reimbursement of expenses payable to them. Our Company had entered into an agreement dated July 7, 2017 with Arthur William De Haast, one of our Directors, to provide certain consultancy and advisory services to our Company for a term of three years with effect from August 3, 2017, pursuant to which he is entitled to UK Pounds 3,750 per working day spent in accordance with the terms of the consultancy services agreement. The term of the consultancy services agreement has been extended to June 11, 2023. Further, Sanjay Sethi, our Managing Director and Chief Executive Officer and Rajeev Newar, our Executive Director and Chief Financial Officer are interested to the extent of loans availed by them from our Company. Our Directors may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are directors or partners. For details, see the sections "***Capital Structure***", "***Related Party Transactions***" and "***Our Management***" on pages 87, 237 and 177, respectively.

58. ***We do not own the land on which our Registered and Corporate Office is situated.***

We do not own the land on which our Registered and Corporate Office is situated. Our Registered and Corporate Office is licensed to us by K. Raheja Corporate Services Private Limited pursuant to a license agreement dated February 12, 2014. The license is valid for a period of 5 years from July 1, 2013. We have executed a letter of intent dated June 28, 2018 with K. Raheja Corporate Services Private Limited to execute a license agreement for a further period of 5 years in respect of the premises. Though we have initiated the process for renewal of the license agreement, we cannot assure you that we will be able to renew the license agreement in a timely manner or have the right to occupy this premise in the future, or that we will be able to continue with the uninterrupted use of this premise in the event that we are unable to comply with the terms of our license agreement, which may impair our operations and adversely affect our business, results of operations and financial condition. For further details, see "***Our Business – Immovable Properties***" on page 146.

**59.** ***We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the entire proceeds from the Offer for Sale.***

This Offer includes an Offer for Sale of up to 24,685,000 Equity Shares by the Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Selling Shareholders and we will not receive any such proceeds. For further details, see "***Capital Structure***" and "***Objects of the Offer***" on pages 87 and 114, respectively.

**60.** ***Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval.***

We propose to utilize the Net Proceeds for retiring certain debts of our Company. For further information of the proposed objects of the Issue, see "***Objects of the Offer***" on page 114. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

Further, our Promoters or controlling Shareholders would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to change the Objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling Shareholders to provide an exit opportunity to such dissenting Shareholders may deter the Promoters or controlling Shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling Shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

***External Risk Factors***

***Risks Related to India***

**61.** ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**62.** ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**63.** ***Our Company has prepared financial statements under Ind AS. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP.***

Our Restated Consolidated Summary Financial Information as of and for the financial years 2018, 2017, 2016, 2015 and 2014 included in this Draft Red Herring Prospectus has been prepared under Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies Act, 2013 and differs from our audited financial information to the extent restated, in accordance with applicable laws. The Restated Consolidated Summary Financial Information has been compiled from the audited consolidated financial statements of our Company as of and for the financial years 2018 and 2017 prepared under Ind AS and as of and for the financial years 2016, 2015 and 2014 prepared under the previous generally accepted accounting principles followed in India ("**Indian GAAP**"). Our date of transition to Ind AS was April 1, 2016 and the audited consolidated financial statements for the financial year 2017 were the first to be prepared in accordance with Ind AS. The restated consolidated summary financial information for the financial years 2016, 2015 and 2014 included in this Draft Red Herring Prospectus have been prepared under Ind AS on a proforma basis. The implementation of Ind AS is recent and new pronouncements may have a material impact on our profitability going forward and our revenue may fluctuate significantly period over period.

Except as otherwise provided in the Restated Consolidated Summary Financial Information with respect to Indian GAAP, no attempt has been made to reconcile any information given in this Draft Red Herring Prospectus to any other accounting principles or to base the information on any other accounting standards. Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements, which are restated in accordance with the SEBI ICDR Regulations, included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS.

**64.** ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering regulations of the new tax regime and availability of input tax credit ("**ITC**").

Further, the Finance Act, instituted a number of amendments to the existing direct and indirect tax regime which includes the withdrawal of long term capital gains exemptions on equity shares, long term capital gains applicability in the hands of Foreign Institutional Investors and applicability of dividend distribution tax for certain transactions with shareholders, among others. Prospective investors should consult their own tax advisors in relation to the consequences of investing in the Equity Shares.

In addition, the General Anti-Avoidance Rules ("**GAAR**") became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in the denial of tax benefits to an arrangement, among other consequences. In the absence of any such precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

**65.** ***Investors may not be able to enforce a judgment of a foreign court against our Company.***

Our Company is incorporated under the laws of India, majority of our Directors and all of our Promoters, Key Management Personnel and senior management personnel reside in India. Majority of our assets, and the assets of certain of our Promoters, Directors, Key Management Personnel and other senior management, are also located in India. In addition, the regulatory regime of our various international territories may have similar restrictions on enforcement of foreign judgments. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Code of Civil Procedures, 1908 (the "**Civil Code**"). Further, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes or, other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards. Judgments or decrees from jurisdictions not recognised as a reciprocating territory by India cannot be enforced or executed in India. Even if a party were to obtain a judgment in such a jurisdiction, it would be required to institute a fresh suit upon the judgment and would not be able to enforce such judgment by proceedings in execution. Further, the party which has obtained such judgment must institute the new proceedings within three years of obtaining the judgment.

As a result, you may be unable to: (i) effect service of process outside of India upon us and such other persons or entities; or (ii) enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment, and any such amount may be subject to income tax in accordance with applicable laws.

**66.** ***Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

**67.** ***You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares is generally taxable in India. Any gain realized on the sale of listed equity shares on or before March 31, 2018, on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if securities transaction tax, or STT, has been paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or before October 1, 2004, except in the case of such acquisitions of such equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long term capital gains arising from sale of equity shares on or after April 1, 2018. However, where specified conditions are met, such long term capital gains are only taxed to the extent they exceed ₹ 100,000 and unrealised capital gains earned up to January 31, 2018 continue to be exempt. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to the payment of STT, on the sale of Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of Equity Shares.

**68.** ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**69.** ***Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

*Risks Related to the Offer*

**70.** ***The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

**71.** ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

**72.** ***You may not be able to sell, any of the Equity Shares you purchase in the Offer immediately on an Indian stock exchange.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to the applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

**73.** ***The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under "***Basis for Offer Price***" on page 122 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

**74.** ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoters and other major shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options or the disposal of Equity Shares by our Promoters or any of our Company's other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. We cannot assure you that we will not issue additional Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares. Except as disclosed in "***Capital Structure***" on page 87, we cannot assure you that our Promoters and other major shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**75.** ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by the equity shareholders of such company.

However, if the law of the jurisdiction that you are located in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell them for your benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

**76.** ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

**Prominent Notes**

1. Our Company was converted to a public limited company and consequently, the name of our Company was changed to Chalet Hotels Limited on June 6, 2018. For further details in relation to the corporate history of our Company, see "***History and Certain Corporate Matters***" on page 170.

2. Public offer of up to [●] Equity Shares for cash at price of ₹ [●] (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million comprising Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 9,500 million by our Company and the Offer for Sale of up to 24,685,000 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders. The Offer will constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

3. As of March 31, 2018, our Company's net worth was ₹ 4,955.06 million as per our Restated Consolidated Summary Financial Information and ₹ 5,223.00 million as per the Restated Standalone Summary Financial Information.

4. As of March 31, 2018, the net asset value per Equity Share was ₹ 28.96 as per our Restated Consolidated Summary Financial Information and ₹ 30.53 as per the Restated Standalone Summary Financial Information.

5. The average cost of acquisition of Equity Shares by our Promoters is:

| Name of the Promoter | Average cost of acquisition of Equity Shares# (₹ per Equity Share) |
|---|---|
| Ravi C. Raheja* | 32.85 |
| Neel C. Raheja* | 32.85 |
| K Raheja Corp Private Limited* | 65.57 |
| K Raheja Private Limited | 1.29 |
| Ivory Properties and Hotels Private Limited* | 26.99 |
| Ivory Property Trust | 0.00 |
| Genext Hardware & Parks Private Limited | 13.00 |
| Touchstone Properties and Hotels Private Limited | 3.17 |
| Cape Trading LLP | 6.61 |
| Capstan Trading LLP | 6.81 |
| Casa Maria Properties LLP | 6.81 |
| Anbee Constructions LLP | 6.61 |
| Palm Shelter Estate Development LLP* | 100.00 |
| Raghukool Estate Development LLP | 6.81 |

**Ravi C. Raheja, Neel C. Raheja, K Raheja Corp Private Limited, Ivory Properties and Hotels Private Limited and Palm Shelter Estate Development LLP are also the Selling Shareholders in the Offer.*
*#As certified by M/s Nayan Parikh & Co, Chartered Accountants by their certificates dated June 30, 2018.*

For details, see "***Capital Structure***" on page 87.

6. For details of related party transactions entered into by our Company with our Promoters, Group Companies and Subsidiary in the last Fiscal, including nature and cumulative value of the transactions, see "***Related Party Transactions***" on page 237.

7. For information regarding the business or other interests of our Group Companies in our Company, see "**Our Group Companies**" and "**Related Party Transactions**" on pages 212 and 237.

8. There have been no financing arrangements whereby any of the members of our Promoter Group, our Directors, director of Promoter or any of their relatives have financed the purchase by any other person of securities of our Company other than in ordinary course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

9. Investors may contact the BRLMs or the Registrar to the Offer, for any complaints pertaining to the Offer.

10. All grievances in relation to Bids through the ASBA process, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, quoting the full name of the sole or First Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. Further, all grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

For any complaints, information or clarifications pertaining to the Offer, investors may contact the BRLMs who have submitted the due diligence certificate to the SEBI.

## SECTION III – INTRODUCTION

## SUMMARY OF INDUSTRY

*The industry information contained in this section is derived from a report titled "Industry Report – Top tier and Upscale Hotels" dated June 25, 2018 prepared by Horwath HTL India and commissioned by our Company in connection with the Offer. We have also utilised publically available research reports titled "CBRE India Retail Market View H2 2017", "CBRE India Market Outlook Report April 2018" and "CBRE India Office Market View Q1 2018, released in years 2017 and 2018, prepared by CBRE Research. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. References to hotel segments in this section are in accordance with the presentation in the Horwath Report and we do not report our financial information by these segments.*

*Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

*Investors should note that this is only a summary description of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read the entire Draft Red Herring Prospectus, including the information in the sections titled "**Risk Factors**", "**Industry Overview**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operation**" and "**Summary Financial Information**" on pages 17, 128, 146, 537 and 240 respectively. An investment in the Equity Shares involves a high degree of risk.*

**Macroeconomic Overview of India**

India is the sixth largest economy in the world with GDP (at current prices) of USD 2.61 trillion and third in terms of purchasing power parity as per 2017 estimates. (*Source: IMF*). The Indian economy grew by 6.5% in the financial year 2017-2018 (estimates) as against 7.1% growth for the financial year 2016-2017 (*Source: Central Statistics Office, Government of India*).

**India GDP Forecast**

India has emerged as a lead growth engine for the next five years, in terms of the rate of GDP growth. As per IMF, per capita GDP in India for 2017 is USD 1,983, up from USD 1,749 for 2016 and USD 1,639 for 2015 and is expected to grow at a CAGR of 8.7% between 2017 and 2022. India's nominal GDP is forecasted to increase from USD 2,611 billion in the calendar year 2017 to USD 4,227 billion by the calendar year 2022 at a CAGR of 10.1% (at current prices), according to IMF.

**Industry Size: Chain-affiliated Hotels**

Chain-affiliated hotel rooms in India have increased from 23,751 as at March 31, 2001 to about 135,232 as at March 31, 2018. Actual supply creation was delayed as the development cycle in India is generally longer, with delays caused by varied factors including project, environmental and implementation approval delays, cost overrun and funding shortfalls, delays in receipt of completion and opening related approvals, etc. Several hotels that were completed between the financial years 2012-2015 were from projects initiated between the financial years 2007-2009. Further, the business slowdown from the end of 2008, and particularly after 2010, caused several projects to be dropped. From about financial year 2013, there was a distinct slowdown in initiation of new projects while under completion projects continued to be carried to completion. The trend of slower inventory creation is expected to continue up to the financial year 2020/2021, particularly in the luxury–upper upscale and upscale segments, as there have been fewer commitments made in the last three to four years for new hotel projects. However, several new projects that have recently been initiated, may complete in the financial year 2022 or more likely later.

**Segmental Supply**

Segmental supply has evolved significantly since the financial year 2001.

The following table sets forth the composition of chain-affiliated supply of hotel rooms in India:

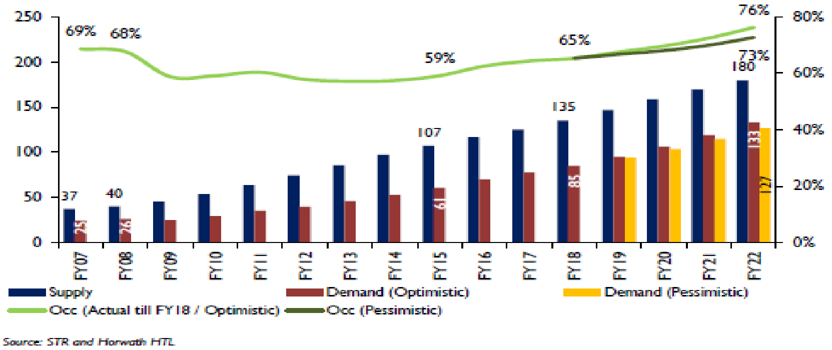
(Inventory in 000s)

| Category | FY01 | FY08 | FY15 | FY18 | FY22 | CAGR FY01-08 | CAGR FY08-15 | CAGR FY 15-18 | CAGR FY 18-22* |
|---|---|---|---|---|---|---|---|---|---|
| Luxury-Upper Upscale | 13 | 21 | 42 | 49 | 62 | 6.5% | 10.8% | 5.1% | 6.2% |
| Upscale | 5 | 8 | 22 | 27 | 38 | 5.8% | 15.8% | 7.9% | 9.1% |
| Upper Midscale | 4 | 7 | 20 | 26 | 36 | 9.6% | 16.6% | 9.5% | 8.5% |
| Midscale-Economy | 2 | 5 | 23 | 33 | 42 | 17.1% | 24.0% | 11.8% | 6.8% |
| **TOTAL** | **24** | **40** | **107** | **135** | **180** | **7.9%** | **15.0%** | **8.0%** | **7.4%** |
| **% of Total** | | | | | | | | | |
| Luxury-Upper Upscale | 55.8% | 51.1% | 39.4% | 36.4% | 34.8% | | | | |
| Upscale | 21.9% | 19.1% | 20.1% | 20.0% | 21.4% | | | | |
| Upscale Midscale | 15.0% | 16.9% | 18.6% | 19.4% | 20.2% | | | | |
| Midscale-Economy | 7.2% | 12.9% | 21.8% | 24.2% | 23.6% | | | | |

**Projection. Source: Horwath HTL*

### Supply and Demand

The following chart reflects all India – Rooms supply compared to demand – for the period indicated below:




*Source: Smith Travel Research and Horwath HTL*

### Hotel ownership

Ownership was initially concentrated among hotel chains. At the end of financial year 2001, about 69% of chain affiliated inventory was chain owned. Chain ownership of hotels has slowed and is estimated at about 29 % of total chain affiliated inventory at the financial year 2018. With decline in chain investment into hotels, particularly as international chains penetrated the market, investment was effected by private developers – developer / institutional investor ownership of hotels is scattered with very limited concentration. Only ten parties have ownership of more than 1,000 rooms and the aggregate inventory with these ten parties is about 18,700 rooms (about 14% of total chain affiliated inventory). According to Horwath HTL, we are amongst two asset owners or developers which own over 2,000 rooms in luxury and upper upscale segment as of March 31, 2018.

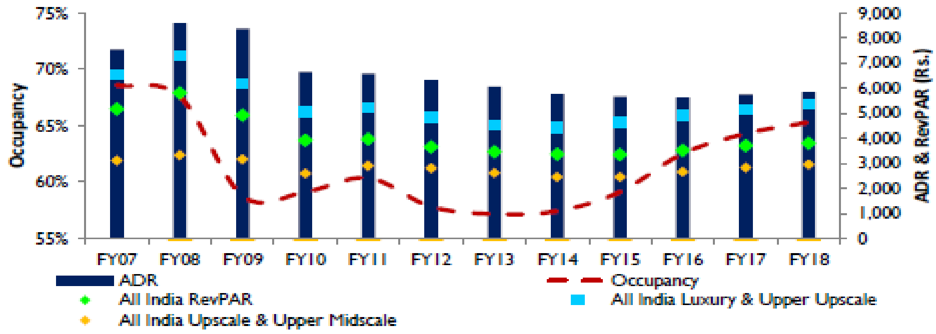
### Market Performance Analysis

The table below sets forth the performance of chain hotels on all India basis:

| Financial Year | All segments | Luxury & Upper Upscale | Upscale and Upper Midscale |
|---|---|---|---|
| **Occupancy** | | | |
| Financial Year 2008 | 67.6% | 70.2% | 65.4% |
| Financial Year 2015 | 59.1% | 59.9% | 56.8% |
| Financial Year 2018 | 65.3% | 65.4% | 65.6% |
| **ADR** | | | |
| Financial Year 2008 | 8.608 | 10.421 | 5.088 |
| Financial Year 2015 | 5.660 | 7.738 | 4.332 |
| Financial Year 2018 | 5.833 | 8.178 | 4.521 |

*Source: Horwath HTL*

The chart below illustrates the change in occupancy, ADR and RevPAR across India between the financial years 2007 and 2018:




*Source: Smith Travel Research*

**Overview of Key Impact Factors**

**Tourism**

***Foreign Tourist Arrivals (FTA)***

FTA for the financial year 2018 was reported at 10.5 million by the Department of Tourism, Government of India. Year-on-year FTA grew by 1.33 million in the financial year 2018. In five years from financial 2014 to 2018, FTA grew by 3.8 million which is over 90% of FTA growth numbers of 4.2 million for the previous ten years from the financial year 2004 to 2013. The e-visa scheme was made available for foreign visitors with effect from November 2014. This has been extremely successful in attracting inbound travel, particularly as visitors can come in with short lead-time for the trip. The leisure sector, MICE and business travel is expected to materially benefit from this facility.

***Domestic Tourism***

Travel volumes, in terms of visits by domestic travellers, have grown at 13.7% CAGR between calendar year 2001 and calendar year 2016. Although hotels and resorts in India secure only a small percentage of the overall domestic travel in the country, this segment is an increasingly important demand generator for the hotel sector. Domestic travel numbers have grown nearly seven times, from 236.5 million visits in 2001 to 1.61 billion visits in 2016.

**Access Infrastructure**

Better travel infrastructure, in terms of better roads and airports, is a major benefit for domestic travel whether for business, leisure, MICE or social purposes. Infrastructure projects such as the Golden Quadrilateral program creates greater travel facility within regions and enable speedy vehicular movement combined with a major increase in the vehicular options and the mindset for short duration vacation with road journeys. The upgraded road infrastructure has helped develop demand and resort capacity in several markets.

***Air Traffic***

Passenger movement at these key markets for the Company grew at 9.3% CAGR between the financial years 2008 and 2018, with 10.4% CAGR growth was achieved on all-India basis. CAGR between the financial years 2015 and 2018 was 15.6% and 17.5% for key cities and all-India respectively

***Business Travel***

Business Travel comprises inbound and domestic visitation for business related purposes. This includes travel on corporate account and by individual business travellers. This segment is a predominant source of demand for hotels located in primarily business oriented locations.

***Leisure Travel***

Leisure travel comprises vacation travel, including short duration vacations. Greater affordability, changing attitudes towards lifestyle, and improved road and air connectivity have materially encouraged short stay vacations including on weekends and extended weekends when a public holiday combines with a weekend as does occur two to four times every year.

***MICE Visitation***

MICE visitation is mainly corporate driven for conferences, training programs and other events that are of customer-facing intent. MICE demand tends to carry price sensitivity; such demand with optional timing may choose off-season months to enjoy lower rates at better quality hotels. Hotels in predominantly business locations will generate MICE demand for training and corporate seminars – these could be day events or residential events. Conferences that include recreation elements (incentives and rewards for dealers, staff or industry players and events that select a location in order to combine work with recreation for delegates) choose city centre locations and resort destinations.

***Weddings and social travel***

Weddings and social travel involve mainly domestic visitation for participating in family weddings, destination weddings and other wedding related or family celebrations (such as anniversaries). Wedding and social event demand will of course gravitate to hotels that have the function areas, guest room capacity and also the quality to host such events at a level consistent with the status of the host.

***Airlines and airline crew***

This demand set helps create a core of demand at hotels, albeit at significantly discounted pricing. Crew demand could arise from international and domestic carriers – while the major international airlines will use upper tier hotels, more price sensitive airlines are open to using upper midscale hotels. Airlines also need to use hotels for layovers in case of significantly delayed flights. This demand is relatively nominal and mainly occurs at hotels that are closer to the airports. In such cases, airlines will prefer more moderately priced hotels that are nevertheless of good standard.

***Transit demand***

Persons at overnight transits between cities also need to use hotel accommodation which is typically located close to the point of onward journey. Transit demand could occur on the inward and/or outward leg of international travel or for travel between cities that are connected through a regional hub.

**Barriers to Entry**

Development of hotels in India faces several challenges, principal among which are:

*Land*: Availability of land at locations that are suitable for hotels, and high cost of available land, create limitations on hotel development and viability. Limited development rights and end-use restrictions on available sites create further challenges. These factors often result in development of hotels with limited inventory.

*Regulatory approvals*: Hotel projects require several regulatory approvals and licenses, before implementation of the project and upon its completion prior to opening. The process of obtaining approvals can be time consuming and materially adds to the development lifecycle. Uncertainties associated with the timing of approvals have often caused delays in opening of hotels, these delays significantly add to interest cost during construction period and pressure on debt service obligations. Additionally, cost escalations occur due to delayed completion impacting project viability, funding of completion and initial operations, and project quality.

*Financing and capital Requirement (Equity and Debt):* In the backdrop of several hotel projects which are in debt default, bankers are extremely selective in providing development finance for hotel projects. Further, interest rates tend to be high - currently in the range of 10% to 14% with the lower range only being available to borrowers with established credibility. In addition, hotel projects require sizeable equity capital for project development and to meet cash shortfalls during operations. Shortage of suitable equity capital is a significant constraint towards development of hotels, particularly a portfolio of assets or hotels with large inventory of rooms and other facilities.

*Manpower shortages*: Manpower shortages are increasing particularly staff and managers with sufficient operating experience and skills for hotel. This poses limitations for all hotels but more specifically for hotel operated by owners as independent properties.

**Commercial and Retail Real Estate Market in India (*Source: CBRE*)**

***Overview***

The Indian economy's growth rate reached a five-quarter high of 7.2% during the quarter ended December 2017, compared with 6.5% in the previous quarter. The upward momentum was largely attributed to the continued recovery of the manufacturing sector, which grew by 8.1%. In addition, sectors such as trade, hotels and transport (9%), and public administration, defence and other services (7.2%) also contributed to this strong momentum. The construction sector's performance improved sharply as it grew by 6.8% compared with 2.8% in the previous quarter. Moreover, the growth of real estate services (along with financial, insurance and professional services) sector increased from 6.4% to 6.7% during the review period. However, despite the visible recovery in quarterly GDP, the Reserve Bank of India continued to project 2017-2018 growth rate at 6.6%.

According to CBRE Research, after rising to 5.2% in December 2017, retail inflation (measured by consumer price inflation) continued on its downward curve, declining to 4.4% in February 2018. In February 2018, the Monetary Policy Committee also estimated inflation at 4.3% to 4.7% during the second half of 2017 and 5.1% to 5.6% during the first half of 2018. Due to the constant fluctuation in inflation, the central bank has decided to keep lending rates stable for now at 6.0%. However, if inflation continues to pose a challenge, the bank might become inclined towards adopting monetary tightening measures in 2018.

Recent disruptions in the technology sector does not seem to have significantly affected the overall leasing activity in the country. Moreover, growth in other sectors appears to have helped plug the gap created by reduced leasing by most Indian tech firms. Despite a drop in its share in office space take-up in India, technology corporates remained the biggest demand driver with a share of 25% during the first quarter of 2018.

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India has emerged as a lead growth engine for the next five years, in terms of the rate of GDP growth. As per IMF, per capita GDP in India for 2017 is USD 1,983, up from USD 1,749 for 2016 and USD 1,639 for 2015 and is expected to grow at a CAGR of 8.7% between 2017 and 2022. India's nominal GDP is forecasted to increase from USD 2,611 billion in the calendar year 2017 to USD 4,227 billion by the calendar year 2022 at a CAGR of 10.1% (at current prices), according to IMF.

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| **TOTAL** | **24** | **40** | **107** | **135** | **180** | **7.9%** | **15.0%** | **8.0%** | **7.4%** |
| **% of Total** | | | | | | | | | |
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*Source: Horwath HTL*

### Supply and Demand

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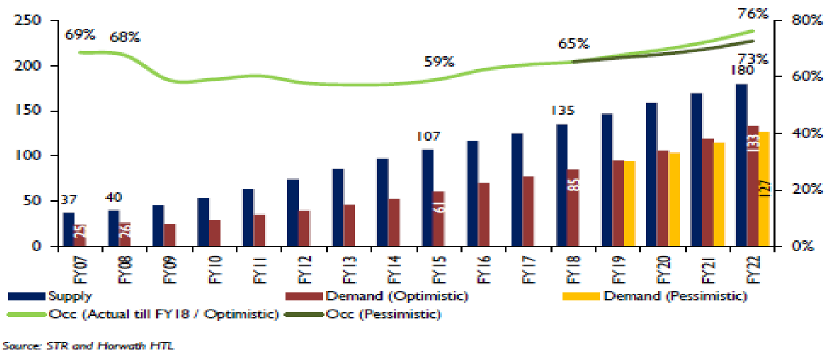


*Source: Smith Travel Research and Horwath HTL*

### Hotel ownership

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*Source: Horwath HTL*

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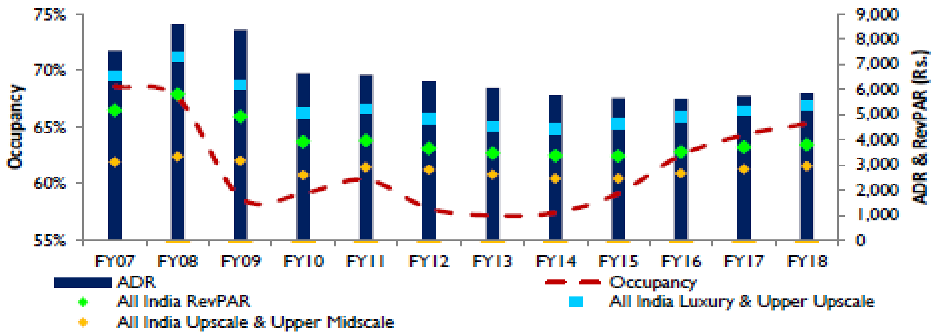


*Source: Smith Travel Research*

**Overview of Key Impact Factors**

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**Access Infrastructure**

Better travel infrastructure, in terms of better roads and airports, is a major benefit for domestic travel whether for business, leisure, MICE or social purposes. Infrastructure projects such as the Golden Quadrilateral program creates greater travel facility within regions and enable speedy vehicular movement combined with a major increase in the vehicular options and the mindset for short duration vacation with road journeys. The upgraded road infrastructure has helped develop demand and resort capacity in several markets.

***Air Traffic***

Passenger movement at these key markets for the Company grew at 9.3% CAGR between the financial years 2008 and 2018, with 10.4% CAGR growth was achieved on all-India basis. CAGR between the financial years 2015 and 2018 was 15.6% and 17.5% for key cities and all-India respectively

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***Weddings and social travel***

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***Transit demand*** Persons at overnight transits between cities also need to use hotel accommodation which is typically located close to the point of onward journey. Transit demand could occur on the inward and/or outward leg of international travel or for travel between cities that are connected through a regional hub.

**Barriers to Entry**

Development of hotels in India faces several challenges, principal among which are:

*Land*: Availability of land at locations that are suitable for hotels, and high cost of available land, create limitations on hotel development and viability. Limited development rights and end-use restrictions on available sites create further challenges. These factors often result in development of hotels with limited inventory.

*Regulatory approvals*: Hotel projects require several regulatory approvals and licenses, before implementation of the project and upon its completion prior to opening. The process of obtaining approvals can be time consuming and materially adds to the development lifecycle. Uncertainties associated with the timing of approvals have often caused delays in opening of hotels, these delays significantly add to interest cost during construction period and pressure on debt service obligations. Additionally, cost escalations occur due to delayed completion impacting project viability, funding of completion and initial operations, and project quality.

*Financing and capital Requirement (Equity and Debt):* In the backdrop of several hotel projects which are in debt default, bankers are extremely selective in providing development finance for hotel projects. Further, interest rates tend to be high - currently in the range of 10% to 14% with the lower range only being available to borrowers with established credibility. In addition, hotel projects require sizeable equity capital for project development and to meet cash shortfalls during operations. Shortage of suitable equity capital is a significant constraint towards development of hotels, particularly a portfolio of assets or hotels with large inventory of rooms and other facilities.

*Manpower shortages*: Manpower shortages are increasing particularly staff and managers with sufficient operating experience and skills for hotel. This poses limitations for all hotels but more specifically for hotel operated by owners as independent properties.

*Distressed assets* – The hotel industry has seen considerable debt-related stressed assets, including projects that are left incomplete or completion prolonged to due lack of funding. The stressed assets create acquisition opportunities for interested investors.

**Commercial and Retail Real Estate Market in India (*Source: CBRE*)**

***Overview***

The Indian economy's growth rate reached a five-quarter high of 7.2% during the quarter ended December 2017, compared with 6.5% in the previous quarter. The upward momentum was largely attributed to the continued recovery of the manufacturing sector, which grew by 8.1%. In addition, sectors such as trade, hotels and transport (9%), and public administration, defence and other services (7.2%) also contributed to this strong momentum. The construction sector's performance improved sharply as it grew by 6.8% compared with 2.8% in the previous quarter. Moreover, the growth of real estate services (along with financial, insurance and professional services) sector increased from 6.4% to 6.7% during the review period. However, despite the visible recovery in quarterly GDP, the Reserve Bank of India continued to project 2017-2018 growth rate at 6.6%.

According to CBRE Research, after rising to 5.2% in December 2017, retail inflation (measured by consumer price inflation) continued on its downward curve, declining to 4.4% in February 2018. In February 2018, the Monetary Policy Committee also estimated inflation at 4.3% to 4.7% during the second half of 2017 and 5.1% to 5.6% during the first half of 2018. Due to the constant fluctuation in inflation, the central bank has decided to keep lending rates stable for now at 6.0%. However, if inflation continues to pose a challenge, the bank might become inclined towards adopting monetary tightening measures in 2018.

Recent disruptions in the technology sector does not seem to have significantly affected the overall leasing activity in the country. Moreover, growth in other sectors appears to have helped plug the gap created by reduced leasing by most Indian tech firms. Despite a drop in its share in office space take-up in India, technology corporates remained the biggest demand driver with a share of 25% during the first quarter of 2018.

## SUMMARY OF BUSINESS

*The industry information contained in this section is derived from a report titled "Industry Report – Top tier and Upscale Hotels" dated June 25, 2018 prepared by Horwath HTL India and commissioned by our Company in connection with the Offer. We have also utilised publically available research reports titled "CBRE India Retail Market View H2 2017", "CBRE India Market Outlook Report April 2018" and "CBRE India Office Market View Q1 2018, released in years 2017 and 2018, prepared by CBRE Research. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. References to hotel segments in this section are in accordance with the presentation in the Horwath Report and we do not report our financial information by these segments.*

*Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to our Company along with our Subsidiary, on a consolidated basis.*

*Investors should note that this is only a summary description of our business and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read the entire Draft Red Herring Prospectus, including the information in the sections titled* ***Risk Factors****", "****Industry Overview****", "****Our Business****" and "****Management's Discussion and Analysis of Financial Condition and Results of Operation****" and "****Summary Financial Information****" on pages 17, 128, 146, 537 and 240, respectively. An investment in the Equity Shares involves a high degree of risk.*

### Overview

We are an owner, developer and asset manager of high-end hotels in key metro cities in India. Our hotel platform comprises five operating hotels, including a hotel with a co-located serviced residence, located in the Mumbai Metropolitan Region, Hyderabad and Bengaluru, representing 2,328 keys, as of March 31, 2018. Our hotels are branded with globally recognized hospitality brands and are in the luxury-upper upscale and upscale hotel segments, according to the Horwath Report. Our hotel platform emphasizes strategic locations, efficient design and development, appropriate positioning in hotel segments together with branding and operational tie-ups with leading hospitality companies. We use our experience to actively manage the hotel assets to drive performance. In addition, we have developed commercial and retail spaces, in close proximity to certain of our hotels.

We have developed our hotels at strategic locations generally with high barriers-to-entry and in high density business districts of their respective metro cities, according to the Horwath Report. We generally develop our hotels on large land parcels, allowing us to situate a greater number of rooms, as well as provide a wide range of amenities, such as, fine dining and specialty restaurants, large banquet and outdoor spaces. We endeavour to build our hotels to superior standards targeting the luxury-upper upscale and upscale hotel segments at an efficient gross built up area and development cost per key.

We believe we have a competitive advantage in key metro cities due to, the significant time outlay required to build and establish a profitable hotel or commercial project, our early mover advantage in large, mixed-use developments in specific micro-markets and availability of unutilized land at certain of our hotel properties to further expand our operations, among others.

We seek to brand our hotels with leading global hospitality brands, which we believe are well matched to the location, size, target customer base and intended hotel segment of our hotel properties. This allows us to save on the time and cost required to build, develop and maintain our 'own hotel brand'. Our hotels are currently branded with global brands such as JW Marriott, Westin, Marriott, Marriott Executive Apartments, Renaissance and Four Points by Sheraton which are held by Marriott Hotels India Private Limited and its affiliates (collectively "**Marriott**"). We also determine, by detailed financial and operational analysis, whether hotel operations should be undertaken directly by us or by engaging third party hotel operators. Currently, our hotel at Vashi, Navi Mumbai, is operated by us under a license agreement with Marriott, and four of our hotels, including our serviced residence, are operated pursuant to hotel operation and related agreements with Marriott.

We follow an active asset management model for our hotels operated by third parties, pursuant to which we closely monitor, and exercise regular oversight over, the performance of our hotel properties. Among other things, we discuss and agree on budgeting and operational and financial targets, review performance reports, engage with the hotel management team at each hotel by conducting detailed monthly performance review meetings and provide regular inputs on cost saving initiatives and potential improvements. We believe that our active asset management model, the premium location of our hotels, our large room inventory and large function spaces, together with our relationship with international hospitality brands, has allowed our hotels to achieve competitive financial and operational parameters. For example most of our hotels have higher ADR, occupancies and RevPAR compared to the average of other hotels in their respective micro-markets and hotel segments, for the financial year 2017, according to the Horwath Report. See "***Industry Overview***" on page 128.

We are part of K. Raheja Corp group which is a leading business group in India and we believe that we derive significant benefit from the confidence that consumers, lenders, hospitality partners, vendors and others place in the group. The companies forming part of the K. Raheja Corp group ("**K. Raheja Companies**") have extensive experience in developing large scale real estate, hospitality and commercial projects resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and opportunities. We further leverage the experience and relationships of these companies with construction companies, architects and designers, to develop, refurbish and maintain hotels at optimal cost and quality.

Our Promoters include Mr. Ravi C. Raheja and Mr. Neel C. Raheja, who have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning as well as our hotel and retail businesses. We have a strong management team with significant industry experience. Our Managing Director and CEO, Mr. Sanjay Sethi has three decades of experience in the hospitality industry and our Executive Director and CFO, Mr. Rajeev Newar, has over 26 years of experience in various industries. Our Key Management Personnel and senior management include qualified professionals and industry experts with significant experience across various industries and functions including finance, legal, projects and design, asset management, hospitality.

Our total revenue was ₹ 9,295.14 million for the financial year 2018, and our total revenue grew at a CAGR of 14.83% between the financial years 2014 and 2018. Our total comprehensive income was ₹ 298.92 million and our Adjusted EBITDA before Exceptional Items was ₹ 3,514.06 million, for the financial year 2018. Adjusted EBITDA before Exceptional Items grew at a CAGR of 27.57%, between the financial years 2014 and 2018. Adjusted EBITDA before Exceptional Items, is a supplemental measure of our performance and liquidity. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Accounting Policies – Adjusted EBITDA before Exceptional Items***" on page 537.

**Competitive Strengths**

***High-End Branded Hotels Strategically Located in Key Metro Cities of India***

We are an owner, developer and asset manager of high-end hotels in key metro cities in India. Our hotel platform comprises five operating hotels, including a hotel with a co-located serviced residence, located in the Mumbai Metropolitan Region, Hyderabad and Bengaluru, representing 2,328 keys, as of March 31, 2018. Our hotels are branded with globally recognized hospitality brands and are in the luxury-upper upscale and upscale hotel segments, according to the Horwath Report. Our hotel platform emphasizes strategic locations, efficient design and development, appropriate positioning in hotel segments together with branding and operational tie-ups with leading hospitality companies.

All our hotel assets are located in high density business districts of key metro cities in India, according to the Horwath Report. We have developed our hotels at strategic locations generally with high barriers-to-entry. For example, we have a hotel in Sahar, Mumbai and another located across 15 acres at the banks of Powai lake, both in proximity to Mumbai's international airport. Similarly, our hotel in Vashi, Navi Mumbai is located close to new business districts and the proposed international airport and our hotels in Hyderabad and Bengaluru are located near the offices of major technology corporations, business centers and retail and commercial facilities. Our design and development team manages construction, design, approval and engineering for our projects and utilizes modern technology for quicker and more efficient development of our properties. We generally locate our hotels on large land parcels, allowing us to situate a greater number of rooms, as well as provide a wide variety of amenities such as fine dining and specialty restaurants, large banquet halls, ball rooms and executive lounges, swimming pools and outdoor spaces, spas and gymnasiums. For example, our four largest hotels have 773, 585, 427 and 391 keys, respectively.

We seek to brand our hotels with leading global hospitality brands, which we believe are well matched to the location, size, target customer base and intended hotel segment of our hotel properties. This allows us to save on the time and cost required to build, develop and maintain our 'own hotel brand'. Currently, all our hotels are branded with global brands, such as, JW Marriott, Westin, Marriott, Marriott Executive Apartments, Renaissance and Four Points by Sheraton, which are held by Marriott. We believe that our active asset management model, the premium location of our hotels, our large room inventory and large function spaces, together with our relationship with leading international hospitality brands, enables us to attract our target customer base including large corporate key accounts such as information technology companies, airlines, multi-national corporations, consultancy firms and banks, deliver an enhanced customer experience, encourage repeat business and drive customer loyalty.

***Active Asset Management Model***

We follow an active asset management model for our four hotels, including a hotel with a co-located serviced residence, which are operated by Marriott pursuant to hotel operation and related agreements. These agreements give us access to Marriott's management expertise, industry best practices, online reservation systems, marketing strategies, systems and processes, human resources and operational know-how. Our active asset management model entails that in addition to contractual obligations under agreements with Marriott, we closely monitor, exercise regular oversight and contribute to the performance of our hotel properties. As part of our active asset management model, we regularly:

- engage with the hotel management team at each hotel in order to discuss and agree on budgeting, cost management initiatives and operational and financial targets for each of our hotel properties. For example, we conduct detailed performance review meetings each month with the hotel management team to assess hotel performance on a host of parameters and provide regular inputs on cost saving initiatives and potential improvements;

- review performance reports generated by each hotel;

- conduct periodic meetings with hotel operator's management teams;

- discuss and optimize pricing strategies to maximize room yield by active monitoring of key corporate accounts and provide inputs on promotional activities;

- review furniture, fixtures and equipment deployment plans and assist with execution of these plans;

- review competitor set performance and penetration across relevant micro-markets; and

- assist in renewing licenses and consents, as necessary.

We believe that our active asset management model, the premium location of our hotels and our large room inventory together with large function spaces, together with our relationship with leading international hospitality brands, has allowed our hotels to achieve competitive financial and operational parameters. For example our hotels had higher ADR, occupancies and RevPAR compared to the average of other hotels in their respective micro-markets and hotel segments, for the financial year 2017, according to the Horwath Report.

The table below sets forth certain key performance parameters for our hotels:

| | **Our Company Financial Year 2018** | **All India Luxury-Upper Upscale Segment Financial Year 2018*** |
|---|---|---|
| **For our hotels managed by third parties:** | | |
| ADR[(1)] (₹) | 7,978.76 | 8,223 |
| Average Occupancy [(2)] | 71.70% | 65% |
| Rev PAR [(3)] (₹) | 5,720.54 | 5,345 |
| Total Operating Revenue (₹ million) [(4)] | 7,883.79 | - |
| Total Operating Expenses (₹ million) [(5)] | 4,704.59 | - |
| **For our hotel managed by us:** | | **All India Upscale and Upper Midscale Hotel Segment Financial Year 2018*** |
| ADR[(1)] (₹) | 6,435.73 | 4,496 |
| Average Occupancy [(2)] | 88.10% | 66% |
| Rev PAR [(3)] (₹) | 5,669.57 | 2,967 |
| Total Operating Revenue (₹ million) [(4)] | 511.14 | - |
| Total Operating Expenses (₹ million) [(5)] | 291.50 | - |

* *According to the Horwath Report.*

(1) *ADR represents revenue from room rentals at our hotels divided by total number of room nights sold (including keys that were available for only a certain portion of a period).*

(2) *Average occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels.*

(3) *RevPAR is calculated by multiplying ADR and average occupancy.*

(4) *Total operating revenue comprises of revenue from hotel including room revenue, food and beverage revenue and other income from hotel operations.*

(5) *Operating expenses comprises of expenses towards food and beverage consumed, operating supplies, employee benefit cost and other expenses.*

Our staff per room ratio (including our employees and personnel engaged on a contractual basis), calculated by dividing total staff by number of available keys, was 1.21 as of March 31, 2018 and 1.25 as of March 31, 2017 for our hotels in the luxury-upper upscale segment and 1.40 as of March 31, 2018 and 1.38 as of March 31, 2017 for our hotel in the upscale segment. The average staff per room ratio of all hotels in India was 2.0 for the five star deluxe segment and 1.8 for the five star segment, as of March 31, 2017, according to the Horwath Report.

Our total revenue was ₹ 9,295.14 million for the financial year 2018, and our total revenue grew at a CAGR of 14.83% between the financial years 2014 and 2018. Our total comprehensive income was ₹ 298.92 million and our Adjusted EBITDA before Exceptional Items was ₹ 3,514.06 million, for the financial year 2018. Adjusted EBITDA before Exceptional Items grew at a CAGR of 27.57%, between the financial years 2014 and 2018. As of March 31, 2018, 2017 and 2016, our Average Cost of Indebtedness was 8.65%, 9.68% and 11.11%, respectively.

***Well Positioned to Benefit from Industry Trends***

According to the Horwath Report, growth in per capita income, changing demographic dynamics, rising urbanization, growth in travel and higher discretionary spending trends, are expected to assist the growth of the hospitality industry in India. Given our presence in key metro cities which are expected to benefit from the growth in these parameters, we are well placed to benefit from the potential growth opportunity. We believe we have a competitive advantage in the key metro cities due to the significant time outlay required for companies to build and establish a profitable hotel or commercial office space or mall and our early mover advantage in large, mixed-use developments in specific micro-markets. Further, the availability of land with our company in proximity to our developments for further expansion and high entry costs to develop projects in metro cities where our developments and projects are located, provide us with an advantage in our relevant micro-markets.

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

According to CBRE Research, due to sustained occupier interest, leasing activity for commercial and office real estate rose by about 25% on a yearly basis and crossed 10 million square feet during the first quarter of 2018. Further, according to CBRE Research, the Indian retail real estate market witnessed continuous foray of international brands, launch of new retail developments and robust demand for space in the second half of 2017. We believe we are well positioned to leverage this growth due to our in-depth understanding of the rental market and the needs and preferences of consumers. We believe that our clients have confidence in us, demonstrated by our relationships with several large corporate clients and domestic and global retail brands, including a long-term agreement with a leading global professional services company for 109,228 square feet of commercial space at Whitefield, Bengaluru. Such relationships may help us to secure clients for our new developments and mitigate the risks that may arise from an inability to secure clients for large commercial or retail spaces at suitable rates.

***Experienced Management Team***

We have a strong management team with significant industry experience. Our Promoters, Mr. Ravi Raheja and Mr. Neel Raheja, have been instrumental in the growth of our hospitality and retail business and actively advise on finance, corporate strategy and planning. Further, our Managing Director and CEO, Mr. Sanjay Sethi has three decades of experience in the hospitality industry, including with leading Indian hotel chains, and across hotel segments. Further, our Executive Director and CFO, Mr. Rajeev Newar, has over 26 years of experience in roles in finance and management. Our Key Management Personnel and senior management include qualified professionals and industry experts, with significant experience across various industries and functions including finance, legal, projects and design, asset management, hospitality and logistics. Our Promoters, Board and management team have demonstrated an ability to enhance our performance by growing our business through different economic and industry cycles. We believe that the strength of our management team and its understanding of the hospitality and real estate market in India enables us to continue to take advantage of current and future market opportunities.

***Backed by Leading Indian Real Estate Developer***

We are part of K. Raheja Corp group which is a leading business group in India and we believe that we derive significant benefit from the confidence that consumers, lenders, commercial partners, vendors and others place in the group. The K. Raheja Companies have extensive experience in developing large scale real estate and commercial projects resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and opportunities. We further leverage the experience and relationships of these companies with construction companies to develop hotels at optimal cost and quality. For example, the average development cost per room (including the cost of land), for our luxury hotel at Sahar, Mumbai, completed in financial year 2015 was ₹ 13.99 million. Further, our hotel project management and design team, works together with the K. Raheja Companies and leverages the experience of K. Raheja Companies' design teams to develop our hotel properties, commercial offices and malls.

**Competitive Strategies**

***Focus on Maximizing Performance in Existing Portfolio through Active Asset Management***

A critical part of our growth strategy is to continue our focus on maximizing the cost efficiency of our portfolio by following a disciplined approach to asset management, and a collaborative working arrangement with our hotel operators to drive strategic and tactical initiatives, to drive profitability. Some of the initiatives are listed below:

- alternative and optimal utilization of hotel spaces to maximize and diversify revenue sources besides room revenue by increasing our share of revenue from food and beverage, meeting rooms, club floors, conferences, events and commercial or retail space;
- continued focus on upgrading facilities to work towards a best-in-class experience across our existing hotels by undertaking renovations and rebranding exercises;
- improve staff productivity and efficiency through appropriate training and learning exercises and an optimal use of technology;
- undertake energy saving initiatives that are both cost-efficient and environmentally friendly as well explore shared service opportunities, such as laundry and finance operations, for our hotels located in the same city; and
- ensuring presence of leadership personnel commensurate with the size and scale of each hotel property.

***Disciplined Development of Assets in the Current Pipeline***

We are developing two additional hotel projects which are expected to have 410 keys and two projects representing commercial office space with built up area of approximately 1.12 million square feet. We have traditionally acquired large parcels of land at competitive prices with the intention to develop hotel-led mixed-use projects. We seek to leverage unutilized FSI at some of our hotel locations which allows us to develop additional commercial or retail spaces. For example, we are developing commercial space in Powai, Mumbai and an IT Park in Whitefield, Bengaluru located on unutilized land at our hotel properties. We also intend to focus on developing new hotel-led mixed-use projects in prime locations with development sizes similar to our existing projects, and which feature a combination of hotels, retail developments and commercial office space. Our retail and commercial space under construction is expected to generate regular rental income and cushion the hospitality cash flow cyclicality. Retail and commercial space are also expected to complement the hospitality business and generate synergies within the hotel led mixed-use projects. For example, we believe that the development of our commercial and retail real estate projects in proximity to our hotels will provide benefits to our hotel business for MICE events and assist in driving room occupancy.

***Expand Portfolio by way of Opportunistic and Accretive Acquisitions***

The hospitality industry in India has recently experienced some consolidation according to the Horwath Report, and we will continue to explore opportunities for acquiring operating hotel assets. The hotel industry has seen considerable debt-related stressed assets, including projects that are left incomplete or completion prolonged to due lack of funding which creates acquisition opportunities, according to the Horwath Report. We seek to leverage our experience and in-house capabilities to acquire operational or near complete hotel assets at an attractive price to reduce replacement cost, initiate turnaround strategies through active asset management, brand repositioning, property enhancement or cost controls and derive benefits of economies of scale. We believe that our asset ownership model allows us the flexibility to acquire a variety of existing branded hotels unlike hotel companies which operate under their own brand.

Further, we will evaluate inorganic growth opportunities, in keeping with our strategy to grow and develop our market share. We may consider opportunities for inorganic growth, such as through acquisitions of operating hotel assets, if, among other things, they:

- are consistent with the positioning and parameters of our existing hotels and which we estimate are high-yielding hotel assets;
- consolidate our market position in strategic micro-markets in key metro cities;
- achieve operating leverage by unlocking potential efficiency and synergy benefits;
- strengthen and expand our portfolio to newer geographies across India which typically attract significant traffic from business and leisure travellers particularly in the NCR, Bengaluru, Pune, Chennai and Goa; and
- enhance our depth of experience and know-how.

***Maintain a Sustainable Capital Structure and Ensure Prudent Capital Allocation***

We seek to expand our portfolio of hotel properties organically or inorganically, based on industry developments and supply and demand movements across the hotel sector and in and specific locations and micro markets. Our strategy is to invest in buying completed projects in demand dense markets when acquisition costs are low and we are able to obtain financing at suitable rates. We leverage our Company's and K. Raheja Companies' development strength to construct and develop our hotels and thereafter actively manage properties along with a suitable hospitality brand partner. Our approach has allowed us to allocate capital at opportune times to acquire land and build hotels efficiently. Once our hotels are operational, we aim to take advantage of growing demand to maximize revenue and returns by partnering with well-renowned hotel operators, as well as to reduce existing debt. As of March 31, 2018, 2017 and 2016, our Average Cost of Indebtedness was 8.65%, 9.68% and 11.11%, respectively and our debt to equity ratio was 5.50, 5.64 and 4.55, respectively. We aim to continue to reduce our cost of indebtedness through active evaluation of refinancing and alternative capital sources.

***Opportunity for reflagging hotels or renegotiating hotel operation contracts***

The hotel operation contracts for our operational hotels, including our serviced residence, at Powai, Mumbai and Hyderabad will be due for renewal in March 2020 and December 2021, respectively. Further, our license agreement for our hotel at Vashi, Navi Mumbai will be due for renewal in December 2021. This provides us with an opportunity to rebrand hotel assets or reposition our properties by using alternate brands at these hotels to better cater to expected demand in the respective micro markets where our hotels are located. Given the demand potential in the hospitality sector according to the Horwath Report, we believe that we may also be able to renegotiate better terms for our hotel operation contracts. We may also evaluate options of diversifying our asset portfolio to include more international brands of similar to higher positioning as our current brands, in order to reduce risk of reliance on any one hospitality company.

## SUMMARY FINANCIAL DATA

### Restated Consolidated Summary - Data of Assets and Liabilities

(Rs.in Million)

| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | **21,210.77** | 21,706.06 | 19,302.22 | 19,369.27 | 11,118.52 |
| Capital work-in-progress | **218.23** | 211.50 | 316.11 | 487.62 | 5,716.13 |
| Investment property | **6,736.65** | 6,424.19 | 4,525.03 | 3,502.95 | 1,596.36 |
| Goodwill | **226.11** | 226.11 | 36.58 | 36.68 | 36.68 |
| Other intangible assets | **18.53** | 29.78 | 37.92 | 40.94 | 6.25 |
| **Financial assets** | | | | | |
| (i) Investments | **43.17** | 3.08 | 474.24 | 128.41 | 115.41 |
| (ii) Loans | **114.05** | 105.48 | 117.17 | 110.81 | 156.42 |
| (iii) Others | **50.00** | - | - | - | - |
| Deferred tax assets (net) | **947.39** | 976.84 | 829.23 | 443.71 | 402.43 |
| Other non-current assets | **74.71** | 93.79 | 98.46 | 234.79 | 276.79 |
| Non-current tax assets (net) | **462.99** | 339.00 | 213.62 | 165.64 | 81.59 |
| **Total non current assets** | **30,102.60** | **30,115.83** | **25,950.58** | **24,520.82** | **19,506.58** |
| **Current assets** | | | | | |
| Inventories | **3,115.80** | 3,190.85 | 3,257.56 | 3,217.34 | 2,947.90 |
| Financial assets | | | | | |
| (i) Trade receivables | **551.70** | 296.20 | 181.38 | 100.64 | 156.98 |
| (ii) Cash and cash equivalents | **295.21** | 228.30 | 214.75 | 179.27 | 927.72 |
| (iii) Bank balances other than (ii) above | **21.50** | 103.44 | 131.82 | 138.73 | 96.64 |
| (iv) Loans | **2,349.29** | 1,793.47 | 1,355.59 | 971.76 | 1,834.99 |
| (v) Others | **402.56** | 187.51 | 145.55 | 130.89 | 300.95 |
| Other current assets | **321.31** | 311.30 | 268.95 | 225.14 | 195.52 |
| **Total current assets** | **7,057.37** | **6,111.07** | **5,555.60** | **4,963.77** | **6,460.70** |
| **Assets classified as held for sale** | **-** | **-** | **2,870.27** | **3,763.93** | **4,346.15** |
| **TOTAL ASSETS** | **37,159.97** | **36,226.90** | **34,376.45** | **33,248.52** | **30,313.43** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Equity share capital | **1,710.95** | 1,521.42 | 1,521.42 | 1,521.42 | 1,521.42 |
| Other equity | **3,244.11** | 3,149.03 | 3,649.41 | 4,799.03 | 5,083.58 |
| **Total equity** | **4,955.06** | **4,670.45** | **5,170.83** | **6,320.45** | **6,605.00** |
| **Non current liabilities** | | | | | |
| Financial liabilities | | | | | |
| (i) Borrowings | **22,151.53** | 20,505.76 | 19,022.83 | 15,387.03 | 14,205.80 |
| (ii) Others | **151.77** | 118.98 | 53.03 | 26.62 | 15.39 |
| Provisions | **38.11** | 57.62 | 55.74 | 51.19 | 36.80 |
| Deferred tax liabilities (net) | **636.01** | 703.09 | 1,082.56 | 1,205.54 | 1,022.13 |
| Other non-current liabilities | **28.08** | 21.15 | - | - | - |
| **Total non current liabilities** | **23,005.50** | **21,406.60** | **20,214.16** | **16,670.38** | **15,280.12** |
| **Current liabilities** | | | | | |
| Financial liabilities | | | | | |
| (i) Borrowings | **1,634.16** | 3,247.45 | 2,583.17 | 1,807.68 | 1,414.45 |
| (ii) Trade payables | **858.80** | 846.74 | 651.89 | 598.71 | 589.42 |
| (iii) Other financial liabilities | **3,761.64** | 3,038.13 | 2,318.85 | 4,302.42 | 2,394.15 |
| Other current liabilities | **1,986.15** | 1,868.99 | 2,218.26 | 2,377.71 | 2,839.43 |
| Provisions | **958.66** | 1,148.54 | 1,219.29 | 1,171.17 | 1,190.86 |
| **Total current liabilities** | **9,199.41** | **10,149.85** | **8,991.46** | **10,257.69** | **8,428.31** |
| **TOTAL EQUITY AND LIABILITIES** | **37,159.97** | **36,226.90** | **34,376.45** | **33,248.52** | **30,313.43** |

**Restated Consolidated Summary -Data of Profit and Loss**

(Rs.in Million-)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Revenue from operations | **8,938.16** | 7,373.54 | 5,824.57 | 4,414.53 | 5,011.31 |
| Other income | **356.98** | 1,871.83 | 151.04 | 256.02 | 334.65 |
| **Total income (A)** | **9,295.14** | **9,245.37** | **5,975.61** | **4,670.55** | **5,345.96** |
| **Expenses** | | | | | |
| Real estate development costs | **194.80** | 207.99 | 253.57 | 349.97 | 1,088.33 |
| Food and beverages consumed | **765.65** | 667.35 | 603.85 | 426.81 | 409.02 |
| Operating supplies consumed | **256.17** | 218.40 | 190.06 | 306.04 | 122.04 |
| Employee benefits expense | **1,295.59** | 1,188.25 | 1,067.20 | 861.80 | 679.73 |
| Other expenses | **3,268.87** | 2,655.07 | 2,301.99 | 1,827.99 | 1,720.00 |
| **Total expenses (B)** | **5,781.08** | **4,937.06** | **4,416.67** | **3,772.61** | **4,019.12** |
| **Earnings before interest, depreciation, amortisation and tax (Adjusted EBITDA) before Exceptional Items (C) (A-B)** | **3,514.06** | 4,308.31 | 1,558.94 | 897.94 | 1,326.84 |
| Depreciation and amortisation expenses | **1,116.33** | 1,269.76 | 988.08 | 617.68 | 595.96 |
| Finance costs | **2,119.21** | 2,179.58 | 2,158.69 | 1,605.73 | 1,368.80 |
| **Profit/(loss) before exceptional items and tax (D)** | **278.52** | **858.97** | **(1,587.83)** | **(1,325.47)** | **(637.92)** |
| **Exceptional items (E)** | **(54.08)** | **(67.81)** | **(72.20)** | **(82.59)** | **(770.59)** |
| **Profit/(loss) from continuing operations before share of profit of equity accounted investees and income tax (F) (D+E)** | **224.44** | **791.16** | **(1,660.03)** | **(1,408.06)** | **(1,408.51)** |
| **Share of profit of equity accounted investees (net of income tax) (G)** | **-** | - | - | (0.04) | - |
| **Profit/(loss) from continuing operations before income tax (H) (F+G)** | **224.44** | **791.16** | **(1,660.03)** | **(1,408.10)** | **(1,408.51)** |
| **Tax expense (I):** | **(59.82)** | (483.22) | (535.14) | (144.19) | (320.46) |
| 1. Current tax | **-** | - | - | - | 65.19 |
| 2. Deferred tax credit | **(59.82)** | (483.22) | (535.14) | (144.19) | (385.65) |
| **Profit/(loss) for the year (J) (H-I)** | **284.26** | **1,274.38** | **(1,124.89)** | **(1,263.91)** | **(1,088.05)** |
| **Other comprehensive income/(expense) (K)** | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| Remeasurements of the defined benefit plans | **22.54** | 0.20 | 1.93 | (3.98) | (4.73) |
| Income tax on above | **(7.88)** | (0.07) | (0.67) | 1.38 | 1.61 |
| **Other comprehensive income/(expense) for the year, net of tax** | **14.66** | **0.13** | **1.26** | **(2.60)** | **(3.12)** |
| **Total comprehensive income/(expense) for the year (L) (J+K)** | **298.92** | **1,274.51** | **(1,123.63)** | **(1,266.51)** | **(1,091.17)** |
| **Profit/(loss) attributable to :** | | | | | |
| Owners of the Company | **284.26** | **1,274.38** | **(1,124.89)** | **(1,263.91)** | **(1,088.05)** |
| **Other comprehensive income/(expense) attributable to :** | | | | | |
| Owners of the Company | **14.66** | **0.13** | **1.26** | **(2.60)** | **(3.12)** |
| **Total comprehensive income/(expense) attributable to :** | | | | | |
| Owners of the Company | **298.92** | **1,274.51** | **(1,123.63)** | **(1,266.51)** | **(1,091.17)** |
| **Earnings per equity share** | | | | | |
| Basic and diluted earnings per share | **1.66** | **7.97** | **(7.39)** | **(8.31)** | **(7.15)** |

**Restated Consolidated Summary Data of Changes in Equity**

(Rs. In Million)

**(a) Equity share capital**

| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Balance at the beginning of the reporting year | 1521.42 | 1521.42 | 1521.42 | 1521.42 | 1521.42 |
| Shares issued during the year | 189.53 | - | - | - | - |
| Balance at the end of the reporting year | 1,710.95 | 1,521.42 | 1,521.42 | 1,521.42 | 1,521.42 |

**(b) Other equity**

| | Attributable to the owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | **Shares pending allotment** | **Capital Reserve** | **Securities Premium Account** | **General reserve** | **Retained earnings*** | **Total** |
| Balance at March 31, 2017 | 189.53 | 0.16 | 1,418.13 | 35.78 | 1,505.43 | 3,149.03 |
| Total comprehensive income for the year | | | | | | |
| Profit for the year | - | - | - | - | 284.26 | 284.26 |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | 14.66 | 14.66 |
| Total comprehensive income for the year | - | - | - | - | 298.92 | 298.92 |
| *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 March 31, 2018 | - | 0.16 | 1,418.13 | 35.78 | 1,790.03 | 3,244.10 |
| | | | | | | |
| Balance at March 31, 2016 | | 0.16 | 992.60 | - | 2,656.65 | 3,649.41 |
| Total comprehensive income for the year | | | | | | |
| Profit for the year | - | - | - | - | 1,274.38 | 1,274.38 |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | 0.13 | 0.13 |
| Total comprehensive income for the year | - | - | - | - | 1,274.51 | 1,274.51 |
| *Others* | | | | | | |
| Acquired in business combination | - | - | 425.53 | 35.78 | (2,425.73) | (1,964.42) |
| Share pending allotment | 189.53 | - | - | - | - | - |
| Balance at March 31, 2017 | 189.53 | 0.16 | 1,418.13 | 35.78 | 1,505.43 | 3,149.03 |
| | | | | | | |
| Balance at March 31, 2015 - Proforma | - | 0.05 | 992.60 | - | 3,806.38 | 4,799.03 |
| Total comprehensive income for the year | | | | | | |
| (Loss) for the year | - | - | - | - | (1,124.89) | (1,124.89) |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | 1.26 | 1.26 |
| Total comprehensive income for the year | - | - | - | - | (1,123.63) | (1,123.63) |
| *Others* | | | | | | - |
| Impact of change in tax rate on fair valuation of land | - | - | - | - | (25.99) | (25.99) |
| Transferred from surplus in Statement of Profit and Loss on redemption of preference shares | - | - | - | - | (0.11) | (0.11) |
| Transfer to Capital Reserve | - | 0.11 | - | - | - | 0.11 |

| | Attributable to the owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | **Shares pending allotment** | **Capital Reserve** | **Securities Premium Account** | **General reserve** | **Retained earnings*** | **Total** |
| Balance at March 31, 2016 - Proforma | | 0.16 | 992.60 | - | 2,656.65 | 3,649.41 |
| | | | | | | |
| Balance at March 31, 2014 - Proforma | | 0.05 | 992.60 | - | 4,090.93 | 5,083.58 |
| Total comprehensive income for the year | | | | | | |
| (Loss) for the year | - | - | - | - | (1,263.91) | (1,263.91) |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | (2.60) | (2.60) |
| Total comprehensive income for the year | - | - | - | - | (1,266.51) | (1,266.51) |
| | | | | | | |
| *Others* | | | | | | |
| Fair valuation of land (net of tax) | - | - | - | - | 981.96 | 981.96 |
| Balance at March 31, 2015 - Proforma | - | 0.05 | 992.60 | - | 3,806.38 | 4,799.03 |
| | | | | | | |
| Balance at April 1, 2013 - Proforma | | 0.05 | 992.60 | - | 4,997.45 | 5,990.10 |
| Total comprehensive income for the year | | | | | | |
| (Loss) for the year | - | - | - | - | (1,088.05) | (1,088.05) |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | (3.12) | (3.12) |
| Total comprehensive income for the year | - | - | - | - | (1,091.17) | (1,091.17) |
| | | | | | | |
| *Others* | | | | | | |
| Fair valuation of land (net of tax) | - | - | - | - | 134.24 | 134.24 |
| Impact of change in tax rate on fair valuation of land | - | - | - | - | 50.41 | 50.41 |
| | | | | | | |
| Balance at March 31, 2014 - Proforma | - | 0.05 | 992.60 | - | 4,090.93 | 5,083.58 |

* Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact): Rs. 3,710.05 million (March 31 2017: Rs. 3,724.37 million, March 31, 2016: Rs. 3,724.37 million, March 31, 2015: 3,750.36 million, March 31, 2014: 2,868.51 million)

**Restated Consolidated Summary Data of Cash Flows**

(Rs.in Million-)

| | | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES :** | | | | | |
| | **Profit/(loss) before tax** | **224.44** | 791.16 | (1,660.03) | (1,408.10) | (1,408.51) |
| | Adjustments for : | | | | | |
| | Interest income | **(197.39)** | (245.99) | (65.04) | (234.26) | (313.37) |
| | Depreciation and amortisation | **1,116.33** | 1,269.76 | 988.08 | 617.68 | 595.96 |
| | Finance costs | **2,119.21** | 2,179.58 | 2,158.69 | 1,605.73 | 1,368.80 |
| | Profit on sale of fixed assets(net) | **(1.23)** | (3.85) | (0.17) | (1.80) | (12.05) |
| | Profit on sale of investments | **(114.57)** | (1,301.24) | (46.10) | - | - |
| | Provision for estimated / actual cancellation and alteration cost | **54.08** | 67.81 | 72.20 | 82.59 | 770.59 |
| | Dividend received | **-** | - | (7.90) | (1.32) | - |
| | Provision for impairment loss | - | 0.99 | 0.97 | 160.94 | - |
| | Fixed assets written off | - | 29.96 | 0.52 | - | - |
| | Bad debts written off | - | 0.48 | 0.86 | 0.28 | - |
| | Provision for doubtful debts | **7.85** | 1.38 | 1.55 | - | - |
| | Export benefits and entitlements | **(10.00)** | (314.74) | (95.14) | (8.90) | (256.05) |
| | Loss on sale of investment/written off | **-** | - | 5.78 | 6.19 | 4.60 |
| | Provision for impairment on export benefits and entitlements | **-** | 0.96 | - | - | - |
| | Provision for mark to market on derivative contract | **(72.39)** | (11.31) | 46.66 | 60.49 | - |
| | Unrealised exchange loss | **16.33** | (129.59) | 1.63 | 6.01 | 84.92 |
| | Fair value change on instruments measured at FVTPL | - | (10.82) | 9.60 | - | - |
| | Others | **0.53** | (8.85) | (7.67) | (87.86) | 26.83 |
| | **Total** | **2,918.75** | **1,524.53** | **3,064.52** | **2,205.76** | **2,270.23** |
| | **Adjustments:** | | | | | |
| | (Increase) / decrease in trade receivables and loans and advances | **(470.93)** | (58.15) | (477.27) | 186.35 | (11.04) |
| | (Increase) in inventories : hospitality & others | **13.49** | 7.45 | (16.14) | (2.40) | (5.23) |
| | Decrease in inventories : property developments | **61.56** | 211.39 | 8.70 | 231.68 | 267.16 |
| | Increase / (decrease) in trade payables & other liabilities | **240.21** | (43.04) | 121.52 | (218.74) | 179.43 |
| | Refund of advances received from customers - towards sale of residential flats | **(374.48)** | (353.99) | (199.92) | (1,032.78) | (331.96) |
| | **Total** | **(530.15)** | **(236.34)** | **(563.11)** | **(835.89)** | **98.36** |
| | Direct taxes paid | **(123.99)** | (67.11) | (47.98) | (84.73) | (27.27) |
| | **NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)** | **2,489.05** | **2,012.24** | **793.40** | **(122.96)** | **932.81** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES :** | | | | | |
| | Purchase of fixed assets (including capital work in progress, capital creditors and capital advances) | **(622.05)** | (1,145.80) | (1,788.89) | (3,198.68) | (2,905.89) |
| | Proceeds from sale of fixed assets | **12.96** | 6.91 | 19.37 | 6.70 | 12.86 |
| | Purchase of investments (including investment property and investment property under construction | **(477.40)** | (89.71) | (187.44) | (296.03) | (4,760.23) |
| | Proceeds from sale of investments | **114.57** | 4,675.40 | 543.37 | 582.22 | 433.34 |
| | Proceeds from short term investments | - | - | - | - | (5.22) |
| | Dividend received | - | 0.00 | 7.90 | 1.32 | - |
| | Loans given | **(7,170.20)** | (8,373.10) | (1,730.70) | (2,143.72) | (1,249.49) |

| | | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| | Loans repaid | **6,622.81** | 7,970.00 | 1,212.69 | 2,997.73 | 6,099.81 |
| | Inter corporate deposit repaid | **-** | - | - | - | 276.49 |
| | Fixed deposits (placed) / matured | **(50.00)** | 6.61 | - | - | 75.00 |
| | Interest income received | **197.39** | 122.60 | 195.01 | 196.58 | 850.80 |
| | Margin money received / (placed) (net) | **81.94** | 76.49 | 5.90 | (42.09) | (39.91) |
| | **NET CASH GENERATED (USED IN) / FROM INVESTING ACTIVITIES (B)** | **(1,289.98)** | **3,249.39** | **(1,722.78)** | **(1,895.97)** | **(1,212.42)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES :** | | | | | |
| | Proceeds from long-term borrowings | **5,200.00** | 2,557.66 | 9,100.00 | 4,722.24 | 4,194.53 |
| | Repayment of long-term borrowings | **(2,725.19)** | (4,410.32) | (7,276.30) | (2,183.91) | (1,634.01) |
| | Redemption of preference share capital | **-** | - | (0.11) | - | - |
| | Short term borrowings (net) | **(1,938.74)** | (540.75) | 612.99 | 538.83 | (1,683.01) |
| | Interest received | **-** | - | - | - | (192.93) |
| | Interest and finance charges paid | **(2,102.88)** | (2,240.28) | (1,906.19) | (1,587.12) | (1,314.25) |
| | **NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)** | **(1,566.81)** | **(4,633.70)** | **530.39** | **1,490.04** | **(629.67)** |
| | | | | | | |
| | **NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)** | **(367.74)** | **627.94** | **(398.99)** | **(528.89)** | **(909.29)** |
| | | | | | | |
| | **CASH AND CASH EQUIVALENTS - OPENING BALANCE** | **119.82** | (548.49) | (147.44) | 381.45 | 1,310.68 |
| | On account of merger | **-** | 40.37 | - | - | - |
| | Less: Impact of sale of subsidiary / Transferred pursuant to Scheme of Arrangement | **109.94** | - | (2.05) | - | (19.94) |
| | | | | | | |
| | **CASH AND CASH EQUIVALENTS - CLOSING BALANCE** | **(137.98)** | **119.82** | **(548.49)** | **(147.44)** | **381.45** |

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.

| | | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| 2 | Reconciliation of cash and cash equivalents with the balance sheet | | | | | |
| | Cash and cash equivalents | **295.21** | 228.30 | 214.75 | 179.27 | 927.72 |
| | Less: Cash credit / overdraft accounts from banks | **(433.19)** | (108.48) | (763.24) | (326.71) | (546.27) |
| | **Cash and cash equivalents as per restated consolidated summary statement of cash flows above** | **(137.98)** | **119.82** | **(548.49)** | **(147.44)** | **381.45** |
| 3 | The movement of borrowings as per Ind AS 7 is as follows: | | | | | |
| | Opening borrowings | **23,111.28** | 20,923.22 | 18,907.80 | 16,177.98 | 13,323.64 |
| | Proceeds from long-term borrowings | **5,200.00** | 2,557.66 | 9,100.00 | 4,722.24 | 4,194.53 |
| | Repayment of long-term borrowings | **(2,725.19)** | (4,410.32) | (7,276.30) | (2,183.91) | (1,634.01) |
| | Non-cash adjustments | **32.84** | (24.21) | 191.72 | 191.49 | 373.82 |
| | Adjustment on account of mergers | **-** | 4,064.93 | - | - | (80.00) |
| | | **25,618.93** | 23,111.28 | 20,923.22 | 18,907.80 | 16,177.98 |

**Restated Standalone Summary -Data of Assets and Liabilities**

(Rs. in million)

| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2014 |
|---|---|---|---|---|---|
| | | | Proforma | Proforma | Proforma |
| **ASSETS** | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 21,210.47 | 21,803.82 | 19,411.89 | 19,478.98 | 11,228.25 |
| Capital work-in-progress | 219.15 | 223.59 | 316.11 | 487.62 | 5,720.16 |
| Investment property | 6,736.65 | 6,424.19 | 4,525.03 | 3,502.95 | 1,596.36 |
| Goodwill | 226.11 | 226.11 | 36.58 | 36.58 | 36.58 |
| Other intangible assets | 18.53 | 29.78 | 37.92 | 40.94 | 6.25 |
| Financial assets | | | | | |
| (i) Investment in subsidiaries | - | 0.10 | 0.10 | 0.29 | 0.29 |
| (ii) Other Investments | 43.17 | 3.08 | 474.24 | 128.41 | 115.41 |
| (iii) Loans | 110.65 | 105.48 | 117.17 | 110.81 | 71.53 |
| (iv) Others | 50.00 | 14.02 | - | - | - |
| Deferred tax assets (net) | 947.77 | 977.23 | 829.61 | 444.08 | 402.72 |
| Other non-current assets | 71.96 | 91.99 | 96.66 | 234.80 | 276.79 |
| Non-current tax assets (net) | 461.79 | 337.80 | 212.42 | 163.31 | 79.29 |
| **Total non current assets** | **30,096.25** | **30,237.19** | **26,057.73** | **24,628.77** | **19,533.63** |
| Current assets | | | | | |
| Inventories | 3,115.80 | 3,190.85 | 3,257.56 | 3,250.11 | 2,980.96 |
| Financial assets | | | | | |
| (i) Trade receivables | 551.70 | 296.21 | 181.38 | 100.82 | 156.98 |
| (ii) Cash and cash equivalents | 294.27 | 224.26 | 210.02 | 174.19 | 926.46 |
| (iii) Bank balances other than above | 21.50 | 103.44 | 131.82 | 138.73 | 96.64 |
| (iv) Loans | 2,364.90 | 1,793.47 | 1,378.12 | 1,074.74 | 1,923.47 |
| (v) Others | 402.56 | 173.49 | 145.55 | 130.89 | 300.95 |
| Other current assets | 322.73 | 311.32 | 269.25 | 235.81 | 195.65 |
| **Total current assets** | **7,073.46** | **6,093.04** | **5,573.70** | **5,105.29** | **6,581.11** |
| Assets classified as held for sale | - | - | 2,870.27 | 3,763.93 | 4,346.15 |
| **TOTAL ASSETS** | **37,169.71** | **36,330.23** | **34,501.70** | **33,497.99** | **30,460.89** |
| **EQUITY AND LIABILITIES** | | | | | |
| Equity | | | | | |
| Equity share capital | 1,710.95 | 1,521.42 | 1,521.42 | 1,521.42 | 1,521.42 |
| Other equity | 3,512.05 | 3,496.82 | 3,970.17 | 5,125.99 | 5,310.14 |
| Total equity | 5,223.00 | 5,018.24 | 5,491.59 | 6,647.41 | 6,831.56 |
| Non current liabilities | | | | | |
| Financial liabilities | | | | | |
| (i) Borrowings | 22,151.53 | 20,505.76 | 19,022.83 | 15,386.92 | 14,205.70 |
| (ii) Others | 151.77 | 32.46 | 53.03 | 26.62 | 20.20 |
| Provisions | 38.11 | 57.62 | 55.74 | 51.19 | 36.80 |
| Deferred tax liabilities (net) | 636.01 | 703.09 | 1,082.56 | 1,205.54 | 1,022.13 |
| Other non-current liabilities | 28.08 | 21.15 | - | - | - |
| **Total non current liabilities** | **23,005.50** | **21,320.08** | **20,214.16** | **16,670.27** | **15,284.83** |
| **Current liabilities** | | | | | |
| Financial liabilities | | | | | |
| (i) Borrowings | 1,377.77 | 3,005.67 | 2,388.29 | 1,731.42 | 1,337.05 |
| (ii) Trade payables | 859.00 | 846.70 | 651.89 | 596.63 | 589.31 |
| (iii) Other financial liabilities | 3,761.57 | 3,124.62 | 2,318.74 | 4,304.31 | 2,389.06 |
| Other current liabilities | 1,984.25 | 1,866.39 | 2,217.74 | 2,376.78 | 2,838.22 |
| Provisions | 958.62 | 1,148.53 | 1,219.29 | 1,171.17 | 1,190.86 |
| **Total current liabilities** | **8,941.21** | **9,991.91** | **8,795.95** | **10,180.31** | **8,344.50** |
| **TOTAL EQUITY AND LIABILITIES** | **37,169.71** | **36,330.23** | **34,501.70** | **33,497.99** | **30,460.89** |

**Restated Standalone Summary Data of Profit and Loss**

(Rs. in million)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Revenue from operations | **8,938.16** | 7,373.53 | 5,824.57 | 4,414.53 | 5,011.31 |
| Other income | **247.11** | 1,871.75 | 140.22 | 269.15 | 334.46 |
| **Total Income (A)** | **9,185.27** | **9,245.28** | **5,964.79** | **4,683.68** | **5,345.77** |
| **Expenses** | | | | | |
| Real estate development costs | **194.80** | 207.99 | 251.53 | 349.97 | 1,088.33 |
| Food and beverages consumed | **822.20** | 667.35 | 604.45 | 426.81 | 409.02 |
| Operating supplies consumed | **256.17** | 218.40 | 189.98 | 306.04 | 122.04 |
| Employee benefits expense | **1,295.59** | 1,188.25 | 1,067.19 | 861.80 | 679.74 |
| Other expenses | **3,208.91** | 2,653.89 | 2,300.33 | 1,749.98 | 1,712.69 |
| **Total Expenses (B)** | **5,777.67** | **4,935.88** | **4,413.48** | **3,694.60** | **4,011.82** |
| **Earnings before interest, depreciation, amortisation and tax (Adjusted EBITDA) before Exceptional Items (C) (A - B)** | **3,407.60** | **4,309.40** | **1,551.31** | **989.08** | **1,333.95** |
| Depreciation and amortisation expenses | **1,116.33** | 1,269.80 | 988.12 | 617.72 | 595.95 |
| Finance Costs | **2,092.60** | 2,153.61 | 2,157.26 | 1,596.55 | 1,368.20 |
| **Profit/(Loss) before exceptional items and tax (D)** | **198.67** | **885.99** | **(1,594.07)** | **(1,225.19)** | **(630.20)** |
| **Exceptional items (E)** | **(54.08)** | (67.81) | (72.20) | (82.59) | (770.59) |
| **Profit/(Loss) before tax (F) (D+E)** | **144.59** | **818.18** | **(1,666.27)** | **(1,307.78)** | **(1,400.79)** |
| **Tax expense (G):** | | | | | |
| 1. Current tax | - | - | - | - | 65.00 |
| 2. Deferred tax credit | **(59.82)** | (483.22) | (535.16) | (144.27) | (385.64) |
| **Profit/(Loss) for the year (H) (F-G)** | **204.41** | **1,301.40** | **(1,131.11)** | **(1,163.51)** | **(1,080.15)** |
| **Other comprehensive income/(expense) for the year, net of tax** | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| Remeasurements of the defined benefit plans | **22.54** | 0.20 | 1.93 | (3.98) | (4.73) |
| Income tax on above | **(7.88)** | (0.07) | (0.67) | 1.38 | 1.61 |
| **Other comprehensive income/(expense) for the year, net of tax** | **14.66** | 0.13 | 1.26 | (2.60) | (3.12) |
| **Total comprehensive income/(expense) for the year** | **219.07** | **1,301.53** | **(1,129.85)** | **(1,166.11)** | **(1,083.27)** |
| **Earnings per equity share** | | | | | |
| Basic and diluted earnings per share | **1.19** | **8.14** | **(7.43)** | **(7.65)** | **(7.10)** |

## Restated Standalone Summary Data of Changes in Equity

### (a) Equity share capital

(Rs. in million)

| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Balance at the beginning of the reporting period | 1,521.42 | 1,521.42 | 1,521.42 | 1,521.42 | 1,521.42 |
| Changes in equity share capital during the year | 189.53 | - | - | - | - |
| Balance at the end of the reporting period | 1,710.95 | 1,521.42 | 1,521.42 | 1,521.42 | 1,521.42 |

(Rs. In Million)

### (b) Other equity

| | Attributable to the owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | Shares pending allotment | Capital Reserve | Securities Premium | General reserve | Retained earnings * | Total |
| Balance at March 31, 2017 | 189.53 | 0.05 | 1,418.13 | 35.78 | 1,853.33 | 3,496.82 |
| Total comprehensive income for the year | | | | | | |
| Profit for the year | - | - | - | - | 204.41 | 204.41 |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | 14.66 | 14.66 |
| Total comprehensive income for the year | - | - | - | - | 219.07 | 219.07 |
| *Others* | | | | | | |
| Shares issued during the year | (189.53) | - | - | - | - | (189.53) |
| Impact of change in tax rate on fair valuation of land | - | - | - | - | (14.32) | (14.32) |
| Balance at March 31, 2018 | - | 0.05 | 1,418.13 | 35.78 | 2,058.08 | 3,512.04 |
| Balance at March 31, 2016 | - | 0.05 | 992.60 | - | 2,977.52 | 3,970.17 |
| Total comprehensive income for the year | | | | | | |
| Profit for the year | - | - | - | - | 1,301.40 | 1,301.40 |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | 0.13 | 0.13 |
| Total comprehensive income for the year | - | - | - | - | 1,301.53 | 1,301.53 |
| *Others* | | | | | | |
| Acquired in business combination | - | - | 425.53 | 35.78 | (2,425.72) | (1,964.41) |
| Share pending allotment | 189.53 | - | - | - | - | 189.53 |
| Balance at March 31, 2017 | 189.53 | 0.05 | 1,418.13 | 35.78 | 1,853.33 | 3,496.82 |
| Balance at March 31, 2015 - Proforma | - | 0.05 | 992.60 | - | 4,133.34 | 5,125.99 |
| Total comprehensive income for the year | | | | | | |
| (Loss) for the year | - | - | - | - | (1,131.11) | (1,131.11) |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | 1.26 | 1.26 |
| Total comprehensive income for the year | - | - | - | - | (1,129.85) | (1,129.85) |
| *Others* | | | | | | |
| Impact of change in tax rate on fair valuation of land | - | - | - | - | (25.97) | (25.97) |
| Balance at March 31, 2016 - Proforma | - | 0.05 | 992.60 | - | 2,977.52 | 3,970.17 |

| | Attributable to the owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | **Shares pending allotment** | **Capital Reserve** | **Securities Premium** | **General reserve** | **Retained earnings *** | **Total** |
| Balance at March 31, 2014 - Proforma | - | 0.05 | 992.60 | - | 4,317.49 | 5,310.14 |
| Total comprehensive income for the year | | | | | | |
| (Loss) for the year | - | - | - | - | (1,163.51) | (1,163.51) |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | (2.60) | (2.60) |
| Total comprehensive income for the year | - | - | - | - | (1,166.11) | (1,166.11) |
| *Others* | | | | | | |
| Fair valuation of land (net of tax) | - | - | - | - | 981.96 | 981.96 |
| Balance at March 31, 2015 - Proforma | - | 0.05 | 992.60 | - | 4,133.34 | 5,125.99 |
| Balance at April 1, 2013 - Proforma | - | 0.05 | 992.60 | - | 5,225.35 | 6,218.00 |
| Total comprehensive income for the year | | | | | | |
| (Loss) for the year | - | - | - | - | (1,080.15) | (1,080.15) |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | (3.12) | (3.12) |
| Total comprehensive income for the year | - | - | - | - | (1,083.27) | (1,083.27) |
| *Others* | | | | | | |
| Fair valuation of land (net of tax) | - | - | - | - | 134.23 | 134.23 |
| Impact of change in tax rate on fair valuation of land | | | | | 50.41 | 50.41 |
| Add: Amalgamation impact of magna | - | - | - | - | (9.23) | (9.23) |
| Balance at March 31, 2014 - Proforma | - | 0.05 | 992.60 | - | 4,317.49 | 5,310.14 |

* Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact): Rs. 3,710.05 million (March 31 2017: Rs. 3,724.37 million, March 31 2016: Rs. 3,724.37 million, March 31 2015: Rs. 3,750.36 million and March 31 2014: Rs. 2,868.51 million)

**Restated Standalone Summary Data of Cash Flows**

(Rs. in million)

| | | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES :** | | | | | |
| | **Profit/(loss) before Tax** | **144.59** | 818.18 | (1,666.27) | (1,307.78) | (1,400.79) |
| | Adjustments for : | | | | | |
| | Interest income | **(197.63)** | (245.99) | (87.86) | (247.50) | (314.50) |
| | Depreciation and amortisation | **1,116.33** | 1,269.80 | 988.12 | 617.72 | 595.95 |
| | Finance costs | **2,092.60** | 2,153.61 | 2,157.26 | 1,596.55 | 1,368.20 |
| | Provision for estimated / actual cancellations and cost of alteration | **54.08** | 67.81 | 72.20 | 82.59 | 770.59 |
| | Profit on sale of fixed assets (net) | **(1.23)** | (3.85) | (0.03) | (1.80) | (12.02) |
| | Profit on sale of investments | **(4.63)** | (1,301.24) | - | - | - |
| | Dividend received | **(0.00)** | - | (7.90) | (1.32) | - |
| | Provision for doubtful debts | **7.85** | 1.38 | 1.55 | - | 3.23 |
| | Fixed assets written off | - | 29.96 | 0.52 | 1.12 | - |
| | Bad debts written off (net) | **0.52** | 0.48 | 0.86 | 0.28 | - |
| | Export benefits and entitlements | **(10.00)** | (314.74) | (95.14) | (8.90) | (256.05) |
| | Provision for impairment on export benefits and entitlements | - | 0.96 | - | - | - |
| | Loss on sale of investment | - | - | 5.78 | 6.19 | 4.60 |
| | Provision for mark to market on derivative contract | **(72.39)** | (11.31) | 46.66 | 60.49 | - |
| | Unrealised exchange (gain) / loss | **16.33** | (129.59) | 1.63 | 6.01 | 84.92 |
| | Fair value change on instruments measured at FVTPL | - | - | 9.60 | - | - |
| | Others | **13.15** | (4.31) | (12.29) | (5.82) | 23.94 |
| | **Total** | **3,014.98** | **1,512.97** | **3,080.96** | **2,105.61** | **2,268.86** |
| | **Adjustments:** | | | | | |
| | (Increase) / decrease in trade receivables and loans and advances | **(490.57)** | (75.91) | (178.13) | 32.62 | (38.98) |
| | Decrease / (increase) in inventories : hospitality | **13.49** | 7.45 | (15.99) | (2.40) | (20.11) |
| | Decrease in inventories : property developments | **61.56** | 211.39 | 106.73 | 231.68 | 358.39 |
| | Increase / (decrease) in liabilities and provisions | **261.28** | (23.81) | 227.00 | (177.72) | 123.73 |
| | Decrease in advances received from customers : towards sale of residential flats | **(374.48)** | (353.99) | (320.84) | (1,032.78) | (331.35) |
| | **Total** | **(528.72)** | **(234.87)** | **(181.23)** | **(948.60)** | **91.68** |
| | Direct taxes paid (net) | **(123.99)** | (67.11) | (49.11) | (84.73) | (26.82) |
| | **NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)** | **2,506.86** | **2,029.17** | **1,184.35** | **(235.50)** | **932.93** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES :** | | | | | |
| | Purchase of fixed assets (including capital work in progress, capital creditors and capital advances) | **(420.70)** | (1,144.73) | (1,880.99) | (3,412.48) | (2,705.14) |
| | Proceeds from sale of fixed assets | **17.97** | 6.91 | 19.23 | 6.70 | 12.85 |
| | Purchase of investments | **(477.39)** | (89.72) | (4.36) | (4.14) | (5,011.35) |
| | Proceeds from sale of investments | **4.63** | 4,675.40 | 543.37 | 582.22 | 433.34 |
| | Dividend received | **0.00** | - | 7.90 | 1.32 | - |
| | Loans given | **(7,170.20)** | (8,373.10) | (2,633.60) | (2,534.36) | (3,194.16) |
| | Loans repaid | **6,602.03** | 7,997.36 | 2,250.20 | 3,468.95 | 6,099.81 |
| | Inter corporate deposit placed repaid / ( placed) | - | - | - | - | 500.00 |

| | | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| | Interest income received | **197.63** | 141.70 | 236.51 | 237.05 | 852.69 |
| | Fixed deposits (placed) / matured | **(35.98)** | 6.61 | - | - | - |
| | Margin money received / (placed) (net) | **81.94** | 76.49 | 5.90 | (42.09) | (19.48) |
| | **NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES (B)** | **(1,200.06)** | **3,296.92** | **(1,455.83)** | **(1,696.83)** | **(3,031.44)** |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES :** | | | | | |
| | Proceeds from long-term borrowings | **5,200.00** | 2,557.66 | 9,100.00 | 4,722.24 | 4,194.53 |
| | Repayment of long-term borrowings | **(2,725.19)** | (4,410.32) | (7,276.30) | (2,183.91) | (1,634.01) |
| | Short term borrowings (net) | **(1,960.05)** | (609.44) | 120.99 | 466.15 | 1.84 |
| | Interest and finance charges paid | **(2,076.27)** | (2,235.37) | (2,073.91) | (1,604.86) | (1,428.06) |
| | **NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)** | **(1,561.52)** | **(4,697.47)** | **(129.22)** | **1,399.62** | **1,134.30** |
| | **NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + ( C)** | **(254.72)** | **628.62** | **(400.70)** | **(532.71)** | **(964.21)** |
| | **CASH AND CASH EQUIVALENTS - OPENING BALANCE** | **115.78** | **(553.22)** | **(152.52)** | **380.19** | **1,344.40** |
| | **On account of merger** | **-** | **40.37** | **-** | **-** | **-** |
| | **CASH AND CASH EQUIVALENTS - CLOSING BALANCE** | **(138.94)** | **115.78** | **(553.22)** | **(152.52)** | **380.19** |

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.

| | | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| 2 | Reconciliation of cash and cash equivalent with the balance sheet | | | | | |
| | Cash and cash equivalents | **294.27** | 224.26 | 210.02 | 174.19 | 926.46 |
| | Less: Cash credit / over draft accounts from banks | **433.19** | 108.48 | 763.24 | 326.71 | 546.27 |
| | **Cash and cash equivalent as per restated summary statement of cash flows above** | **(138.92)** | **115.78** | **(553.22)** | **(152.52)** | **380.19** |
| 3 | The movement of borrowings as per Ind AS 7 is as follows: | | | | | |

| | | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| | Opening borrowings | **23,111.28** | 20,923.22 | 18,907.69 | 16,177.88 | 13,323.64 |
| | Proceeds from long-term borrowings | **5,200.00** | 2,557.66 | 9,100.00 | 4,722.24 | 4,194.53 |
| | Repayment of long-term borrowings | **(2,725.19)** | (4,410.32) | (7,276.30) | (2,183.91) | (1,634.01) |
| | Non-cash adjustments | **32.84** | (24.21) | 191.83 | 191.48 | 373.72 |
| | Adjustment on account of mergers | - | 4,064.93 | - | - | (80.00) |
| | | **25,618.93** | 23,111.28 | 20,923.22 | 18,907.69 | 16,177.88 |

## THE OFFER

The following table summarizes details of the Offer:

| | |
|---|---|
| **Offer** | Up to [•] Equity Shares aggregating up to ₹ [●] million |
| | |
| *The Offer consists of:* | |
| | |
| *(i) Fresh Issue*(1) | Up to [•] Equity Shares aggregating up to ₹ 9,500 million |
| *(ii) Offer for Sale*(2) | Up to 24,685,000 Equity Shares aggregating up to ₹ [●] million |
| | |
| *Of which* | |
| | |
| **QIB Category**(3) | [●] Equity Shares |
| | |
| *Of which:* | |
| | |
| Anchor Investor Portion | Up to [●] Equity Shares |
| Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) ("**Net QIB Category**") | [●] Equity Shares |
| | |
| *Of which:* | |
| | |
| - Available for allocation to Mutual Funds only (5% of the Net QIB Category) | [●] Equity Shares |
| - Balance for all QIBs including Mutual Funds | [●] Equity Shares |
| | |
| **Non-Institutional Category** | Not less than [●] Equity Shares |
| | |
| **Retail Category** | Not less than [●] Equity Shares |
| | |
| Equity Shares outstanding prior to the Offer | [●] Equity Shares |
| | |
| Equity Shares outstanding after the Offer | [●] Equity Shares |
| | |
| **Use of proceeds of the Offer** | For details, see "***Objects of the Offer***" on page 114. Our Company will not receive any portion of the proceeds from the Offer for Sale portion of the Offer. |

(1) *The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on June 12, 2018 and the Shareholders pursuant to their resolution passed on June 13, 2018.*

(2) *The Selling Shareholders have specifically confirmed and authorised their respective participation in the Offer for Sale. For details, see "**Other Regulatory and Statutory Disclosures**" on page 611. Each of the Selling Shareholders, severally and not jointly, confirms that its portion of the Equity Shares offered in the Offer for Sale have been held for a period of at least one year prior to the date of this Draft Red Herring Prospectus in accordance with the SEBI ICDR Regulations.*

(3) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors in the Offer. In case of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added to the QIB Category. For more information, see "**Offer Procedure**" on page 633.*

Notes:

(i) Pursuant to Rule 19(2)(b)(iii) of the SCRR, the Offer is being made for at least 10% of the post-Offer paid-up equity share capital of our Company.

(ii) The Equity Shares being offered by the Selling Shareholders are eligible to be offered for sale in accordance with Regulation 26(6) of the SEBI ICDR Regulations. For details, see "***Capital Structure***" on page 87.

(iii) Allocation to all categories, other than Anchor Investors, if any and Retail Individual Investors, shall be made on a proportionate basis. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For details, see "***Offer Procedure***" beginning on page 633.

Subject to valid Bids being received at or above the Offer Price, under-subscription, in any category other than QIB Category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. For details, including grounds for rejection of Bids, refer to "***Offer Structure***" and "***Offer Procedure*****"** beginning on pages 626 and 633, respectively. For details of the terms of the Offer, see "***Terms of the Offer***" on 629.

## GENERAL INFORMATION

Our Company was incorporated as "Kenwood Hotels Private Limited" on January 6, 1986, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation granted by the Registrar of Companies, Maharashtra, at Mumbai ("**RoC**"). On July 19, 1997, our Company was converted into a public company under section 43A (1B) of the Companies Act, 1956, consequently our name was changed to "Kenwood Hotels Limited". Pursuant to a resolution of our shareholders dated March 2, 1998 and a fresh certificate of incorporation issued by the RoC on April 6, 1998, the name of our Company was changed to "K. Raheja Resorts & Hotels Limited". Further, pursuant to a resolution of our shareholders dated April 24, 1999 and a fresh certificate of incorporation issued by the RoC on May 4, 1999, the name of our Company was changed to "Chalet Hotels Limited". On the conversion of our Company to a private limited company pursuant to a resolution passed by our shareholders dated August 25, 2011 and a fresh certificate of incorporation issued by the RoC on October 15, 2011, our name was changed to "Chalet Hotels Private Limited". Subsequently, pursuant to a resolution passed by our shareholders on June 4, 2018 and a fresh certificate of incorporation issued by the RoC on June 6, 2018 our Company was converted to a public limited company and our name was changed to "Chalet Hotels Limited". For details of changes in name and registered office of our Company, see "***History and Certain Corporate Matters***" on page 170.

**Registration Number:** 038538

**Corporate Identity Number:** U55101MH1986PLC038538

**Registered and Corporate Office**

**Chalet Hotels Limited**
Raheja Tower, Plot No.C-30
Block 'G', Next to Bank of Baroda,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
**Telephone:** +91 22 - 26564000
**Facsimile:** +91 22 – 26565451
**Email**: investorrelations@chalethotels.com
**Website:** www.chalethotels.com

**Address of the Registrar of Companies**

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, located at the following address:

The Registrar of Companies,
100, Everest, Marine Drive
Mumbai 400 002
Maharashtra, India

**Board of Directors**

The following table sets out the details regarding our Board as on the date of this Draft Red Herring Prospectus:

| Name and Designation | Age (years) | DIN | Address |
|---|---|---|---|
| **Hetal Gandhi**<br>*Designation: Chairman and Non-Executive Director* | 52 | 00106895 | B/2, 1203, Vivarea Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai 400 011 |
| **Ravi C. Raheja**<br>*Designation: Non-Executive Director* | 46 | 00028044 | 4th Floor, Raheja House, Auxilium Convent Road, Pali Hill, Bandra (West), Mumbai 400 050, Maharashtra, India |
| **Neel C. Raheja**<br>*Designation: Non-Executive Director* | 44 | 00029010 | 4th Floor, Raheja House, Auxilium Convent Road, Pali Hill, Bandra (West), Mumbai 400 050, Maharashtra, India |

| Name and Designation | Age (years) | DIN | Address |
|---|---|---|---|
| **Sanjay Sethi**<br>*Designation: Managing Director & Chief Executive Officer* | 53 | 00641243 | C/o Badrinath CHS, 15 Floor, Flat 1602, Plot No. 458,459, Khar West, Corner of 13 & 15 Road, Mumbai 400 052, Maharashtra, India |
| **Rajeev Newar**<br>*Designation: Executive Director & Chief Financial Officer* | 50 | 00468125 | Flat no. P1, 16th floor, Cuffe Castle, CHS Cuffe Parade, Mumbai 400 005, Maharashtra, India |
| **Arthur William De Haast**<br>*Designation: Independent Director* | 61 | 07893738 | Sheepleas House, Epsom Road, Leatherhead West Horsley, UK KT246AL |
| **Conrad D'Souza***<br>*Designation: Independent Director* | 58 | 00010576 | 501, Hasmukh Mansion, Plot no.- 375, 14th Road, Khar (W), Mumbai 400 052, Maharashtra, India |
| **Radhika Piramal**<br>*Designation: Independent Director* | 40 | 02105221 | 7th Floor, Piramal House, 61, Pochkhanwala Road, Mumbai 400 030, Maharashtra, India |

*****Joseph Conrad Agnelo D'Souza will be referred to as Conrad D'Souza in this Draft Red Herring Prospectus.*

For brief profiles and further details in respect of our Directors, see "***Our Management***" on page 177.

**Company Secretary and Compliance Officer**

Christabelle Baptista is the Company Secretary and Dhanraj Mulki is the Compliance Officer of our Company.

Their contact details are as follows:

**Christabelle Baptista**
Raheja Tower, Plot No.C-30
Block 'G', Next to Bank of Baroda,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
**Tel:** + 91 22 - 26565496
**Fax:** + 91 22 - 26565451
**E-mail:** companysecretary@chalethotels.com

**Dhanraj Mulki**

Raheja Tower, Plot No.C-30
Block 'G', Next to Bank of Baroda,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
**Tel:** +91 22 - 26565420
**Fax:** +91 22 - 26565451
**E-mail:** complianceofficer@chalethotels.com

**Bidders can contact our Company Secretary and our Compliance Officer, the Book Running Lead Managers and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.**

All Offer related grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid-cum Application Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment

Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All Offer related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

**Book Running Lead Manager**

**JM Financial Limited**
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
**Tel:** + 91 22 6630 3030
**Fax:** + 91 22 6630 3330
**E-mail:** chalet.ipo@jmfl.com
**Investor grievance E-mail:** grievance.ibd@jmfl.com
**Website:** www.jmfl.com
**Contact Person:** Prachee Dhuri
**SEBI Registration No.:** INM000010361

**Axis Capital Limited**
8th Floor, Axis House
C 2 Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai 400 025
Maharashtra, India
**Tel:** +91 22 4325 2183
**Fax:** +91 22 4325 3000
**E-mail:** chalet.ipo@axiscap.in
**Investor grievance E-mail:** complaints@axiscap.in
**Website:** www.axiscapital.co.in
**Contact Person:** Mangesh Ghogle/ Mayuri Arya
**SEBI Registration No.:** INM000012029

**Morgan Stanley India Company Private Limited**
18F, Tower 2, One Indiabulls Centre
841, Senapati Bapat Marg Mumbai 400 013
Maharashtra, India
**Tel:** +91 22 6118 1000
**Fax:** +91 22 6118 1040
**Email:** chalet_ipo_2018@morganstanley.com
**Website:** www.morganstanley.com/about-us/globaloffices/india
**Investor grievance email:** investors_india@morganstanley.com
**Contact Person:** Anirudh Premkumar
**SEBI Registration. No.:** INM000011203

**Statement of inter-se allocation of responsibilities among the BRLMs**

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

| Sl. No | Activity | Responsibility | Co-ordinator |
|---|---|---|---|
| 1. | Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The | | JM Financial |

| Sl. No | Activity | Responsibility | Co-ordinator |
|---|---|---|---|
| | Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing | JM Financial, Axis and Morgan | |
| 2. | Drafting and approval of all statutory advertisement | JM Financial, Axis and Morgan | JM Financial |
| 3. | Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report | JM Financial, Axis and Morgan | Axis |
| 4. | Appointment of Intermediaries - Registrar to the Offer, Advertising Agency, Printers and Banker(s) to the Offer | JM Financial, Axis and Morgan | JM Financial |
| 5. | Marketing and road-show presentation and preparation of frequently asked questions for the road show team | JM Financial, Axis and Morgan | Morgan |
| 6. | Non-institutional and Retail marketing of the Offer, which will cover, *inter alia*,<br>• Finalising media, marketing and public relations strategy;<br>• Finalising centres for holding conferences for brokers, etc.;<br>• Follow-up on distribution of publicity and Offer material including form, the Prospectus and deciding on the quantum of the Offer material; and<br>• Finalising collection centres | JM Financial, Axis and Morgan | Axis |
| 7. | Domestic Institutional marketing of the Offer, which will cover, *inter alia*:<br>• Institutional marketing strategy;<br>• Finalizing the list and division of domestic investors for one-to-one meetings; and<br>• Finalizing domestic road show and investor meeting schedule | JM Financial, Axis and Morgan | JM Financial |
| 8. | International Institutional marketing of the Offer, which will cover, *inter alia*:<br>• Institutional marketing strategy;<br>• Finalizing the list and division of international investors for one-to-one meetings; and<br>• Finalizing international road show and investor meeting schedule | JM Financial, Axis and Morgan | Morgan |
| 9. | Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading and payment of STT on behalf of Selling Shareholders | JM Financial, Axis and Morgan | Axis |
| 10. | Managing the book and finalization of pricing in consultation with the Company including co-ordination for and intimation to stock exchanges for anchor portion | JM Financial, Axis and Morgan | Morgan |

| Sl. No | Activity | Responsibility | Co-ordinator |
|---|---|---|---|
| 11. | Post-Bidding activities including management of escrow accounts, co-ordinating, underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Offer activities will involve essential follow up steps, including the finalization of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrar to the Offer, the Bankers to the Offer, the bank handling refund business and SCSBs | JM Financial, Axis and Axis Morgan | |

**Syndicate Members**

[●]

**Legal Counsel to the Company as to Indian Law**

**Shardul Amarchand Mangaldas & Co**
24th Floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India
**Tel:** +91 22 4933 5555
**Fax:** +91 22 4933 5550

**Legal Counsel to the BRLMs as to Indian Law**

**Khaitan & Co**
One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai 400 013
**Tel:** +91 22 6636 5000
**Fax:** +91 22 6636 5050

**International Legal Counsel to the BRLMs**

**Sidley Austin LLP**
Level 31
Six Battery Road
Singapore 049909
**Tel**: +65 6230 3900
**Fax**: +65 6230 3939

**Registrar to the Offer**

**Karvy Computershare Private Limited**
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District
Nanakramguda, Hyderabad 500 032
India
**Tel**: +91 40 6716 2222
**Fax**: +91 40 2343 1551
**E-mail**: einward.ris@karvy.com
**Investor grievance e-mail**: chalethotels.ipo@karvy.com

**Website**: https://karisma.karvy.com
**Contact person**: M Murali Krishna
**SEBI registration No.**: INR000000221

**Bankers to the Offer**

[●]

**Public Offer Account Bank**

[●]

**Escrow Bank**

[●]

**Refund Bank**

[●]

**Registered Brokers**

Bidders could submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e. through the Registered Brokers at the Broker Centers. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, or such other website as updated from time to time.

**Self Certified Syndicate Banks**

The list of SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the website of SEBI, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the website of SEBI, and at such other websites as may be prescribed by SEBI from time to time.

**Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

**Broker Centres/ Designated CDP Locations/ Designated RTA Locations**

In accordance with SEBI Circulars CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

**Statutory Auditors of our Company**

**M/s B S R & Co. LLP, Chartered Accountants**
5th Floor, Lodha Excelus
Apollo Mills Compound, N.M. Joshi Marg
Mahalaxmi, Mumbai 400 011
Maharashtra, India
**Tel:** + 91 22- 4345 5300
**Fax:** + 91 22 – 4345 5399
**Email:** agodbole@bsraffiliates.com
**ICAI Registration Number:** 101248W/W - 100022
**Peer Review Number: 009060**

*B S R & Co. LLP, Chartered Accountants, by a certificate dated June 29, 2018 has confirmed that they hold a valid peer review certificate dated June 30, 2016 issued by the Peer Review Board of the Institute of Chartered Accountants of India*

**Bankers to our Company**

**Yes Bank Limited**
Nehru Center, 9th Floor, Discovery of India
Dr. A.B. Road, Worli
Mumbai 400 018
**Tel**: +91 22 3366 9000
**Fax**: +91 22 2421 4511
**E-mail:** shantanu.dwivedi@yesbank.in
**Website**: www.yesbank.in
**Contact Person:** Shantanu Dwivedi

**Standard Chartered Bank**
CRESCENZO, 5/F, G-Block
Opp. MCA Club, Bandra Kurla Complex
Mumbai 400 051
**Tel**: +91 22 61158532/44
**Fax**: +91 22 61157800
**E-mail:** manmeet.gulati@sc.com; vinit.mehta@sc.com
**Website**: http://www.standardchartered.com
**Contact Person:** Manmeet Gulati/ Vinit Mehta

**ICICI Bank Limited**
ICICI Bank Limited, ICICI Bank Tower
North Tower, Fourth Floor, Bandra Kurla Complex
Mumbai 400 051
**Tel**: +91 22 4008 6488
**Fax**: +91 22 2653 1179
**E-mail:** Chandrashekhar.pawar@icicibank.com
**Website**: www.icicibank.com
**Contact Person:** Chandrashekhar Pawar

**ICICI Bank Limited, Bahrain Branch**
ICICI Bank Ltd., Suite 15, Part 3
Municipality No. 116, P.O. Box: 1494
Building 114, Government Avenue
Manama-316
**Tel**: +973-17576112
**Fax**: +973-17221210
**E-mail:** amit.bansal@icicibank.com
**Website**: www.icicibank.com
**Contact Person:** Amit Bansal

**RBL Bank Limited**

One Indiabulls Centre, Tower 2B
6th Floor, 841, Senapati Bapat Marg, Lower Parel
Mumbai 400 013
**Tel**: +91 22-43020600
**Fax**: +91 22-43020520
**E-mail:** manan.mehta@rblbank.com
**Website**: www.rblbank.com
**Contact Person:** Manan Mehta

**Indian Overseas Bank**
No. 701, 7th Floor, Naman Corp. Link
Opp. Dena Bank. BKC-Bandra (East)
Mumbai 400 051
**Tel**: +91 22-2656 6268
**Fax**: -
**E-mail:** iob2998@iob.in
**Website**: www.iob.in
**Contact Person:** S. Vasudevan

**Bank of Baroda**
3rd Floor, 10/12
Mumbai Samachar Marg
Fort, Mumbai 400 001
**Telephone**: +91 22 43407314
**Facsimile**: +91 22 22655778
**E-mail:** cfsbal@bankofbaroda.com; rm11.cfsbal@bankofbaroda.com
**Website**: www.bankofbaroda.com
**Contact Person:** Sujeet Kumar, Chief Manager

**Grading of the Offer**

No credit agency registered with SEBI has been appointed for grading for the Offer.

**Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

**Monitoring Agency**

A monitoring agency shall be appointed for monitoring the utilization of Net Proceeds, as our Offer Size (excluding the Offer for Sale by the Selling Shareholders) exceeds ₹ 1,000 million in accordance with Regulation 16 of the SEBI ICDR Regulations. As the size of the Fresh Issue is more than ₹ 1,000 million, the appointment of a monitoring agency is required. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilisation of the proceeds of the Offer. We will disclose the utilisation of the proceeds of the Offer under a separate head along with details, if any in relation to all such proceeds of the Offer that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Offer in our balance sheet for the relevant Fiscal Years.

**Expert**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated June 29,2018 from our Auditors, M/s B S R & Co. LLP Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2 (38) of the Companies Act, 2013 to the extent and in their capacity as the statutory auditor of our Company and in respect of their examination reports on our Restated Standalone Summary Financial Information and Restated Consolidated Summary Financial Information and the statement of tax benefits, each dated July 2, 2018 and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

Our Company has received a written consent dated June 20, 2018 from P. Surendra Prabhu, Independent Architect to include his name in this Draft Red Herring Prospectus as an "expert" as defined under Section 2 (38) of the Companies Act, 2013 in respect of the architect certificate issued by him and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

**Credit Rating**

As the Offer is of Equity Shares, credit rating is not required.

**Trustees**

As the Offer is of Equity Shares, the appointment of trustees is not required.

**Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Price Band and the Minimum Bid Lot will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi regional newspaper), Marathi being the regional language in the place where our Registered Office is located), at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their website. The Offer Price shall be determined by our Company, in consultation with the BRLMs and Selling Shareholders after the Bid/Offer Closing Date.

**All Bidders (other than Anchor Investors) can participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

**In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis.**

**Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.**

For further details on method and process of Bidding, see "***Offer Structure***" and "***Offer Procedure***" on page 626 and page 633, respectively.

**The Book Building Process and the Bidding process under the SEBI ICDR Regulations are subject to change from time to time. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.**

Bidders should note the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is registered with the RoC.

**Illustration of Book Building Process and the Price Discovery Process**

For an illustration of the Book Building Process, please see "***Offer Procedure Part B - Illustration of the Book Building and Price Discovery Process***" on page 633 of this Draft Red Herring Prospectus.

**Offer Programme**

For details on the Offer Programme, please see "***Terms of the Offer***" on page 629 of this Draft Red Herring Prospectus.

**Underwriting Agreement**

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.*

| **Name, address, telephone, facsimile and e-mail of the Underwriters** | **Indicative Number of Equity Shares to be Underwritten** | **Amount Underwritten** *(₹ in million)* |
|---|---|---|
| [●] | [●] | [●] |
| [●] | [●] | [●] |

The abovementioned amounts are provided for indicative purposes only and would be finalized after the pricing and actual allocation and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our IPO Committee/ Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

## CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus, is set forth below.

| | Particulars | Aggregate nominal value (in ₹) | Aggregate value at Offer Price* (in ₹) |
|---|---|---|---|
| A) | **AUTHORIZED SHARE CAPITAL** [1#] | | |
| | 205,000,000 Equity Shares | 2,050,000,000 | - |
| | 1,600 Non-cumulative Redeemable Preference Shares | 160,000,000 | - |
| | 20,000 Zero-Coupon Non-cumulative Non-Convertible Redeemable Preference Shares | 2,000,000,000 | - |
| B) | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER** | | |
| | 171,095,293 Equity Shares | 1,710,952,930 | [●] |
| | 1,600 Non-cumulative Redeemable Preference Shares | 160,000,000 | - |
| | 20,000 Zero-Coupon Non-cumulative Non-Convertible Redeemable Preference Shares | 20,000,000[2] | [●] |
| C) | **OFFER** | | |
| | Offer of up to [•] Equity Shares aggregating up to ₹ [●] million | [●] | [●] |
| | *of which* | | |
| | Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 9,500 million[3] | [●] | [●] |
| | Offer for Sale of up to 24,685,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [•] million [4] | [●] | [●] |
| D) | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER** | | |
| | [●] Equity Shares[#] | [●] | [●] |
| | 1,600 Non-cumulative Redeemable Preference Shares | 160,000,000 | - |
| | 20,000 Zero-Coupon Non-Cumulative Non-Convertible Redeemable Preference Shares | 20,000,000[2] | - |
| E) | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before the Offer | | ₹ 1,418.13 million |
| | After the Offer[*5] | | [●] |

* *To be updated upon finalisation of the Offer Price*

[1] *For details in relation to changes in authorized share capital of our Company, see "**History and Certain Corporate Matters**" on page 170.*

[2] *Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS were partly paid up at the time of allotment and an amount equal to ₹ 10,000,000 each for Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS was called up at the time of allotment.*

[3.] *The Offer has been authorized by our Board of Directors pursuant to a resolution passed at its meeting held on June 12, 2018 and by a resolution of our shareholders passed in their annual general meeting held on June 13, 2018.*

[4] *The Selling Shareholders, i.e. Ravi C. Raheja and Neel C. Raheja have proposed to the Company to sell some of their respective Equity Shares to the public pursuant to the Offer through their respective consent letters, both dated June 28, 2018. The board of directors of K Raheja Corp Private Limited and Ivory Properties and Hotels Private Limited have duly approved and authorised the sale of their respective portions of the Offered Shares in the Offer for Sale, pursuant to their resolutions both dated June 11, 2018. The partners of Palm Shelter Estate Development LLP have duly approved and authorised the sale of its portion of the Offered Shares in the Offer for Sale, pursuant to resolution dated June 11, 2018. Further, Ravi C. Raheja, Neel C. Raheja, K Raheja Corp Private Limited, Ivory Properties and Hotels Private Limited and Palm Shelter Estate Development LLP have, pursuant to their letters, all dated June 28, 2018, consented to the inclusion of the Offered Shares as part of the Offer. For details see "**Other Regulatory and Statutory Disclosures**" on page 611.*

[5] *The share premium account consists of the premium received by our Company from the issuance of Equity Shares in the Offer*.

\# *The scheme of amalgamation of Magna Warehousing & Distribution Private Limited ("**Magna**") with our Company, also provides for the addition of the authorised share capital of Magna (an erstwhile wholly owned subsidiary of our Company), with the authorised share capital of our Company on the effective date of amalgamation i.e., March 31, 2018. Our Company has made the requisite filing with the RoC and upon the RoC taking these on record, the authorised share capital of our Company will stand increased from ₹ 4,210,000,000 divided into 205,000,000 equity shares of ₹ 10 each and 20,000, 0.00% non-cumulative non-convertible redeemable preference shares of ₹ 100,000 each and 1600, 0.001% non-cumulative redeemable preference shares of ₹ 100,000 each to ₹445,10,00,000 divided into 205,100,000 equity shares of ₹ 10 each and 20,000 0.00% non-cumulative non-convertible redeemable preference shares of ₹ 100,000 each and 4000 0.001% non-cumulative redeemable preference shares of ₹ 100,000 each.*

**Notes to Capital Structure:**

1. **Share Capital History**

***(a) History of equity share capital of our Company***

The following table sets forth the history of the equity share capital of our Company.

| Date of allotment | No. of equity shares | Face value (₹) | Issue price per Equity Share (₹) | Nature of consideration | Reason/ Nature of allotment | Name of the Allottee | Cumulative number of equity shares | Cumulative paid-up equity share capital (₹) |
|---|---|---|---|---|---|---|---|---|
| December 16, 1985 | 4 | 100 | 100 | Cash | Subscription to the MoA | Initial subscription to the MoA by Chandru L. Raheja and Suresh L. Raheja of 2 equity shares each | 4 | 400 |
| September 18, 1995 | 736 | 100 | 100 | Cash | Further issue | 13 equity shares to Gopal L. Raheja jointly with Sandeep G. Raheja, 10 equity shares to Sandeep G. Raheja jointly with Gopal L. Raheja, 8 equity shares to Chandru L. Raheja jointly with Jyoti C. Raheja, 10 equity shares to Jyoti C. Raheja jointly with Chandru L. Raheja, 10 equity shares to Neel C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja, 50 equity shares to Kanishka Properties Private Limited, 50 equity shares to Sealtite Gaskets Private Limited, 50 equity shares to Gavotte Traders Private Limited, 50 equity shares to Ideal Properties Private Limited, 65 equity shares to Sea Crust Properties Private Limited, 40 equity shares to Glacial Trading Private Limited, 40 equity shares to Garnet Traders Private Limited, 70 equity shares to Raghukool Estate | 740 | 74,000 |

| Date of allotment | No. of equity shares | Face value (₹) | Issue price per Equity Share (₹) | Nature of consideration | Reason/ Nature of allotment | Name of the Allottee | Cumulative number of equity shares | Cumulative paid-up equity share capital (₹) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Development Private Limited*,<br>70 equity shares to Capstan Trading Private Limited**,<br>70 equity shares to Casa Maria Properties Private Limited***,<br>70 equity shares to Anbee Constructions Private Limited# and<br>60 equity shares to Cape Trading Private Limited## | | |
| Pursuant to a resolution of our Board passed in their meeting held on March 4, 1998, and a special resolution of our shareholders in their general meeting held on March 9, 1998, each equity share of our Company of face value ₹ 100 was split into 10 equity shares of our Company of face value of ₹ 10 each, and accordingly, 740 equity shares of our Company of face value ₹ 100 each were split into 7,400 Equity Shares of our Company of face value ₹ 10 each. | | | | | | | 7,400 | 74,000 |
| March 31, 1998 | 14,992,600 | 10 | 10 | Cash | Further issue | 150,000 Equity Shares to Chandru L. Raheja as Karta of Chandru Lachmandas HUF jointly with Jyoti C. Raheja,<br>149,400 Equity Shares to Chandru L. Raheja jointly with Jyoti C. Raheja,<br>149,500 Equity Shares to Jyoti C. Raheja jointly with Chandru L. Raheja,<br>1,491,300 Equity Shares to Capstan Trading Private Limited**,<br>1,491,300 Equity Shares to Raghukool Estate Development Private Limited*,<br>1,492,800 Equity Shares to Casa Maria Properties Private Limited***,<br>150,000 Equity Shares to Ravi C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja,<br>1,284,150 Equity Shares to Anbee Constructions Private Limited#,<br>149,900 Equity Shares to Neel C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja,<br>1,284,250 Equity Shares to Cape Trading Private Limited##,<br>3,600,000 Equity Shares to K Raheja Private Limited and | 15,000,000 | 150,000,000 |

| Date of allotment | No. of equity shares | Face value (₹) | Issue price per Equity Share (₹) | Nature of consideration | Reason/ Nature of allotment | Name of the Allottee | Cumulative number of equity shares | Cumulative paid-up equity share capital (₹) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | 3,600,000 Equity Shares to Touchstone Properties & Hotels Private Limited | | |
| July 11, 1998 | 45,000,000 | 10 | - | Bonus | Bonus issue in the ratio of three equity shares for every one Equity Share by capitalisation of revaluation reserves | 450,000 Equity Shares to Chandru L. Raheja as Karta of Chandru Lachmandas HUF jointly with Jyoti C. Raheja,<br>450,000 Equity Shares to Chandru L. Raheja jointly with Jyoti C. Raheja,<br>450,000 Equity Shares to Jyoti C. Raheja jointly with Chandru L. Raheja,<br>4,477,500 Equity Shares to Capstan Trading Private Limited**,<br>4,477,500 Equity Shares to Raghukool Estate Development Private Limited*,<br>4,482,000 Equity Shares to Casa Maria Properties Private Limited***,<br>450,000 Equity Shares to Ravi C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja,<br>3,856,500 Equity Shares to Anbee Constructions Private Limited#,<br>450,000 Equity Shares to Neel C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja, 3,856,500 Equity Shares to Cape Trading Private Limited##,<br>10,800,000 Equity Shares to K Raheja Private Limited and<br>10,800,000 Equity Shares to Touchstone Properties & Hotels Private Limited. | 60,000,000 | 600,000,000 |
| January 29, 1999 | 15,000,000 | 10 | 20 | Cash | Further issue | 15,000,000 Equity Shares to Housing Development Finance Corporation Limited. | 75,000,000 | 750,000,000 |
| August 22, 2000 | 785,000 | 10 | 28 | Cash | Further issue | 785,000 Equity Shares to Sara Fund Trustee Company Limited A/C Sara Fund | 75,785,000 | 757,850,000 |
| August 29, 2000 | 3,571,429 | 10 | 28 | Cash | Further issue | 3,571,429 Equity Shares to ICICI Limited | 79,356,429 | 793,564,290 |
| August 30, 2002 | 1,785,824 | 10 | 36.70 | Cash | Conversion of fully convertible debentures into Equity Shares | 1,785,824 Equity shares to Infrastructure Leasing & Financial Services Limited on conversion 500,000 of 14% fully convertible debentures of ₹ | 81,142,253 | 8,114,22,530 |

| Date of allotment | No. of equity shares | Face value (₹) | Issue price per Equity Share (₹) | Nature of consideration | Reason/ Nature of allotment | Name of the Allottee | Cumulative number of equity shares | Cumulative paid-up equity share capital (₹) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | 100 each | | |
| March 22, 2005 | 10,000,000 | 10 | 50 | Cash | Further issue | 10,000,000 Equity Shares to IDFC Infrastructure Fund – India Development Fund represented by IDFC Asset Management Limited. | 91,142,253 | 911,422,530 |
| March 28, 2006 | 7,000,000 | 10 | 50 | Cash | Further issue | 4,999,176 Equity Shares to K. Raheja Corp Private Limited, 2,000,824 Equity Shares to Ivory Properties and Hotels Private Limited | 98,142,253 | 981,422,530 |
| November 20, 2006 | 54,000,000 | 10 | - | Other than cash | Allotment to shareholders of Neerav Properties and Hotels Private Limited ("**Neerav**") pursuant to the amalgamation of Neerav with our Company, in the ratio of 1.08 Equity Shares allotted to the shareholders of Neerav for every one equity share held by them in Neerav. For details, see "***History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.***" on page 170. | 6,912 Equity Shares to Chandru L. Raheja,<br>1,944 Equity Shares to Ravi C. Raheja,<br>1,944 Equity Shares to Neel C. Raheja,<br>1,613,088 Equity Shares to Chandru L. Raheja jointly with Jyoti C. Raheja,<br>1,620,000 Equity Shares to Jyoti C. Raheja jointly with Chandru L. Raheja,<br>1,618,056 Equity Shares to Ravi C. Raheja, jointly with Chandru L. Raheja and Jyoti C. Raheja,<br>1,618,056 Equity Shares to Neel C. Raheja jointly with Chandru L. Raheja and Jyoti C. Raheja,<br>10,525,680 Equity Shares to Raghukool Estate Development Private Limited*,<br>10,525,680 Equity Shares to Capstan Trading Private Limited** and<br>105,20,280 Equity Shares to Casa Maria Properties Private Limited***,<br>7,974,180 Equity Shares to Anbee Constructions Private Limited# and<br>7,974,180 Equity Shares to Cape Trading Private Limited## | 152,142,253 | 1,521,422,530 |
| **Issue of Equity Shares in the last one year** | | | | | | | | |
| December 8, 2017 | 18,953,040 | 10 | - | Other than cash | Allotment to shareholders of Genext Hardware & Parks Private Limited ("**Genext**") pursuant to the scheme of arrangement effecting the demerger of Genext with our Company, in the ratio of 1,509 | 5,586,318 Equity Shares to Ravi C. Raheja jointly with Chandru L. Raheja and Jyoti C. Raheja,<br>5,586,318 Equity Shares to Neel C. Raheja jointly with Chandru L. Raheja and Jyoti C. Raheja,<br>7,780,404 Equity Shares to Chandru L. Raheja jointly with Jyoti C. Raheja (held by the registered owners for and on behalf of the beneficiaries of | 171,095,293 | 1,710,952,930 |

| Date of allotment | No. of equity shares | Face value (₹) | Issue price per Equity Share (₹) | Nature of consideration | Reason/ Nature of allotment | Name of the Allottee | Cumulative number of equity shares | Cumulative paid-up equity share capital (₹) |
|---|---|---|---|---|---|---|---|---|
| | | | | | Equity Shares allotted to the shareholders of Genext for every one equity share held by them in Genext. For details, see "***History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.***" on page 170. | Ivory Property Trust) | | |
| **Total** | | | | | | | **171,095,293** | **1,710,952,930** |

** Currently Raghukool Estate Development LLP*
*** Currently Capstan Trading LLP*
**** Currently Casa Maria Property LLP*
*# Currently Anbee Construction LLP*
*## Currently Cape Trading LLP*

### *(b) History of preference share capital of our Company*

i. 1,600 Non-cumulative Redeemable Preference Shares ("**NCRPS**")

| Date of allotment | Number of NCRPS | Face value (₹) | Issue price (₹) | Nature of consideration | Reasons for/ Nature of allotment | Name of the Allottee | Cumulative number of NCRPS | Cumulative paid-up NCRPS capital (₹) |
|---|---|---|---|---|---|---|---|---|
| December 8, 2017 | 1,600 | 100,000 | - | Other than cash | Allotment to shareholders of Genext Hardware & Parks Private Limited ("**Genext**") pursuant to the scheme of arrangement effecting the demerger of Genext with our Company, in the ratio of 1 NCRPS allotted to the shareholders of Genext for every one non-cumulative redeemable preference share held by them in Genext. For details, see "***History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.***" on page 170. | Chandru L. Raheja jointly with Jyoti Raheja (held by the registered owners for and on behalf of the beneficiaries of Ivory Property Trust) | 1,600 | 160,000,000 |
| **Total** | **1,600** | | | | | | **1,600** | **160,000,000** |

*ii.* 20,000 Zero-Coupon Non-Cumulative Non-Convertible Redeemable Preference Shares ("**Zero Coupon NCRPS**")

| Date of allotment | Number of Zero Coupon NCRPS | Face value (₹) | Issue price (₹) | Nature of consideration | Reasons for/ Nature of allotment | Name of the Allottee | Cumulative number of Zero Coupon NCRPS | Cumulative paid- up Zero Coupon NCRPS capital (₹) |
|---|---|---|---|---|---|---|---|---|
| June 26, 2018 | 20,000* | 100,000 | 100,000# | Cash | Further issue | 4,500 each of Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS to K. Raheja Corp Private Limited; 2,325 each of Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS to Neel C. | 20,000* | 20,000,000 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Raheja;2,325 each of Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS to Ravi C. Raheja; 850 each of Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS to Ivory Properties and Hotels Private Limited | | |
| **Total** | 20,000 | | | | | | 20,000 | 20,000,000 |

*[*]10,000 Series A Zero Coupon NCRPS and 10,000 Series B Zero Coupon NCRPS*
*# Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS were partly paid up at the time of allotment and an amount equal to ₹ 10,000,000 each for Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS was called up at the time of allotment.*

## 2. Shares issued for consideration other than cash

Except as detailed below, no Equity Shares have been issued for consideration other than cash or through bonus:

| Date of allotment | Name of allottees | Number of equity shares | Face value (₹) | Issue price (₹) | Reasons for allotment | Benefits accrued to our Company |
|---|---|---|---|---|---|---|
| November 20, 2006 | 6,912 Equity Shares to Chandru L. Raheja, 1,944 Equity Shares to Ravi C. Raheja, 1,944 Equity Shares to Neel C. Raheja, 1,613,088 Equity Shares to Chandru L. Raheja jointly with Jyoti C. Raheja, 1,620,000 Equity Shares to Jyoti C. Raheja jointly with Chandru L. Raheja, 1,618,056 Equity Shares to Ravi C. Raheja, jointly with Chandru L. Raheja and Jyoti C. Raheja, 1,618,056 Equity Shares to Neel C. Raheja jointly with Chandru L. Raheja and Jyoti C. Raheja, 10,525,680 Equity Shares to Raghukool Estate Development Private Limited, 10,525,680 Equity Shares to Capstan Trading Private Limited and 105,20,280 Equity Shares to Casa Maria | 54,000,000 | 10 | - | Allotment to shareholders of Neerav Properties and Hotels Private Limited (“**Neerav**”) pursuant to the amalgamation of Neerav with our Company, in the ratio of 1.08 Equity Shares allotted to the shareholders of Neerav for every one equity share held by them in Neerav.* | The transfer and vesting of development Rights to the land situated at Village Marol, Taluka Andheri in the Registration District of Mumbai Suburban and within the limits of Mumbai city. |

| Date of allotment | Name of allottees | Number of equity shares | Face value (₹) | Issue price (₹) | Reasons for allotment | Benefits accrued to our Company |
|---|---|---|---|---|---|---|
| | Properties Private Limited, 7,974,180 Equity Shares to Anbee Constructions Private Limited and 7,974,180 Equity Shares to Cape Trading Private Limited | | | | | |
| December 8, 2017 | 5,586,318 Equity Shares to Ravi C. Raheja jointly with Chandru L. Raheja and Jyoti C. Raheja, 5,586,318 Equity Shares to Neel C. Raheja jointly with Chandru L. Raheja and Jyoti C. Raheja, 7,780,404 Equity Shares to Chandru L. Raheja jointly with Jyoti C. Raheja (held by the registered owners for and on behalf of the beneficiaries of Ivory Property Trust) | 18,953,040 | 10 | - | Allotment to shareholders of Genext Hardware & Parks Private Limited ("**Genext**") pursuant to the scheme of arrangement effecting the demerger of Genext with our Company, in the ratio of 1509 Equity shares allotted to the shareholders of Genext for every one equity share held by them in Genext.* | The transfer and vesting of the demerged undertaking, being the whole of the Hotel undertaking and retail undertaking at Whitefield in Bengaluru into our Company by Genext Hardware & Parks Private Limited |

* *For details of merger/amalgamation and demerger, see "**History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.**" on page 170.*

| Date of allotment | Name of allottees | Number of equity shares | Face value (₹) | Issue price (₹) | Reasons for allotment | Benefits accrued to our Company |
|---|---|---|---|---|---|---|
| July 11, 1998 | 450,000 Equity Shares to Chandru L. Raheja as Karta of Chandru Lachmandas HUF jointly with Jyoti C. Raheja, 450,000 Equity Shares to Chandru L. Raheja jointly with Jyoti C. Raheja, 450,000 Equity Shares to Jyoti C. Raheja jointly with Chandru L. Raheja, 4,477,500 Equity Shares to Capstan Trading Private Limited**, 4,477,500 Equity Shares to Raghukool Estate Development Private Limited*, 4,482,000 Equity Shares to Casa Maria Properties Private Limited***, 450,000 Equity Shares | 45,000,000 | 10 | - | Bonus issue in the ratio of three equity shares for every one Equity Share by capitalisation of revaluation reserves | Strengthening the capital base of our Company and improvement in overall ratios |

| Date of allotment | Name of allottees | Number of equity shares | Face value (₹) | Issue price (₹) | Reasons for allotment | Benefits accrued to our Company |
|---|---|---|---|---|---|---|
| | to Ravi C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja, 3,856,500 Equity Shares to Anbee Constructions Private Limited#, 450,000 Equity Shares to Neel C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja, 3,856,500 Equity Shares to Cape Trading Private Limited##, 10,800,000 Equity Shares to K Raheja Private Limited and 10,800,000 Equity Shares to Touchstone Properties & Hotels Private Limited. | | | | | |

** Currently Raghukool Estate Development LLP*
*** Currently Capstan Trading LLP*
**** Currently Casa Maria Property LLP*
*# Currently Anbee Construction LLP*
*## Currently Cape Trading LLP*

Except as detailed below, no preference shares have been issued for consideration other than cash or through Bonus:

| Date of allotment | Name of allottees | Number of preference shares | Face value (₹) | Issue price (₹) | Reasons for allotment | Benefits accrued to our Company |
|---|---|---|---|---|---|---|
| December 8, 2017 | Chandru L. Raheja jointly with Jyoti Raheja (held by the registered owners for and on behalf of the beneficiaries of Ivory Property Trust) | 1,600 | 100,000 | - | Allotment to shareholders of Genext Hardware & Parks Private Limited ("**Genext**") pursuant to the scheme of arrangement effecting the demerger of Genext with our Company, in the ratio of 1 NCRPS allotted to the shareholders of Genext for every one non-cumulative redeemable preference share held by them in Genext.* | The transfer and vesting of the demerged undertaking, being the whole of the hotel undertaking and retail undertaking at Whitefield in Bengaluru into our Company by Genext Hardware & Parks Private Limited |

** For details of merger/amalgamation and demerger, see "**History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.**" on page 170.*

3. **Shares allotted in terms of any scheme approved under section 391-394 of the Companies Act, 1956 or section 230-232 of the Companies Act, 2013**

For further details of shares allotted in terms of any scheme approved under section 391- 394 of the Companies Act, 1956 or section 230-232 of the Companies Act, 2013, see "***Capital Structure - Shares issued for consideration other than cash***".

4. **Issue of Equity Shares in the last one year**

Except as set forth in "- ***History of equity share capital of our Company***" on page 170, our Company has not issued Equity Shares in one year immediately preceding the date of this DRHP.

5. **Shares issued out of revaluation reserves**

Our Company has undertaken a bonus issue by capitalizing its revaluation reserves on July 11, 1998 in the manner provided herein below.

| Date of allotment | Name of allottees | Number of equity shares | Face value (₹) | Issue price (₹) | Reasons for allotment | Benefits accrued to our Company |
|---|---|---|---|---|---|---|
| July 11, 1998 | 450,000 Equity Shares to Chandru L. Raheja as Karta of Chandru Lachmandas HUF jointly with Jyoti C. Raheja, 450,000 Equity Shares to Chandru L. Raheja jointly with Jyoti C. Raheja, 450,000 Equity Shares to Jyoti C. Raheja jointly with Chandru L. Raheja, 4,477,500 Equity Shares to Capstan Trading Private Limited**, 4,477,500 Equity Shares to Raghukool Estate Development Private Limited*, 4,482,000 Equity Shares to Casa Maria Properties Private Limited***, 450,000 Equity Shares | 45,000,000 | 10 | NA | Bonus issue in the ratio of three equity shares for every one Equity Share by capitalisation of revaluation reserves | Strengthening the capital base of our Company and improvement in overall ratios |

| Date of allotment | Name of allottees | Number of equity shares | Face value (₹) | Issue price (₹) | Reasons for allotment | Benefits accrued to our Company |
|---|---|---|---|---|---|---|
| | to Ravi C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja, 3,856,500 Equity Shares to Anbee Constructions Private Limited#, 450,000 Equity Shares to Neel C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja, 3,856,500 Equity Shares to Cape Trading Private Limited##, 10,800,000 Equity Shares to K Raheja Private Limited and 10,800,000 Equity Shares to Touchstone Properties & Hotels Private Limited. | | | | | |

* *Currently Raghukool Estate Development LLP*
*** Currently Capstan Trading LLP*
**** Currently Casa Maria Property LLP*
*# Currently Anbee Construction LLP*
*## Currently Cape Trading LLP*

6. **Employee Stock Option Scheme**

Our Company, pursuant to our Board and Shareholders' resolution dated June 12, 2018 and June 13, 2018 respectively, has formulated an employee stock option plan namely 'Chalet Hotels Limited - Employee Stock Option Plan 2018' ("**ESOP 2018"**). The primary objective of ESOP 2018 is to reward the key Employee (as defined in ESOP 2018) for his association, dedication and contribution to the goals of our Company. Our Company intends to use this plan to attract, retain and motivate key talent working with our Company by way of rewarding their high performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to ESOP 2018, stock options may be granted to the Employee (as defined in ESOP 2018). Our Company may grant up to 200,000 options to the Employee (as defined in ESOP 2018) in terms of the ESOP 2018, in accordance with the procedure specified therein from time to time, including during the period from the date of this Draft Red Herring Prospectus until the listing of Equity Shares pursuant to the Offer. Accordingly, 200,000 employee stock options have been granted to Sanjay Sethi, our Managing Director and Chief Executive Officer, vide a resolution of the Compensation, Nomination and Remuneration Committee dated June 26, 2018.

The ESOP 2018 plan is in compliance with the SEBI ESOP Regulations. The details of the ESOP 2018 plan, as certified by Nayak & Rane, Chartered Accountants, through a certificate dated June 28, 2018, are as follows:

<table>
<tr><th rowspan="2">Particulars</th><th colspan="4">Details</th></tr>
<tr><th>Fiscal 2016</th><th>Fiscal 2017</th><th>Fiscal 2018</th><th>As on the date of this Draft Red Herring Prospectus</th></tr>
<tr><td>Options granted</td><td>NA</td><td>NA</td><td>NA</td><td>200,000</td></tr>
<tr><td>The pricing formula or exercise price</td><td colspan="4">Our Company has followed the fair value method and the price finalised is ₹320</td></tr>
<tr><td>Exercise period</td><td colspan="4">2 years post vesting</td></tr>
<tr><td>Vesting Period</td><td colspan="4">33.34% in the 1st year<br>33.33% in the 2nd year<br>33.34% in the 3rd year</td></tr>
<tr><td>Total options vested (excluding forfeited/lapsed/ cancelled/ and including exercised options)</td><td colspan="4">NIL</td></tr>
<tr><td>Options forfeited/lapsed/cancelled</td><td colspan="4">NIL</td></tr>
<tr><td rowspan="2">Options exercised</td><td>Fiscal 2016</td><td>Fiscal 2017</td><td>Fiscal 2018</td><td>As on the date of this Draft Red Herring Prospectus</td></tr>
<tr><td>NA</td><td>NA</td><td>NA</td><td>NIL</td></tr>
<tr><td>Total number of shares arising as a result of exercise of granted options (including exercised options)</td><td colspan="4">NIL</td></tr>
<tr><td>Variation in terms of options</td><td colspan="4">No variation in terms of the ESOP 2018 scheme</td></tr>
<tr><td>Money realised by exercise of options</td><td colspan="4">NIL</td></tr>
<tr><td>Total number of options in force (including vested options, excluding exercised options)</td><td colspan="4">As on the date of the DRHP, there are no vested options in force. The total number of unvested options in force as on date of the DRHP are 200,000.</td></tr>
<tr><td>Employee wise details of options granted to</td><td colspan="4"></td></tr>
<tr><td>(i) Senior managerial personnel i.e. Directors and key management personnel</td><td colspan="4"><table><tr><th>Name of the Director/Key Management Personnel</th><th>No of Options Granted (Including Bonus)</th><th>Total Number of Options Forfeited</th><th>Total Number of Options Outstanding/ Exercised (Including Bonus)</th></tr><tr><td>Sanjay Sethi</td><td>200,000</td><td>NIL</td><td>200,000</td></tr></table></td></tr>
<tr><td>(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year</td><td colspan="4"><table><tr><th>Name of the Employee</th><th>No of Options Granted (Including Bonus)</th><th>Year of Grant</th></tr><tr><td>Sanjay Sethi</td><td>2,00,000</td><td>2018-2019</td></tr></table></td></tr>
<tr><td>(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td colspan="4"><table><tr><th>Name of the Employee</th><th>No of Options Granted (Including Bonus)</th><th>Year of Grant</th></tr><tr><td colspan="3">NIL</td></tr></table></td></tr>
<tr><td>Fully diluted EPS pursuant to issue of Equity Shares on exercise of options calculated in accordance with Accounting</td><td colspan="4">NA</td></tr>
</table>

| Particulars | Details | | | |
|---|---|---|---|---|
| | Fiscal 2016 | Fiscal 2017 | Fiscal 2018 | As on the date of this Draft Red Herring Prospectus |
| Standard (AS) 20 'Earning Per Share' | | | | |
| Difference between employee compensation cost using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company has used fair value of options | In case the Company calculates the employee compensation using intrinsic value of the options, the difference between the employee compensation cost so computed and the cost that shall have been recognized, if it had used the fair value of the options, shall be disclosed in the Director's report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Director's report. | | | |
| Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations in respect of options granted in the last three years | NA | | | |
| Weighted-average exercise prices and weighted-average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock | NA | | | |
| Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of the option. | Fair Value Method | | | |
| Impact on profits and EPS of the last three years if our Company had followed accounting policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in respect of options granted in the last three years | NA | | | |
| Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer | NA | | | |
| Intention to sell Equity Shares arising out of the exercise of shares granted under the ESOP Scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) | NIL | | | |

7. **History of Build-up, Contribution and Lock-in of Promoters' Shareholding**

***(a) Build-up of Promoters' shareholding in our Company***

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 171,095,293 Equity Shares, which constitutes 100 % of the issued, subscribed and paid-up equity share capital of our Company as on the date of this Draft Red Herring Prospectus.

Set forth below is the build-up of the equity shareholding of our Promoters, since incorporation of our Company.

| Date of allotment/ transfer | No. of Equity Shares | Face value (₹) | Issue/ purchase/ sale price per Equity Share (₹) | Consideration | Nature of acquisition/ transfer | Percentage of pre-Offer Equity Share capital (%) | Percentage of post-Offer Equity Share capital (%) |
|---|---|---|---|---|---|---|---|
| | | | | **(A) Ravi C. Raheja** | | | |
| March 31, 1998 | 150,000* | 10 | 10 | Cash | Further issue | 0.09 | [●] |
| July 11, 1998 | 450,000* | 10 | - | Bonus | Bonus issue in the ratio of three equity shares for every one Equity Share | 0.26 | [●] |
| November 20, 2006 | 1,618,056* | 10 | - | Other than cash | Allotment pursuant to the amalgamation of Neerav Properties and Hotels Private Limited with our Company | 0.95 | [●] |
| November 20, 2006 | 1,944 | 10 | - | Other than cash | Allotment pursuant to the amalgamation of Neerav Properties and Hotels Private Limited with our Company | 0.001 | [●] |
| February 15, 2010 | 5,000,000* | 10 | 90 | Cash | Transfer from IDFC Infrastructure Fund | 2.92 | [●] |
| March 31, 2011 | 550,000* | 10 | 100 | Cash | Transfer from Uptown Properties and Leasing Private Limited | 0.32 | [●] |
| December 8, 2017 | 5,586,318* | 10 | - | Other than cash | Allotment pursuant to the scheme of arrangement effecting the demerger of Genext Hardware & Parks Private Limited with our Company | 3.27 | [●] |
| May 15, 2018 | 6,912 | 10 | - | Other than Cash | Gift from Chandru L. Raheja | 0.00 | [●] |
| May 15, 2018 | 2,213,088 | 10 | - | Other than Cash | Gift from Chandru L. Raheja jointly with Jyoti C. Raheja | 1.29 | [●] |
| May 23, 2018 | 300,000 | 10 | - | Other than Cash | Transfer pursuant to partition of Chandru Lachmandas HUF | 0.18 | [●] |
| **Total (A)** | **15,876,318** | | | | | **9.28** | **[●]** |

**Equity Shares held jointly with Chandru L. Raheja and Jyoti C. Raheja.*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | **(B) Neel C. Raheja** | | | |
| September 18, 1995 | 10* | 100 | 100 | Cash | Further issue | 0.00 | [●] |

| Date of allotment/ transfer | No. of Equity Shares | Face value (₹) | Issue/ purchase/ sale price per Equity Share (₹) | Consideration | Nature of acquisition/ transfer | Percentage of pre-Offer Equity Share capital (%) | Percentage of post-Offer Equity Share capital (%) |
|---|---|---|---|---|---|---|---|
| Pursuant to a resolution of our Board passed in their meeting held on March 4, 1998 and a special resolution of our shareholders in their general meeting held on March 9, 1998, each equity share of our Company of face value ₹ 100 was split into 10 Equity Shares of our Company of face value of ₹ 10 each | | | | | | | |
| March 31, 1998 | 149,900* | 10 | 10 | Cash | Further issue | 0.09 | [●] |
| July 11, 1998 | 450,000* | 10 | - | Bonus | Bonus issue in the ratio of three equity shares for every one Equity Share | 0.26 | [●] |
| November 20, 2006 | 1,618,056* | 10 | - | Other than cash | Allotment pursuant to the amalgamation of Neerav Properties and Hotels Private Limited with our Company | 0.95 | [●] |
| November 20, 2006 | 1,944 | 10 | - | Other than cash | Allotment pursuant to the amalgamation of Neerav Properties and Hotels Private Limited with our Company | 0.001 | [●] |
| February 15, 2010 | 5,000,000* | 10 | 90 | Cash | Transfer from IDFC Infrastructure Fund | 2.92 | [●] |
| March 31, 2011 | 550,000* | 10 | 100 | Cash | Transfer of shares from Uptown Properties and Leasing Private Limited | 0.32 | [●] |
| December 8, 2017 | 5,586,318* | 10 | - | Other than cash | Allotment pursuant to the scheme of arrangement effecting the demerger of Genext Hardware & Parks Private Limited with our Company | 3.27 | [●] |
| May 15, 2018 | 2,220,000 | 10 | - | Other than Cash | Gift from Jyoti C. Raheja jointly with Chandru L. Raheja. | 1.30 | [●] |
| May 23, 2018 | 300,000 | 10 | - | Other than Cash | Transfer pursuant to partition of Chandru Lachmandas HUF | 0.18 | [●] |
| **Total (B)** | **15,876,318** | | | | | **9.28** | **[●]** |
| **Equity Shares held jointly with Chandru L. Raheja and Jyoti C. Raheja.* | | | | | | | |
| **(C) K Raheja Corp Private Limited** | | | | | | | |
| October 22, 2002 | 785,000 | 10 | 36.70 | - | Transfer from Sara Fund Trustee Company Limited Account Sara Fund | 0.46 | [●] |
| October 24, 2002 | 1,785,824 | 10 | 36.70 | Cash | Transfer from IL&FS | 1.04 | [●] |
| March 20, 2003 | 2,000,000 | 10 | 18 | Cash | Transfer from K Raheja Private Limited | 1.17 | [●] |
| March 28, 2006 | 4,999,176 | 10 | 50 | Cash | Further issue | 2.92 | [●] |
| December 29, 2011 | 5,000,000 | 10 | 115 | Cash | Transfer from Housing | 2.92 | [●] |

| Date of allotment/ transfer | No. of Equity Shares | Face value (₹) | Issue/ purchase/ sale price per Equity Share (₹) | Consideration | Nature of acquisition/ transfer | Percentage of pre-Offer Equity Share capital (%) | Percentage of post-Offer Equity Share capital (%) |
|---|---|---|---|---|---|---|---|
| | | | | | Development Finance Corporation Limited | | |
| **Total (C)** | **14,570,000** | | | | | **8.52** | **[●]** |
| | | | | | | | |
| **(D) K Raheja Private Limited** | | | | | | | |
| March 31, 1998 | 3,600,000 | 10 | 10 | Cash | Further issue | 2.10 | [●] |
| July 11, 1998 | 10,800,000 | 10 | - | Bonus | Bonus issue in the ratio of three equity shares for every one Equity Share | 6.31 | [●] |
| March 20, 2003 | (2,000,000) | 10 | 18 | Cash | Transfer to K. Raheja Corp Private Limited | (1.17) | [●] |
| **Total (D)** | **12,400,000** | | | | | **7.25** | **[●]** |
| | | | | | | | |
| **(E) Ivory Properties and Hotels Private Limited** | | | | | | | |
| January 6, 2003 | 1,134,750 | 10 | 14.10 | Cash | Transfer from ICICI Limited | 0.66 | [●] |
| April 4, 2003 | 1,170,210 | 10 | 14.10 | Cash | Transfer from ICICI Limited | 0.68 | [●] |
| July 3, 2003 | 1,266,469 | 10 | 14.10 | Cash | Transfer from ICICI Limited | 0.74 | [●] |
| March 28, 2006 | 2,000,824 | 10 | 50 | Cash | Further issue | 1.17 | [●] |
| **Total (E)** | **5,572,253** | | | | | **3.26** | **[●]** |
| | | | | | | | |
| **(F) Genext Hardware and Parks Private Limited** | | | | | | | |
| December 23, 2016 | 8,000,000 | 10 | 13 | Cash | Transfer from Avacado Properties & Trading (India) Private Limited | 4.68 | [●] |
| **Total (F)** | **8,000,000** | | | | | **4.68** | **[●]** |
| | | | | | | | |
| **(G) Touchstone Properties and Hotels Private Limited** | | | | | | | |
| March 31, 1998 | 3,600,000 | 10 | 10 | Cash | Further issue | 2.10 | [●] |
| July 11, 1998 | 10,800,000 | 10 | - | Bonus | Bonus issue in the ratio of three equity shares for every one Equity Share | 6.31 | [●] |
| March 31, 2011 | 100,000 | 10 | 100 | Cash | Transfer from Uptown Properties and Leasing Private Limited | 0.06 | [●] |
| **Total (G)** | **14,500,000** | | | | | **8.47** | **[●]** |
| **(H) Cape Trading LLP** | | | | | | | |
| September 18, 1995 | 60 | 100 | 100 | Cash | Further issue | 0.00 | [●] |
| December 14, 1996 | 65 | 100 | 100 | Cash | Transfer from Sea Crust Properties Private Limited | 0.00 | [●] |
| Pursuant to a resolution of our Board passed in their meeting held on March 4, 1998 and a special resolution of our shareholders in their general meeting held on March 9, 1998, each equity share of our Company of face value ₹ 100 was split into 10 Equity Shares of our Company of face value of ₹ 10 each | | | | | | | |
| March 31, 1998 | 1,284,250 | 10 | 10 | Cash | Further issue | 0.75 | [●] |

| Date of allotment/ transfer | No. of Equity Shares | Face value (₹) | Issue/ purchase/ sale price per Equity Share (₹) | Consideration | Nature of acquisition/ transfer | Percentage of pre-Offer Equity Share capital (%) | Percentage of post-Offer Equity Share capital (%) |
|---|---|---|---|---|---|---|---|
| July 11, 1998 | 3,856,500 | 10 | - | Bonus | Bonus issue in the ratio of three equity shares for every one Equity Share | 2.25 | [●] |
| November 20, 2006 | 7,974,180 | 10 | - | Other than cash | Allotment pursuant to the amalgamation of Neerav Properties and Hotels Private Limited with our Company | 4.66 | [●] |
| **Total (H)** | **13,116,180** | | | | | **7.67** | **[●]** |
| | | | | | | | |
| **(I) Capstan Trading LLP** | | | | | | | |
| September 18, 1995 | 70 | 100 | 100 | Cash | Further issue | 0.00 | [●] |
| December 14, 1996 | 50 | 100 | 100 | Cash | Transfer from Kanishka Properties Private Limited | 0.00 | [●] |
| Pursuant to a resolution of our Board passed in their meeting held on March 4, 1998 and a special resolution of our shareholders in their general meeting held on March 9, 1998, each equity share of our Company of face value ₹ 100 was split into 10 Equity Shares of our Company of face value of ₹ 10 each | | | | | | | |
| March 31, 1998 | 1,491,300 | 10 | 10 | Cash | Further issue | 0.87 | [●] |
| July 11, 1998 | 4,477,500 | 10 | - | Bonus | Bonus issue in the ratio of three equity shares for every one Equity Share | 2.62 | [●] |
| November 20, 2006 | 10,525,680 | 10 | - | Other than cash | Allotment pursuant to the amalgamation of Neerav Properties and Hotels Private Limited with our Company | 6.15 | [●] |
| **Total (I)** | **16,495,680** | | | | | **9.64** | **[●]** |
| | | | | | | | |
| **(J) Casa Maria Properties LLP** | | | | | | | |
| September 18, 1995 | 70 | 100 | 100 | Cash | Further issue | 0.00 | [●] |
| December 14, 1996 | 50 | 100 | 100 | Cash | Transfer from Gavotte Traders Private Limited | 0.00 | [●] |
| Pursuant to a resolution of our Board passed in their meeting held on March 4, 1998 and a special resolution of our shareholders in their general meeting held on March 9, 1998, each equity share of our Company of face value ₹ 100 was split into 10 Equity Shares of our Company of face value of ₹ 10 each | | | | | | | |
| March 31, 1998 | 1,492,800 | 10 | 10.00 | Cash | Further issue | 0.87 | [●] |
| July 11, 1998 | 4,482,000 | 10 | - | Bonus | Bonus issue in the ratio of three equity shares for every one Equity Share | 2.62 | [●] |
| November 20, 2006 | 10,520,280 | 10 | - | Other than cash | Allotment pursuant to the amalgamation of Neerav Properties and Hotels Private Limited with our Company | 6.15 | [●] |
| **Total (J)** | **16,496,280** | | | | | **9.64** | **[●]** |

| Date of allotment/ transfer | No. of Equity Shares | Face value (₹) | Issue/ purchase/ sale price per Equity Share (₹) | Consideration | Nature of acquisition/ transfer | Percentage of pre-Offer Equity Share capital (%) | Percentage of post-Offer Equity Share capital (%) |
|---|---|---|---|---|---|---|---|
| **(K) Anbee Constructions LLP** | | | | | | | |
| September 18, 1995 | 70 | 100 | 100 | Cash | Further issue | 0.00 | [●] |
| December 14, 1996 | 40 | 100 | 100 | Cash | Transfer from Glacial Trading Private Limited | 0.00 | [●] |
| December 14, 1996 | 2 | 100 | 100 | Cash | Transfer from Gopal L. Raheja jointly with Sandeep G. Raheja. | 0.00 | [●] |
| December 14, 1996 | 13 | 100 | 100 | Cash | Transfer from Gopal L. Raheja jointly with Sandeep G. Raheja | 0.00 | [●] |
| December 14, 1996 | 10 | 100 | 100 | Cash | Transfer from Gopal L. Raheja jointly with Sandeep G. Raheja | 0.00 | [●] |
| Pursuant to a resolution of our Board passed in their meeting held on March 4, 1998 and a special resolution of our shareholders in their general meeting held on March 9, 1998, each equity share of our Company of face value ₹ 100 was split into 10 Equity Shares of our Company of face value of ₹ 10 each | | | | | | | |
| March 31, 1998 | 1,284,150 | 10 | 10 | Cash | Further issue | 0.75 | [●] |
| July 11, 1998 | 3,856,500 | 10 | - | Bonus | Bonus issue in the ratio of three equity shares for every one Equity Share | 2.25 | [●] |
| November 20, 2006 | 7,974,180 | 10 | - | Other than cash | Allotment pursuant to the amalgamation of Neerav Properties and Hotels Private Limited with our Company | 4.66 | [●] |
| **Total (K)** | **13,116,180** | | | | | **7.67** | **[●]** |
| | | | | | | | |
| **(L) Palm Shelter Estate Development LLP** | | | | | | | |
| March 31, 2011 | 800,000 | 10 | 100 | Cash | Transfer from Uptown Properties and Leasing Private Limited | 0.47 | [●] |
| **Total (L)** | **800,000** | | | | | **0.47** | **[●]** |
| | | | | | | | |
| **(M) Raghukool Estate Development LLP** | | | | | | | |
| September 18, 1995 | 70 | 100 | 100 | Cash | Further issue | 0.00 | [●] |
| December 14, 1996 | 50 | 100 | 100 | Cash | Transfer from Ideal Properties Private Limited. | 0.00 | [●] |
| Pursuant to a resolution of our Board passed in their meeting held on March 4, 1998 and a special resolution of our shareholders in their general meeting held on March 9, 1998, each equity share of our Company of face value ₹ 100 was split into 10 Equity Shares of our Company of face value of ₹ 10 each | | | | | | | |
| March 31, 1998 | 1,491,300 | 10 | 10 | Cash | Further issue | 0.87 | [●] |
| July 11, 1998 | 4,477,500 | 10 | - | Bonus | Bonus issue in the ratio of three equity shares for every one Equity Share | 2.62 | [●] |
| November 20, 2006 | 10,525,680 | 10 | - | Other than cash | Allotment pursuant to the amalgamation of Neerav Properties and Hotels Private | 6.15 | [●] |

| Date of allotment/ transfer | No. of Equity Shares | Face value (₹) | Issue/ purchase/ sale price per Equity Share (₹) | Consideration | Nature of acquisition/ transfer | Percentage of pre-Offer Equity Share capital (%) | Percentage of post-Offer Equity Share capital (%) |
|---|---|---|---|---|---|---|---|
| | | | | | Limited with our Company | | |
| **Total (M)** | **16,495,680** | | | | | **9.64** | |
| | | | | **(N) Ivory Property Trust** | | | |
| December 8, 2017 | 7,780,404* | 10 | - | Other than cash | Allotment pursuant to the scheme of arrangement effecting the demerger of Genext Hardware & Parks Private Limited ("**Genext**") with our Company | | |
| **Total (N)** | **7,780,404** | | | | | **4.55** | **[●]** |
| **Grand Total** | **171,095,293** | - | - | - | - | **100.00** | **[●]** |

** Ivory Properties and Hotels Private Limited holding Equity Shares as the registered owner for and on behalf of the beneficiaries of Ivory Property Trust.*

As on the date of this Draft Red Herring Prospectus, 47,023,720 Equity Shares constituting 27.48% of our pre-Offer paid-up equity share capital of our Company held by Capstan Trading LLP, Raghukool Estate Development LLP, Touchstone Properties and Hotels Private Limited, Anbee Construction LLP and Cape Trading LLP, our Promoters, are pledged in favour of HDFC Limited.

| Name of company | No of Equity Shares pledged | % of total pre-Offer paid up capital |
|---|---|---|
| Touchstone Properties and Hotels Private Limited | 14,400,000 | 8.42% |
| Anbee Construction LLP | 13,116,180 | 7.67% |
| Cape Trading LLP | 13,116,180 | 7.67% |
| Raghukool Estate Development LLP | 3,395,680 | 1.98% |
| Capstan Trading LLP | 2,995,680 | 1.75% |
| **TOTAL** | **47,023,720** | **27.48%** |

***(b) Shareholding of our Promoters and Promoter Group***

Set forth below is the shareholding of our Promoters and Promoter Group as on the date of this Draft Red Herring Prospectus. Our Promoters hold 100% of the equity paid up share capital of our Company.

| | Name of shareholder | As on the date of this Draft Red Herring Prospectus | | Post-Offer# | |
|---|---|---|---|---|---|
| | | Number of Equity Shares | Percentage of Equity Share capital (%) | Number of Equity Shares | Percentage of Equity Share capital (%) |
| | | | **Promoters** | | |
| 1. | Ravi C. Raheja | 15,876,318 | 9.28 | [●] | [●] |
| 2. | Neel C. Raheja | 15,876,318 | 9.28 | [●] | [●] |
| 3. | K Raheja Corp Private Limited | 14,570,000 | 8.52 | [●] | [●] |
| 4. | K Raheja Private Limited | 12,400,000 | 7.25 | [●] | [●] |
| 5. | Ivory Properties and Hotels Private Limited | 5,572,253 | 3.26 | | |
| 6. | Ivory Properties and Hotels Private Limited* | 7,780,404 | 4.55 | | |
| 7. | Genext Hardware and Parks Private Limited | 8,000,000 | 4.68 | [●] | [●] |

| | Name of shareholder | As on the date of this Draft Red Herring Prospectus | | Post-Offer# | |
|---|---|---|---|---|---|
| | | Number of Equity Shares | Percentage of Equity Share capital (%) | Number of Equity Shares | Percentage of Equity Share capital (%) |
| 8. | Touchstone Properties and Hotels Private Limited | 14,500,000 | 8.47 | [●] | [●] |
| 9. | Cape Trading LLP | 13,116,180 | 7.67 | [●] | [●] |
| 10. | Capstan Trading LLP | 16,495,680 | 9.64 | [●] | [●] |
| 11. | Casa Maria Properties LLP | 16,496,280 | 9.64 | [●] | [●] |
| 12. | Anbee Constructions LLP | 13,116,180 | 7.67 | [●] | [●] |
| 13. | Palm Shelter Estate Development LLP | 800,000 | 0.47 | [●] | [●] |
| 14. | Raghukool Estate Development LLP | 16,495,680 | 9.64 | [●] | [●] |
| | **Total** | **171,095,293** | 100.00% | | |

*# Assuming that all the Equity Shares offered by our Promoter as part of the Offer for Sale are transferred pursuant to this Offer.*
** Equity Shares held by the registered owner for and on behalf of the beneficiaries of Ivory Property Trust*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

Other than as mentioned above, none of the members of the Promoter Group, hold any Equity Shares as of the date of this Draft Red Herring Prospectus.

***(c) Shareholding of directors/partners of our corporate Promoters***

Except as disclosed below, none of the directors or partners of our corporate Promoters hold any Shares in our Company.

| Directors/Partners of corporate Promoters | Equity Shares | Percentage of Equity Share capital (%) | Preference Shares |
|---|---|---|---|
| Ravi C. Raheja | 15,876,318 | 9.28% | 2,325 Series A Zero Coupon NCRPS and 2,325 Series B Zero Coupon NCRPS |
| Neel C. Raheja | 15,876,318 | 9.28% | 2,325 Series A Zero Coupon NCRPS and 2,325 Series B Zero Coupon NCRPS |
| C.L Raheja | - | - | 1,600 NCRPS |

All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.

***Details of Promoters' contribution and lock-in for three years***

Pursuant to Regulation 32 and 36(a) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**"). The lock-in of the Promoters' Contribution would be created as per applicable laws and procedures and details of such lock-in shall also be provided to the Stock Exchanges before the listing of the Equity Shares. The Equity Shares held by our Promoters, are eligible for inclusion in the Promoters' Contribution, in terms of Regulation 33 of the SEBI ICDR Regulations.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 171,095,293 Equity Shares, constituting 100% of our Company's paid-up Equity Share capital, of which all the Equity Shares except (i) up to 24,685,000 Equity Shares forming part of the Offer for Sale by the Promoters; (ii) 47,023,720 Equity Shares pledged with HDFC Limited constituting 27.48% of our Company's paid-up Equity Share capital; and (iii) any other Equity Share specifically ineligible in accordance with Regulation 33 of the SEBI ICDR Regulations, are eligible for Promoter's Contribution.

Set forth below are the details of the Equity Shares that will be locked up as Promoters' Contribution for a period of three years from the date of Allotment of Equity Shares in the Offer.

| Name of the Promoter | No. of Equity Shares locked-in | Date of allotment | Face value (₹) | % of pre-Offer Equity Share capital | % of the post- Offer Equity Share capital* |
|---|---|---|---|---|---|
| [●] | [●] | [●] | [●] | [●] | [●] |
| | [●] | [●] | [●] | [●] | [●] |
| | [●] | [●] | [●] | [●] | [●] |
| **Total** | [●] | [●] | [●] | [●] | [●] |

For details on the build-up of the Equity Share capital held by our Promoters, see "***Capital Structure- Build-up of our Promoters' shareholding in our Company***" on page 88.

Our Promoters, have given their consent to include such number of Equity Shares held by them, as disclosed above, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters, have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons identified as 'promoters' under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard we confirm that:

1. the Equity Shares offered as part of the Promoters' Contribution do not comprise Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and wherein revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Promoters' Contribution;

2. the Promoters' Contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

3. our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion of a partnership firm; and

4. the Equity Shares held by our Promoters and offered as part of the Promoters' Contribution are not subject to any pledge.

***(d) Details of Equity Shares locked-in for one year***

In terms of Regulation 37 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital will be locked-in for a period of one year from the date of Allotment in the Offer, except (a) the Promoters' Contribution which shall be locked in as above; (b) Equity Shares which are successfully transferred as part of the Offer for Sale and (c) Equity Shares allotted under the ESOP 2018 to the eligible employees of our Company who are employees as on date of Allotment, the entire pre-Offer Equity Share capital of our Company shall be locked-in for a period of one year from the date of the Allotment.

The aforesaid lock-in arrangement shall be subject to any subsequent amendments to the lock-in requirements under applicable provisions of the SEBI ICDR Regulations. Any unsubscribed portion of the Offered Shares would also be locked in as required under the SEBI ICDR Regulations.

***(e) Lock-in of Equity Shares Allotted to Anchor Investors***

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

***(f) Other requirements in respect of lock-in***

Pursuant to Regulation 39 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in for one year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Promoters' Contribution for three years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Offer.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters may be transferred between our Promoters and Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**").

Further, in terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

8. As on the date of this Draft Red Herring Prospectus, our Company has 14 Equity Shareholders.

9. **Our shareholding pattern**

A. Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

| Category (I) | Category of the Shareholder (II) | No. of Shareholders (III) | No. of fully paid up equity shares held (IV) | No. of partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total No. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII) | No. of Voting Rights held in each class of securities (IX) | | | | No. of shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII)+ (X) as a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized from (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No. of Voting Rights | | | Total as a % of total voting rights | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| | | | | | | | | Class eg: X | Class eg: Y | Total | | | | | | | | |
| **(A)** | **Promoter & Promoter Group** | 14 | 171,095,293 | 0 | 0 | 171,095,293 | | | NA | | | 0 | | 0 | 0 | 47,023,720 | 27.48 | 171,095,293 |
| **(B)** | **Public** | 0 | 0 | 0 | 0 | 0 | | | NA | | | 0 | | 0 | 0 | 0 | | 0 |
| **(C)** | **Non Promoter-Non Public** | 0 | 0 | 0 | 0 | 0 | | 0 | NA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| (1) | **Shares underlying Custodian/Depository Receipts** | 0 | 0 | 0 | 0 | 0 | | 0 | NA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| (2) | **Shares held by Employee Trust** | 0 | 0 | 0 | 0 | 0 | | 0 | NA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 |
| | **Total (A)+(B)+(C)** | **14** | **171,095,293** | **0** | **0** | **171,095,293** | | | **NA** | | | **0-** | **0** | **0** | **0** | **47,023,720** | **0** | **171,095,293** |

10. The BRLMs and their respective associates do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiary, for which they may in the future receive customary compensation.

11. **Shareholding of our Directors and Key Managerial Personnel in our Company**

| Name | No. of Equity Shares held as on date of this Draft Red Herring Prospectus | % of Equity Share capital as on date of this Draft Red Herring Prospectus |
|---|---|---|
| Ravi C. Raheja | 15,876,318 | 9.28 % |
| Neel C. Raheja | 15,876,318 | 9.28 % |

12. **10 largest shareholders of our Company**

(a) The 10 largest equity shareholders as on the date of this Draft Red Herring Prospectus and the number of Equity Shares held by them are as set forth below.

| S. No. | Shareholder | Number of Equity Shares held | Percentage of Equity Share capital (%) |
|---|---|---|---|
| 1. | Casa Maria Properties LLP | 16,496,280 | 9.64% |
| 2. | Capstan Trading LLP | 16,495,680 | 9.64% |
| 3. | Raghukool Estate Development LLP | 16,495,680 | 9.64% |
| 4. | Neel C. Raheja | 15,876,318 | 9.28% |
| 5. | Ravi C. Raheja | 15,876,318 | 9.28% |
| 6. | K. Raheja Corp Private Limited | 14,570,000 | 8.52% |
| 7. | Touchstone Properties And Hotels Private Limited | 14,500,000 | 8.47% |
| 8. | Anbee Construction LLP | 13,116,180 | 7.67% |
| 9. | Cape Trading LLP | 13,116,180 | 7.67% |
| 10. | K Raheja Private Limited | 12,400,000 | 7.25% |
| | **Total** | **1,48,942,636** | **87.05%** |

(b) The 10 largest equity shareholders as on ten days prior to the date of this Draft Red Herring Prospectus and the number of Equity Shares held by them are as set forth below.

| S. No. | Shareholder | Number of Equity Shares held | Percentage of Equity Share capital (%) |
|---|---|---|---|
| 1. | Casa Maria Properties LLP | 16,496,280 | 9.64% |
| 2. | Capstan Trading LLP | 16,495,680 | 9.64% |
| 3. | Raghukool Estate Development LLP | 16,495,680 | 9.64% |
| 4. | Neel C. Raheja | 15,876,318 | 9.28% |
| 5. | Ravi C. Raheja | 15,876,318 | 9.28% |
| 6. | K. Raheja Corp Private Limited | 14,570,000 | 8.52% |
| 7. | Touchstone Properties And Hotels Private Limited | 14,500,000 | 8.47% |
| 8. | Anbee Construction LLP | 13,116,180 | 7.67% |
| 9. | Cape Trading LLP | 13,116,180 | 7.67% |
| 10. | K Raheja Private Limited | 12,400,000 | 7.25% |
| | **Total** | **1,48,942,636** | **87.05%** |

(c) Our 10 largest equity shareholders as of two years prior to the date of this Draft Red Herring Prospectus, i.e. as of July 2, 2016 are set forth below.

| S. No. | Shareholder | Number of Equity Shares held | Percentage of Equity Share capital (%) |
|---|---|---|---|
| 1. | Casa Maria Properties LLP | 16,496,280 | 10.84% |
| 2. | Capstan Trading LLP | 16,495,680 | 10.84% |
| 3. | Raghukool Estate Developement LLP | 16,495,680 | 10.84% |
| 4. | K Raheja Corp Private Limited | 14,570,000 | 9.58% |

| S. No. | Shareholder | Number of Equity Shares held | Percentage of Equity Share capital (%) |
|---|---|---|---|
| 5. | Touchstone Properties And Hotels Private Limited | 14,500,000 | 9.53% |
| 6. | Anbee Construction LLP | 13,116,180 | 8.62% |
| 7. | Cape Trading LLP | 13,116,180 | 8.62% |
| 8. | K Raheja Private Limited | 12,400,000 | 8.15% |
| 9. | Avacado Properties and Trading (India) Private Limited | 8,000,000 | 5.26% |
| 10. | Ravi C. Raheja jointly with Chandru Lachmandas Raheja and Jyoti Chandru Raheja | 7,770,000 | 5.11% |
| | Total | **132,960,000** | **87.39%** |

For details relating to the cost of acquisition of Equity Shares by our Promoters, see "***Risk Factors – Prominent Notes***" on page 17.

13. Except as disclosed below, none of our Promoters, members of the Promoter Group or our Directors or their immediate relatives or directors of our corporate Promoters, have sold or purchased, or financed the sale or purchase of, Equity Shares by any other person, during the six months immediately preceding the date of this Draft Red Herring Prospectus.

| Sr. No. | Date of transfer | Details of transfer | No. of Equity Shares transferred | Transfer price per Equity Share |
|---|---|---|---|---|
| 1. | May 15, 2018 | Gift by Chandru L. Raheja in favour of Ravi C. Raheja | 6,912 | N.A. |
| 2. | May 15, 2018 | Gift by Chandru L. Raheja & Jyoti C. Raheja in favour of Ravi C. Raheja | 2,213,088 | N.A. |
| 2. | May 15, 2018 | Gift by Jyoti C. Raheja & Chandru L. Raheja in favour of Neel C. Raheja | 2,220,000 | N.A. |
| 3. | May 23, 2018 | Transfer pursuant to partition of Chandru Lachmandas HUF in favour of Ravi C. Raheja | 300,000 | N.A. |
| 4. | May 23, 2018 | Transfer pursuant to partition of Chandru Lachmandas HUF in favour of Neel C. Raheja | 300,000 | N.A. |

14. Our Company, our Promoters, members of our Promoter Group, Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares being offered through this Offer from any person.

15. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

16. No payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.

17. Other than 47,023,720 Equity Shares constituting 27.48 % of the pre-Offer paid up equity share capital of our Company, none of the Equity Shares held by our Promoter and Promoter Group are pledged or otherwise encumbered. None of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered.

18. An oversubscription to the extent of 10% of the Offer can be retained for the purpose of rounding-off to the nearest multiple of minimum Allotment lot while finalizing the Basis of Allotment.

19. Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange in accordance with applicable law.

20. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

21. The Equity Shares to be issued pursuant to the Offer are and shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

22. Except for options granted under the ESOP 2018, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus.

23. Except for the Fresh Issue and except for the issuance of Equity Shares upon exercise of employee stock options granted under the Chalet Hotels Limited – Employee Stock Option Plan 2018 there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

24. Except for the issuance of Equity Shares upon exercise of employee stock options granted under the Chalet Hotels Limited – Employee Stock Option Plan 2018, and any change in paid share capital as a result of calls made on Series A and Series B Zero Coupon NCRPS, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placements or otherwise.

25. Except for the sale of Equity Shares in the Offer, our Promoters and members of the Promoter Group will not participate in the Offer.

26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

27. Syndicate Members and any persons related to the BRLMs or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities related to the BRLMs

28. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus filed in relation to this Offer with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

A Bidder cannot make a Bid exceeding the number of Equity Shares offered through this Offer and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For more information, see "***Offer Procedure***" on page 633.

# OBJECTS OF THE OFFER

The Offer comprises of a fresh issue of up to [●] Equity Shares aggregating up to ₹ 9,500 million ("**Fresh Issue**") and an offer for sale of up to 24,685,000 Equity Shares for cash at a price of ₹ [●] per Equity Share ("**Offer for Sale**") aggregating up to ₹ [●] million.

## The Offer for Sale

Each of the Selling Shareholders will be entitled to the respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses and relevant taxes thereon. Other than the listing fees (which shall be borne by our Company), all expenses in relation to the Offer will be shared among our Company and the Selling Shareholders on a pro rata basis, in proportion to the Equity Shares being issued and Allotted pursuant to Fresh Issue and Equity Shares sold by the Selling Shareholders, respectively, pursuant to the Offer and in accordance with applicable laws. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Each Selling Shareholder shall reimburse our Company for all expenses incurred by our Company on behalf of such Selling Shareholders, in relation to the Offer.

## Fresh Issue

The proposed objects of the net proceeds of the Fresh Issue ("**Net Proceeds**") are proposed to be utilised in the following manner:

1. repayment/prepayment of certain indebtedness; and

2. general corporate purposes.

In addition to the aforesaid objects, our Company expects that the listing of the Equity Shares will, *inter alia,* enhance our visibility and our brand image among our existing and potential customers.

The main objects and the objects incidental and ancillary to the main objects of our MoA enables our Company (i) to undertake our existing business activities; (ii) to undertake activities for which loans have been raised or shall be raised, which are proposed to be pre-paid/ repaid from the Net Proceeds; and (iii) to undertake activities for which funds are earmarked for general corporate purposes.

## Net Proceeds

The details of the proceeds of the Fresh Issue are summarized in the table below:

*(in ₹ million)*

| S. No | Particulars | Amount* |
|---|---|---|
| (a) | Gross proceeds of the Offer | Up to 9,500 |
| (b) | Less: Offer Expenses (only those apportioned to our Company)** | [●] |
| (c) | Net Proceeds (excluding Offer Expenses to be borne by our Company) ("**Net Proceeds**") | [●] |

**Our Company will bear all costs, charges, fees and expenses associated with and incurred in connection with this Offer, other than such costs, charges, fees or expenses required to be borne by the Selling Shareholders in proportion to their Offered Shares, in accordance with applicable law.*

***To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

## Utilization of Net Proceeds

The Net Proceeds are proposed to be utilised towards the following objects:

*(in ₹ million)*

| S. No | Objects | Amount |
|---|---|---|
| 1. | Repayment/prepayment of certain indebtedness | 7,200 |
| 2. | General corporate purposes* | [●] |

**To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25.00% of the gross proceeds of the Offer.*

**Proposed schedule of Implementation and Use of Net Proceeds**

We propose to deploy the Net Proceeds for the aforesaid purpose in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards Objects of the Offer.

| S. No | Particulars | Total estimated amount / expenditure | Amount to be deployed from the Net Proceeds in Fiscal 2019 |
|---|---|---|---|
| 1. | Repayment/pre-payment of certain indebtedness | 7,200 | 7,200 |
| 2. | General corporate purposes* | [●] | [●] |
| | **Total Net Proceeds** | [●] | **[●]** |

** To be finalized upon determination of the Offer Price provided that the amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Offer.*

**Details of the Objects**

**1. *Repayment/prepayment of certain indebtedness***

Our Company has entered into various financing arrangements with banks, financial institutions and other entities. The borrowing arrangements entered into by our Company include borrowings in the form of terms loans, and fund based and non-fund based working capital facilities. For details of these financing arrangements including indicative terms and conditions, see "***Financial Indebtedness***" on page 566. As on May 31, 2018, the amount outstanding under the borrowing arrangements entered into by our Company was ₹ 27,180.46 million (excluding interest) on a standalone basis.

Our Company intends to utilize ₹ 7,200.00 million (approximately) of the Net Proceeds towards repayment or prepayment of term loans availed by our Company (including any penalty arising out of such prepayment of loans). We believe that such repayment or prepayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements availed will be based on various factors, including (i) cost of the borrowing to our Company including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any laws, rules and regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. For details, see "***Risk Factors – Some of our loan agreements contain restrictive covenants. Inability to effectively service our borrowings, comply with or obtain waivers of applicable loan covenants, as the case may be, may adversely affect our business, results of operations and financial conditions****."* on page 17.

The details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds, without any obligation to any particular bank or financial institution are set forth below:

| S. No | Name of the lender | Documentation | Nature of loan | Sanctioned amount (in ₹ million) | Total outstanding amount as on May 31, 2018 (in ₹ million)* | Interest rate/ Fee and commission as on May 31, 2018 (in ₹ million) | Repayment schedule | Purpose for which the loan was sanctioned | Purpose for which the loan was actually utilised |
|---|---|---|---|---|---|---|---|---|---|
| 1. | HDFC | Master Facility Agreement | Line of Credit | 2,500 | 2,500 | 8.80% | Repayable yearly from March 2019 to March 2026. | For construction / reimbursement of construction cost of Sahar Hotel and retail project/ working capital/ general corporate purpose | For construction / reimbursement of construction cost of Sahar Hotel and retail project/ working capital/ |

| S. No | Name of the lender | Documentation | Nature of loan | Sanctioned amount (in ₹ million) | Total outstanding amount as on May 31, 2018 (in ₹ million)* | Interest rate/ Fee and commission as on May 31, 2018 (in ₹ million) | Repayment schedule | Purpose for which the loan was sanctioned | Purpose for which the loan was actually utilised |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | general corporate purpose |
| 2. | HDFC | Master Facility Agreement | Term Loan | 2,000 | 183 | 8.80% | Repayable monthly instalment ending on March 31 2019. | To service existing loan and balance towards development of other hotel project of the Company as well as its other expansion plans. | To service existing loan and balance towards development of other hotel project of the Company as well as its other expansion plans. |
| 3. | HDFC | Master Facility Agreement | Term Loan | 3,600 | 3,017 | 8.80% | 120 equated monthly instalment. | Refinance existing loan of Hyderabad Hotel and general corporate purpose | Refinance existing loan of Hyderabad Hotel and general corporate purpose |
| 4. | HDFC | Master Facility Agreement | Term Loan | 1,350 | 979 | 8.80% | 120 equated monthly instalment. | General corporate purpose | General corporate purpose |
| 5. | SCB | Term Loan Facility Agreement | Term Loan facility | 2,567 | 2,159 | 9.25% | Repayment in monthly instalment spread out over 7 years | • Repayment of existing term loan of Sahar commercial project<br>• Balance development and construction cost of Sahar commercial project<br>• Reimbursement of Sahar commercial part project cost<br>• Finance cost and ISCR<br>• Bankable permitted under RBI guidelines | • Repayment of existing term loan Sahar commercial project<br>• Balance development and construction cost of Sahar commercial project<br>• Reimbursement of part Sahar commercial project cost<br>• Interest service coverage ratio |
| 6. | SCB | Term Loan Facility Agreement | Term Loan facility | 2,000 | 1,860 | 9.00% | Repayment in monthly instalment spread out over 7 years | For refinancing of existing ECB of USD 30 Million availed against security of Powai Hotel | For refinancing of existing ECB of USD 30 Million availed against security of Powai Hotel |
| 7. | SCB | Term Loan Facility Agreement | Term Loan facility | 1,950 | 1,911 | 9.20% | Repayment in semi-annual instalment spread out over 5 years | To be utilised towards repayment of ECB loan of USD 10 million against security of Powai hotel and general corporate purposes | To be utilised towards repayment of ECB loan of USD 10 million against security of Powai hotel and general corporate purposes |
| 8. | SCB | Term Loan Facility Agreement | Overdraft facility | 500 | 249 | 9.95% | 12 months, to be renewed annually | Towards working capital requirement | Towards working capital requirement |

| S. No | Name of the lender | Documentation | Nature of loan | Sanctioned amount (in ₹ million) | Total outstanding amount as on May 31, 2018 (in ₹ million)* | Interest rate/ Fee and commission as on May 31, 2018 (in ₹ million) | Repayment schedule | Purpose for which the loan was sanctioned | Purpose for which the loan was actually utilised |
|---|---|---|---|---|---|---|---|---|---|
| 9. | SCB | Term Loan Facility Agreement | Term Loan facility | 900 | 743 | 8.85% | Repayment in monthly instalment spread out over 12 years | • Repayment of existing loan of Bengaluru Mall<br>• General corporate purpose<br>• working capital purpose of Bengaluru Mall<br>• To meet Facility related cost<br>• Debt service reserve account | • Repayment of existing loan of Bengaluru Mall<br>• General corporate purpose |
| 10. | SCB | Term Loan Facility Agreement | Overdraft facility (Sublimit of Term loan facility of ₹ 900 million | 150 | 127 | 8.75% | Overdraft to be reduced on proportionate basis | Working capital purpose | Working capital purpose |
| 11. | ICICI# | Corporate Rupee Loan Facility Agreement | Rupee Term Loan | 3,080 | 1,945 | 9.25% | Repayment in 36 quarterly instalment after moratorium of 48 months | • Repayment of existing loans<br>• Capital expenditure of Sahar project<br>• Reimbursement of expenditure of Sahar project<br>• Transaction cost | • Repayment of existing loans<br>• Capital expenditure Sahar project<br>• Reimbursement of expenditure of Sahar project |
| 12. | | | Overdraft sub limit of term loan | 300 | 111 | 9.35% | | | |
| 13. | ICICI# | Corporate Rupee Loan | Rupee Term Loan | 1,900 | 1,434 | 9.25% | Repayment in 36 quarterly instalment after moratorium of 12 months | • Repayment of existing loans of Bengaluru hotel<br>• Long term working capital<br>• Expenses related to facility | • Repayment of existing loans of Bengaluru hotel<br>• Long term working capital |
| 14. | | | Overdraft sub limit of term loan | 150 | 136 | 9.25% | | | |
| 15. | RBL | Term Loan Agreement | Term Loan | 1,500 | 1,030 | 9.63% | Repayable in quarterly instalment spread out over 5 years | Refinance / Repayment of existing high cost debt | Refinance / Repayment of existing high cost debt |
| 16. | BOB | Term Loan Agreement | Term Loan | 900 | 900 | 8.85% | Repayable in 108 monthly instalment with moratorium of 3 years | For funding the construction/development expenses and future capital expenditure of hotel and retail project at Sahar, Mumbai | For funding the construction / development expenses and future capital expenditure of hotel and retail project at Sahar, Mumbai |
| 17. | Yes Bank | Loan Agreement | Term Loan | 1,100 | 900 | 9.25% | Repayable in 28 quarterly instalments from March 2020 to December 2026. | For funding the ongoing capital expenditure and refinance of existing debt and working capital requirements | For funding the ongoing capital expenditure and refinance of existing debt and working capital requirements |
| 18. | Yes Bank | Loan Agreement | Overdraft sub limit of term loan | 200 | 138 | 9.70% | | | |

| S. No | Name of the lender | Documentation | Nature of loan | Sanctioned amount (in ₹ million) | Total outstanding amount as on May 31, 2018 (in ₹ million)* | Interest rate/ Fee and commission as on May 31, 2018 (in ₹ million) | Repayment schedule | Purpose for which the loan was sanctioned | Purpose for which the loan was actually utilised |
|---|---|---|---|---|---|---|---|---|---|
| 19. | Citibank. | Facility Agreement | Term Loan | 500 | 462 | 8.20% | Repayable in 90 monthly instalments. | For refinance of existing loans from promoter / group companies taken for Bengaluru commercial project | For refinance of existing loans from promoter / group companies taken for Bengaluru commercial project |
| 20. | Citibank. | Facility Agreement | Term Loan | 443 | 400 | 8.20% | Repayable in 108 monthly instalments. | For refinance of existing loans from promoter / group companies taken for Bengaluru commercial project | For refinance of existing loans from promoter / group companies taken for Bengaluru commercial project |
| **Total** | | **27,590** | | | **21,184** | | | | |

**The amount outstanding is excluding interest accrued and due as on May 31, 2018. The amount outstanding as of May 31, 2018, being ₹ 21,184 million, has been certified by Nayak and Rane, chartered accountants (firm registration number: 117249W) by way of their certificate dated June 22, 2018. Further, Nayak and Rane, chartered accountants have confirmed that our Company has utilized the above borrowings for the purposes for which the loans were sanctioned.*

*# Pursuant to the no objection certificate dated May 28, 2018 received from ICICI, we are mandatorily required to prepay the facilities or part thereof, out of the Net Proceeds of the Offer in accordance with the terms of the facility documentation entered into with them. Further, with respect to the no objection certificate dated June 14, 2018, received from ICICI UK, and the no- objection certificate dated May 29, 2018, received from ICICI Bahrain, we are mandatorily required to prepay the facilities or part thereof, out of the Net Proceeds of the Offer, subject to receipt of regulatory approvals and in accordance with the terms of their respective facility documentation.*

In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn-down prior to the completion of the Offer, we may utilise Net Proceeds of the Fresh Issue towards prepayment, repayment or redemption (earlier or scheduled) of such additional indebtedness availed by us, details of which shall be provided in the Red Herring Prospectus.

**2. *General corporate purposes***

The Net Proceeds will first be utilised for the objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards general corporate purposes of our Company, as approved by our management, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to, the following:

(i) strategic initiatives;

(ii) funding growth opportunities;

(iii) strengthening marketing capabilities and brand building exercises;

(iv) meeting ongoing general corporate contingencies;

(v) any other purpose, as may be approved by the Board, subject to compliance with applicable law.

The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

***Means of Finance***

The fund requirements set out above are proposed to be funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75.00% of the stated means of finance, excluding the amount to be raised from Fresh Issue.

In the event that estimated utilisation out of the Net Proceeds towards the aforementioned objects in a Fiscal is not completely met, due to any reason, the same shall be utilised (in part or full) in the subsequent period as may be determined by our Company, in accordance with applicable law.

**Offer Related Expenses**

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Banks to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Except for listing fees which shall be solely borne by our Company, all Offer expenses will be shared, upon successful completion of the Offer, between our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares Allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholders in the Offer for Sale. However, in the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be borne by our Company.

The estimated Offer expenses are as follows:

*(₹ in million)*

| S. No | Activity | Estimated amount* (₹ in million) | As a % of total estimated Offer Expenses* | As a % of Offer Size* |
|---|---|---|---|---|
| 1. | Fees payable to the BRLMs (including underwriting commission, brokerage and selling commission) | [●] | [●] | [●] |
| 2. | Selling commission and processing fees for SCSBs (1)(2) | [●] | [●] | [●] |
| 3. | Brokerage, selling commission and bidding charges for the members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs (3) (4) | [●] | [●] | [●] |
| 4. | Fees payable to the Registrar to the Offer | [●] | [●] | [●] |
| 5. | Other expenses | | | |
| | (i) Listing fees, SEBI filing fees, book building software fees and other regulatory expenses, printing and stationery expenses, monitoring agency and fees payable to the legal counsel | [●] | [●] | [●] |
| | (ii) Advertising and marketing expenses for the Offer | [●] | [●] | [●] |
| | (iii) Other Advisors to the Offer | [●] | [●] | [●] |
| | (iv) Miscellaneous | | | |
| | **Total Estimated Offer Expenses** | [●] | [●] | [●] |

* *To be incorporated in the Prospectus after finalization of the Offer Price.*

*(1) Selling commission payable to the SCSBs on the portion for Retail Individual Investors and portion for Non-Institutional Investors, which are directly procured by them would be as follows:*

| | |
|---|---|
| *Portion for Retail Individual Investors ** | *[●] % of the amount Allocated (plus applicable taxes)* |
| *Portion for Non-Institutional Investors** | *[●]% of the amount Allocated (plus applicable taxes)* |

**Based on valid Bid cum Application Forms*

*No additional processing/uploading charges shall be payable by our Company to the SCSBs on the applications directly procured by them.*

*(2) Processing fees payable to the SCSBs on the portion for Retail Individual Investors, portion for Non-Institutional Investors, which are procured by the members of the Syndicate /Sub-Syndicate /Registered Brokers /Collecting RTAs /CDPs and submitted to SCSBs for blocking would be as follows:*

| | |
|---|---|
| *Portion for Retail Individual Investors* | *₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)* |
| *Portion for Non-Institutional Investors* | *₹ [●] per valid Bid cum Application Forms* (plus applicable taxes)* |

**Based on valid Bid cum Application Forms*

*(3) Selling commission on the portion for Retail Individual Investors, the portion for Non-Institutional Investors which are procured by Syndicate Members (including their Sub-Syndicate Members) would be as follows:*

| | |
|---|---|
| *Portion for Retail Individual Investors* | *[●] % of the amount Allocated (plus applicable taxes)* |
| *Portion for Non-Institutional Investors* | *[●] % of the amount Allocated (plus applicable taxes)* |

**Based on valid Bid cum Application Forms*

*In addition to the selling commission referred above, any additional amount(s) to be paid by our Company and Selling Shareholders shall be as mutually agreed amongst the Book Running Lead Managers, their respective Syndicate Members and our Company before the opening of the Offer.*

*Further, the Syndicate, RTAs and CDPs will be entitled to Bidding Charges: ₹ [●] per valid ASBA form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant member of syndicate.*

*(4) Selling commission payable to the Registered Brokers, Collecting RTAs and CDPs on the portion for Retail Individual Investors, and portion for Non-Institutional Investors which are directly procured by the Registered Broker or RTAs or CDPs or submitted to SCSB for processing, would be as follows:*

| | |
|---|---|
| *Portion for Retail Individual Investors* | *[●] % of the amount Allocated (plus applicable taxes)* |
| *Portion for Non-Institutional Investors* | *[●] % of the amount Allocated (plus applicable taxes)* |

** Based on valid Bid cum Application Forms*

*All of the above are exclusive of applicable taxes.*

**Interim Use of Funds**

Our Company, in accordance with the policies formulated by our Board of Directors from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with the scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by our management from time to time. Our Company confirms that, pending utilization of the Net Proceeds, it shall not use the funds for any investment in any other equity or equity linked securities. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

**Bridge Loan**

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

**Monitoring of Utilisation of Funds**

In terms of Regulation 16 of the SEBI ICDR Regulations, prior to registering the Red Herring Prospectus with RoC, we will appoint a monitoring agency to monitor the utilization of the Net Proceeds as our Offer size (excluding the Offer for Sale by the Selling Shareholders) exceeds ₹ 1,000 million. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Further, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

**Variation in Objects of the Offer**

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act 2013 and provisions of Chapter VI A of the SEBI ICDR Regulations. For further details, see "***Risk Factors - Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval***", on page 17.

**Other Confirmations**

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Company or Key Managerial Personnel. Our Company has not entered into nor has planned to enter into any arrangement/ agreements with Promoters, Directors, Key Management Personnel or our Group Companies in relation to the utilization of the Net Proceeds of the Offer.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of an assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to "***Our Business***", "***Risk Factors***", "***Summary Financial Information***" *and* "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 146, 17, 240 and 537 respectively, to have an informed view before making an investment decision.

### Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Offer Price are:

1. High-End Branded Hotels Strategically Located in Key Metro Cities of India;

2. Active Asset Management Model;

3. Well Positioned to Benefit from Industry Trends;

4. Experienced Management Team; and

5. Backed by Leading Indian Real Estate Developer.

For further details, see "***Our Business***" and "***Risk Factors***" on pages 146 and 17, respectively.

### Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Consolidated Summary Financial Information and Restated Standalone Summary Financial Information. For details, see "***Summary Financial Information***" on page 240.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

**1. Basic and Diluted Earnings/Loss per Share ("EPS") (face value of ₹ 10 each), as adjusted for change in capital:**

As per our Restated Standalone Summary Financial Information:

| Year/Period ended | Basic & Diluted EPS (₹) | Weight |
|---|---|---|
| March 31, 2018 | 1.19 | 3 |
| March 31, 2017 | 8.14 | 2 |
| March 31, 2016 | (7.43) | 1 |
| **Weighted Average** | 2.07 | |

As per our Restated Consolidated Summary Financial Information:

| Year/Period ended | Basic & Diluted EPS (₹) | Weight |
|---|---|---|
| March 31, 2018 | 1.66 | 3 |
| March 31, 2017 | 7.97 | 2 |
| March 31, 2016 | (7.39) | 1 |
| **Weighted Average** | 2.25 | |

Basic earnings per share (₹) = Restated Net profit after tax and adjustments, available for equity shareholders/weighted average number of equity shares outstanding during the year

Diluted earnings per share (₹) = Restated Net profit for the year /weighted average number of diluted potential equity shares outstanding during the year

**Note**:

*Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended). The above statement should be read with significant accounting policies and notes on Restated Summary Financial Information as appearing in the Summary Financial Information.*

*The above statement should be read with significant accounting policies and notes on Restated Summary Financial Information as appearing in the Summary Financial Information.*

*Basic EPS (₹) is net profit attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year / period.*

*Diluted EPS (₹) is net profit attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year / period as adjusted for the effects of all potential dilutive equity shares.*

## 2. Price / Earning Ratio (P/E) in relation to the Offer Price of ₹ [●] per Equity Share of the face value of ₹ 10 each

| Particulars | Standalone (no. of times) | Consolidated (no. of times) |
|---|---|---|
| P/E ratio based on Basic and Diluted EPS for the Fiscal ended March 31, 2018 at the Floor Price: | [●] | [●] |
| P/E ratio based on Basic and Diluted EPS for the Fiscal ended March 31, 2018 at the Cap Price: | [●] | [●] |

### Industry P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 405.83, the lowest P/E ratio is 51.27, the average P/E ratio is 201.11.

*Note - The highest and lowest Industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see " **- Comparison with listed industry peers**" hereunder.*

## 3. Return on Net Worth (RoNW)

Return on net worth as per the Restated Standalone Summary Financial Information:

| Period/Year ended | RONW (%) | Weight |
|---|---|---|
| March 31, 2018 | 3.91 | 3 |
| March 31, 2017 | 25.93 | 2 |
| March 31, 2016 | (20.60) | 1 |
| **Weighted Average** | 7.17 | |

Return on net worth as per the Restated Consolidated Financial Information:

| Period/Year ended | RONW (%) | Weight |
|---|---|---|
| March 31, 2018 | 5.74 | 3 |
| March 31, 2017 | 27.29 | 2 |
| March 31, 2016 | (21.75) | 1 |
| **Weighted Average** | 8.34 | |

$$\text{RoNW (\%)} = \frac{\text{Restated Net profit/(loss) after tax and adjustments, as restated available for equity shareholders}}{\text{Restated Net worth at the end of the year}}$$

*Return on net worth (%) is net profit attributable to equity shareholders divided by net worth excluding preference share capital (at the end of the year). Net Worth = Equity Share Capital + Reserves & Surplus (included General Reserves, Surplus in Profit & Loss Account and Share Premium.*

4. **Minimum Return on Total Net Worth after Offer needed to maintain pre-Offer EPS as at March 31, 2018**

a) **For Basic EPS**

| Particulars | Standalone (%) | Consolidated (%) |
|---|---|---|
| At the Floor Price | [●] | [●] |
| At the Cap Price | [●] | [●] |

b) **For Diluted EPS**

| Particulars | Standalone (%) | Consolidated (%) |
|---|---|---|
| At the Floor Price | [●] | [●] |
| At the Cap Price | [●] | [●] |

5. **Net Asset Value (NAV) per Equity Share (face value of ₹ 10 each)**

| NAV | Standalone (₹) | Consolidated (₹) |
|---|---|---|
| As on March 31, 2018 | 30.53 | 28.96 |
| At the Floor Price | [●] | [●] |
| At the Cap Price | [●] | [●] |
| At the Offer Price | [●] | [●] |

Net asset value per Equity Share = Restated Net worth at the end of the year / Weighted average number of Equity Shares outstanding during the year.

6. **Comparison with listed industry peers**

Following is the comparison with our peer group companies listed in India:

| Name of the company | Total Revenue (₹ in million) | Face Value per Equity Share (₹) | P/E | EPS (Basic) (₹) | Return on Net Worth (%)# | Net Asset Value/ Share (₹)# |
|---|---|---|---|---|---|---|
| Company* | 9,295.14 | 10 | [●] | 1.66 | 5.74 | 28.96 |
| **Peer Group** | | | | | | |
| The Indian Hotels Company Limited | 41,652.80 | 1 | 146.21 | 0.91 | 2.09 | 41.69 |
| EIH Limited | 17,048.30 | 2 | 51.27 | 3.14 | 6.63 | 51.66 |
| Lemon Tree Hotels Limited | 4,920.68 | 10 | 405.83 | 0.18 | 1.17 | 15.81 |

**Based on the Restated Consolidated Summary Financial Information (as at March 31, 2018)*

*Notes:*

1. Source for industry peers: Audited Financials for the year ended March 31, 2018 filed with the Stock Exchanges
2. P/E ratio is calculated at the closing share price (June, 26 2018, NSE) 4. # Net worth includes minority or non-controlling interests. Number of shares for industry peers refer to outstanding Equity Shares at the end of the year

**The Offer Price is [●] times of the face value of Equity Shares**

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. Our Company, the Selling Shareholders and the BRLMs believe that the Offer Price of ₹ [•] is justified in view of the above parameters. Investors should read the above mentioned information along with the sections "***Risk Factors***" and "***Summary Financial Information***" on pages 17 and 240, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "***Risk Factors***" on pages 17 and any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

**The Board of Directors**
Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*
Raheja Tower, Plot No, C-30, Block "G", Next to Bank of Baroda,
Bandra Kurla Complex, Bandra (E)
Mumbai-400051.
Maharashtra, INDIA

Dear Sirs

**Sub: Statement of possible Special tax benefit ('the Statement') available to Chalet Hotels Limited and its shareholders prepared to comply with the requirements under Schedule VIII Part A- Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'SEBI ICDR Regulations').**

We hereby report that the enclosed Statement prepared by Chalet Hotels Limited (the 'Company') states the possible special tax benefits available to the Company and to its shareholders under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2018 (together "the Tax Laws"), presently in force in India, as on the signing date, for inclusion in the Draft Red Herring Prospectus for the proposed initial public offering of the Company through a fresh issue and an offer for sale of equity shares by certain existing shareholders. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to its shareholders and do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable, have been / would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this Statement.

The enclosed Statement is intended solely for your information and for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022
**Aniruddha Godbole**
*Partner*
Membership No: 105149
Place: Mumbai
Date: 2 July 2018

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

**1 <u>Special tax benefits available to the Company</u>**

The Company will be entitled to claim a deduction under section 35AD of the Income-tax Act, 1961 in respect of whole of any capital expenditure incurred for the purposes of any specified business carried on by it during the previous year in which such capital expenditure is incurred, subject to fulfillment of conditions specified therein.

'Specified business' for the purpose of section 35AD of the Act includes building and operating of a new hotel of two star or above category anywhere in India, on or after 1 April 2010, as classified by the Central Government.

**2 <u>Special tax benefits available to the shareholders of the Company</u>**

There are no special tax benefits available to the shareholders of the Company.

**Note**:

1. *The above is as per the Tax Laws.*
2. *The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*
3. *This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.*

**SECTION IV: ABOUT THE COMPANY**

**INDUSTRY OVERVIEW**

*The information contained in this section is derived from a research report titled "Industry Report – Top tier and Upscale Hotels" dated June 25, 2018, prepared by Horwath HTL which has been commissioned by the Company in relation to the Offer, together with research reports titled "CBRE India Retail Market View H2 2017", "CBRE India Market Outlook Report April 2018" and "CBRE India Office Market View Q1 2018, released in years 2017 and 2018, prepared by CBRE Research. Neither we, nor any other person connected with the Offer has independently verified this information.*

*Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

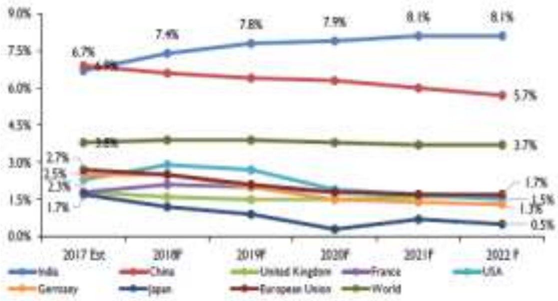
**Macroeconomic Overview of India**

India is the sixth largest economy in the world with GDP at current prices of USD 2.61 trillion and third in terms of purchasing power parity as per 2017 estimates. (*Source: IMF*). The Indian economy grew by 6.5% in the financial year 2017-2018 (estimates) as against 7.1% growth for the financial year 2016-2017 (*Source: Central Statistics Office, Government of India*).

**India GDP Forecast**

India has emerged as a lead growth engine for the next five years, in terms of the rate of GDP growth. As per IMF, per capita GDP in India for 2017 is USD 1,983, up from USD 1,749 for 2016 and USD 1,639 for 2015 and is expected to grow at a CAGR of 8.7% between 2017 and 2022. India's nominal GDP is forecasted to increase from USD 2,611 billion in the calendar year 2017 to USD 4,227 billion by the calendar year 2022 at a CAGR of 10.1% (at current prices), according to IMF.

The chart below provides the IMF forecast for GDP growth rate (at constant prices) for India and the top seven global economies for the next five years.



*Source: IMF*

***India GDP and Hotel Room Demand***

Economic growth has a material benefit in creating demand for hotels. With an increase in GDP (at current prices) from USD 1,224 billion in 2008 to USD 2,611 billion for 2017, the demand for hotel rooms has increased from 26,300 rooms per day in 2008 to 84,100 rooms per day for 2017. With India's GDP is expected to grow at 7.4% to 8.1% (at constant prices) over the next five years, growth in the demand for hotel rooms can reasonably be expected. The chart below compares the demand for hotel rooms (RPD growth) with the GDP levels for India.


*Source: IMF & Horwath HTL*

***Key demographic aspects***

*Increased urbanisation*: India's urban population has increased from 27% of total population (per census 2001) to 31.16% of the total population (per Census 2011) (*Source: Census of India, 2011).*

*Middle class population*: The middle class population in India has doubled from 300 million to 600 million between 2004 and 2012, according to World Economic Forum, and is likely to overtake that of US and China by 2027.

*Young Population*: Estimates by PwC in a study focusing on Indian workplace of 2022, indicate that by 2020, the average age of an Indian will be 29 years, compared with average age of 38 years for both China and USA and 48 years for Japan. This young population will help constitute a large working population, with an estimated 64% of India's population to be in the working age population by year 2020-2021 (*Source: Union budget and economic survey 2013*). A large working population with young demographics can reasonably be expected to enhance the discretionary spending capacity.

**Classifications of Hotel Rooms Supply**

Certain terms which are used for classifying and categorizing hotels, are listed below:

*Luxury and upper upscale segment* – these classifications typically refer to top tier hotels. In India, these would generally be classified as five star, deluxe and luxury hotels.

*Upscale segment* – these are hotels which are more moderately positioned and priced, with smaller room sizes, than the top tier hotels. In India, these would generally be classified as four or even five star hotels.

*Upper midscale segment* – these hotels are more moderately positioned and priced than upscale hotels. These may be full service or even select service hotels, typically with fewer public areas and facilities and possibly smaller room sizes, than upscale hotels. In India, these would generally be classified as four star and sometimes three star hotels.

*Midscale segment* – these are typically three star hotels with distinctly moderate room sizes, quality and pricing, and a lower quality of services, while domestic brand midscale hotels are often more full service in nature, services tend to be more selectively available among international branded midscale hotels.

*Economy segment* – these are typically two star hotels providing functional accommodations and limited services, while being focused on price consciousness.

Chain-affiliated hotels are hotels that are either (i) owned and operated by hotel chains, (ii) operated by hotel chains on behalf of other owners, or (iii) operated by owners themselves or third parties under a franchise arrangement from hotel chains. These include all recognized international global chains operating in India, irrespective of the number of hotels or rooms operated by them in the country and domestic hotel chains that are generally considered as operating under common branding.

Chain-affiliated hotels do not include other domestic chains which have less than five hotels operating regionally in India, groups that have multiple hotels only within one state (unless they are generally regarded as chain-affiliated hotels by the market), companies that are primarily operating time share facilities and one star hotels. There is significant amount of room inventory outside the chain-affiliated hotels in India, with a mix of product types, positioning, service and operating standards and varied degrees of competitiveness. Independent hotels have not been included due to the following main reasons:

- lack of sufficiently co-ordinated data for independent hotels that is available under a reliable and consistent standard;

- increasingly challenged competitiveness of these independent hotels against growing presence of chain-affiliated hotels, particularly under an environment of multi-city corporate travel needs, and the cost and efficiency of digital marketing capability;

- longer-term constraints on independent hotel growth as hotel chains, particularly domestic chains, spread their presence outside the main cities; and

- limited size of independent hotels given the reluctance of banks to finance larger projects unless these have access to strong marketing and management systems.

The pace of growth of independent hotels has considerably slowed over the years, relative to chain-affiliated hotels. Thus, considering past and current performance of chain-affiliated hotels while also competing with the available supply of independent hotels is an adequate reflection of the competitive ability and environment for chain-affiliated hotels. In this context the trends and outlook presented for chain-affiliated hotels will not be materially impacted if independent hotels were also to be considered.

**Industry Size: Chain-affiliated Hotels**

Chain-affiliated hotel rooms in India have increased from 23,751 as at March 31, 2001 to about 135,232 as at March 31, 2018.

Supply growth and diversity of supply was initially spurred by a very strong business period from the financial year 2005 through the initial months of the financial year 2009, particularly financial year 2007 to the summer of 2008. About 18,500 rooms were added in the financial years 2010 and 2011. Thereafter, an average of just under 11,000 rooms were added each year for the next four years. The pace of addition of new rooms slowed to an average of just below 9,400 rooms per year for the next three years, i.e. financial year 2016 through 2018, with approximately 10,000 rooms added in the financial year 2018. Supply growth is expected to regain some momentum over the next four years, with an average of about 11,500 rooms expected to be added each year over the next four years. This growth is mainly concentrated in the upscale and upper midscale segments, comprising about 48% of total expected supply over the next four years.

For the upscale segment, real supply growth only picked up from the financial year 2011. Nine years between the financial years 2001 and 2010 saw supply being doubled, but only from a very modest base of 5,000 rooms. 14,000 rooms were added in the next six years through the financial year 2016, at 12.5% CAGR.

Actual supply creation was delayed as the development cycle in India is generally longer, with delays caused by varied factors including project, environmental and implementation approval delays, cost overrun and funding shortfalls, delays in receipt of completion and opening related approvals, etc. Several hotels that were completed between the financial years 2012-2015 were from projects initiated between the financial years 2007-2009. Further, the business slowdown from the end of 2008, and particularly after 2010, caused several projects to be dropped. From about financial year 2013, there was a distinct slowdown in initiation of new projects while under completion projects continued to be carried to completion. The trend of slower inventory creation is expected to continue up to the financial year 2020/2021, particularly in the luxury–upper upscale and upscale segments, as there have been fewer commitments made in the last three to four years for new hotel projects. However, several new projects that have recently been initiated, may complete in the financial year 2022 or more likely later.

**Segmental Supply**

Segmental supply has evolved significantly since the financial year 2001.

The following table sets forth the composition of chain-affiliated supply of hotel rooms in India:

(Inventory in 000s)

| Category | FY01 | FY08 | FY15 | FY18 | FY22 | CAGR FY01-08 | CAGR FY08-15 | CAGR FY 15-18 | CAGR 2018-22 |
|---|---|---|---|---|---|---|---|---|---|
| Luxury-Upper Upscale | 13 | 21 | 42 | 49 | 62 | 6.5% | 10.8% | 5.1% | 6.2% |
| Upscale | 5 | 8 | 22 | 27 | 38 | 5.8% | 15.8% | 7.9% | 9.1% |
| Upper Midscale | 4 | 7 | 20 | 26 | 36 | 9.6% | 16.6% | 9.5% | 8.5% |

| Category | FY01 | FY08 | FY15 | FY18 | FY22 | CAGR FY01-08 | CAGR FY08-15 | CAGR FY 15-18 | CAGR 2018-22 |
|---|---|---|---|---|---|---|---|---|---|
| Midscale-Economy | 2 | 5 | 23 | 33 | 42 | 17.1% | 24.0% | 11.8% | 6.8% |
| **TOTAL** | **24** | **40** | **107** | **135** | **180** | **7.9%** | **15.0%** | **8.0%** | **7.4%** |
| **% of Total** | | | | | | | | | |
| Luxury-Upper Upscale | 55.8% | 51.1% | 39.4% | 36.4% | 34.8% | | | | |
| Upscale | 21.9% | 19.1% | 20.1% | 20.0% | 21.4% | | | | |
| Upscale Midscale | 15.0% | 16.9% | 18.6% | 19.4% | 20.2% | | | | |
| Midscale-Economy | 7.2% | 12.9% | 21.8% | 24.2% | 23.6% | | | | |

*Source: Horwath HTL*

India has moved from a top-heavy supply scenario, at the start of the century, to a more balanced supply. The midscale-economy segment has gained material supply share, almost trebling its supply relevance between the financial years 2001 (when it had a fledgling share) and 2018. The trend for the next 3-5 years is broadly expected to be the same, with the luxury-upper upscale supply share continuing to gradually decline with gains to the upscale and upper midscale sectors.

International tourists (particularly the first time visitors) often prefer luxury-upper upscale hotels as it gives them greater sense of comfort and security in an environment that is quite alien to their home country experience. Besides, hotels in this segment are necessary to better position cities, leisure destinations and key micro-markets to the international market and thereby better capitalize on global demand potential. Higher rates charged also enable better overall revenue realisations. India lacks convention centres and is missing out on a significant revenue stream – a similar consequence could ensue from prolonged supply slowdown in the upper-upscale segment.

Company's supply share is mainly in the luxury-upper upscale segment with 4.4% room inventory share by the end of financial year 2018.

**Supply Composition by City**

The top 10 markets (based on hotel inventory) in India have 66% of rooms supply in the financial year 2018 and each market has at least 3,000 chain-affiliated hotel rooms.

The following table sets forth the supply of chain-affiliated hotel rooms in the top 10 markets for the periods indicated:

(Inventory in 000s)

| Category | FY01 | FY08 | FY15 | FY18 | FY22 |
|---|---|---|---|---|---|
| NCR | 4.9 | 6.6 | 18.5 | 22.2 | 26.7 |
| Delhi | 4.9 | 5.6 | 10.7 | 12.9 | 14.0 |
| Bengaluru | 1.1 | 2.7 | 10.7 | 13.3 | 18.1 |
| Mumbai | 3.5 | 6.9 | 11.8 | 12.7 | 17.5 |
| Chennai | 1.6 | 2.6 | 6.8 | 9.0 | 9.7 |
| Hyderabad | 0.9 | 1.6 | 5.9 | 7.1 | 8.1 |
| Pune | 0.4 | 0.9 | 5.9 | 6.8 | 7.3 |
| Goa | 1.2 | 2.2 | 4.5 | 5.7 | 8.6 |
| Jaipur | 1.0 | 1.5 | 4.5 | 5.2 | 6.5 |
| Kolkata | 0.9 | 1.6 | 2.6 | 3.5 | 5.3 |
| Ahmedabad | 0.3 | 0.5 | 3.3 | 3.3 | 4.2 |

*Source: Horwath HTL*

The share of top 10 markets in inventory added between the financial years 2008 and 2015 was 71%. This share slowed materially to 52% of additions in the last three years. Bengaluru, Delhi, Chennai and, to a smaller extent, Hyderabad and Kolkata, have continued to grow through these ten years. Mumbai and Pune had slower supply growth between the financial years 2015 and 2018.

Supply share of other markets, outside the ten major markets, has remained at or around the one-third level although there has been an addition of about 38,000 rooms in absolute terms.

The markets of focus for the Company are currently the top seven markets in India in terms of supply. The Company already has hotels in Mumbai (including Navi Mumbai), Bengaluru and Hyderabad and is further developing a hotel in Navi Mumbai. Additionally, the Company is seeking to acquire or develop hotels and resorts in Delhi, Chennai, Pune and Goa.

The following table sets forth the city wide composition of chain-affiliated hotel rooms in the luxury-upper upscale segment of the top 10 cities in terms of inventory:

| **Luxury-Upper Upscale** | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Luxury – Upper Upscale** | | | | | **Luxury-Upper Upscale (% of total city)** | | | | |
| **Category** | **FY01** | **FY08** | **FY15** | **FY18** | **FY22** | **FY01** | **FY08** | **FY15** | **FY18** | **FY22** |
| NCR | 3.2 | 4.3 | 8.7 | 9.7 | 10.4 | 66% | 65% | 47% | 44% | 39% |
| Delhi | 3.2 | 3.9 | 5.8 | 6.6 | 7.0 | 67% | 69% | 54% | 51% | 50% |
| Mumbai | 2.8 | 5.7 | 8.0 | 8.5 | 10.4 | 80% | 82% | 68% | 67% | 59% |
| Bengaluru | 0.8 | 1.6 | 4.0 | 5.3 | 7.3 | 73% | 58% | 38% | 39% | 40% |
| Chennai | 1.3 | 1.3 | 3.6 | 3.6 | 3.8 | 81% | 51% | 52% | 40% | 39% |
| Hyderabad | 0.7 | 1.0 | 2.6 | 2.9 | 3.3 | 83% | 62% | 44% | 41% | 41% |
| Pune | 0.3 | 0.3 | 1.8 | 2.3 | 2.5 | 72% | 33% | 31% | 33% | 34% |
| Goa | 0.8 | 1.5 | 2.2 | 2.5 | 3.9 | 68% | 68% | 49% | 43% | 46% |
| Kolkata | 0.4 | 0.9 | 1.3 | 1.7 | 2.3 | 49% | 58% | 49% | 48% | 43% |
| Jaipur | 0.6 | 0.8 | 2.0 | 2.3 | 2.9 | 59% | 51% | 43% | 44% | 45% |
| Ahmedabad | 0.1 | 0.1 | 0.5 | 0.7 | 1.4 | 23% | 13% | 15% | 20% | 33% |
| Others | 2.2 | 3.3 | 7.6 | 9.8 | 14.2 | 27% | 25% | 23% | 21% | 21% |
| **TOTAL** | **13.3** | **20.6** | **42.3** | **49.2** | **62.4** | **56%** | **51%** | **39%** | **36%** | **35%** |

*Source: Horwath HTL*

Each of the main cities has gone through a change in supply composition, which was inevitable considering the top-heavy nature of the market in the financial year 2001. As the modest supply levels of the financial year 2001 have expanded, the supply composition has materially changed. The southern cities of Bengaluru, Chennai and Hyderabad, and Pune, have seen the sharpest shift with a decline of 34% to 42% in the supply share of luxury-upper upscale hotels between the financial years 2001 and 2018. During this period, these cities have grown in importance as business cities becoming technology hubs and embracing the new economy. This new economy has also encouraged supply creation across difference price points, by creating relevant demand. Mumbai still has 67% of its supply in the luxury-upper upscale segment, possibly an outcome of high land prices and its status as a financial capital and finance centre. It is the only city with luxury-upper upscale supply share in excess of 50%.

While investment interest (and commitments) for the luxury-upper upscale space have gained pace in the last 12-15 months, the pace of project completion is slow. We do not foresee major supply growth in this segment till the financial year 2021, with expected CAGR of 5% for this period. The supply estimates for the financial year 2022 are higher on an assumption of several new projects being completed in about four years, leading to an assumed completion by financial year 2022 and a related higher CAGR of 6.2% between the financial years 2018 and 2022.

The following table sets forth the city wide composition of chain-affiliated hotel rooms in the upscale segment:

| **Upscale** | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Upscale** | | | | | **Upscale (% of total city)** | | | | |
| **Category** | **FY01** | **FY08** | **FY15** | **FY18** | **FY22** | **FY01** | **FY08** | **FY15** | **FY18** | **FY22** |
| NCR | 1.5 | 1.8 | 4.3 | 5.6 | 6.6 | 30% | 27% | 23% | 25% | 25% |
| Delhi | 1.5 | 1.5 | 2.3 | 3.4 | 3.7 | 30% | 26% | 22% | 26% | 27% |
| Mumbai | 0.2 | 0.3 | 1.3 | 1.4 | 2.1 | 7% | 5% | 11% | 11% | 12% |
| Bengaluru | 0.2 | 0.2 | 2.1 | 2.6 | 4.2 | 19% | 8% | 20% | 19% | 23% |
| Chennai | 0.0 | 0.6 | 1.1 | 1.7 | 2.0 | 0% | 22% | 16% | 19% | 20% |
| Hyderabad | 0.0 | 0.3 | 1.2 | 1.3 | 1.6 | 0% | 17% | 20% | 19% | 19% |
| Pune | 0.0 | 0.1 | 1.4 | 1.6 | 1.6 | 0% | 10% | 24% | 23% | 21% |
| Goa | 0.0 | 0.0 | 0.6 | 1.0 | 1.6 | 0% | 0% | 12% | 18% | 18% |
| Kolkata | 0.3 | 0.5 | 1.0 | 1.0 | 1.2 | 37% | 31% | 39% | 29% | 23% |
| Jaipur | 0.0 | 0.0 | 0.1 | 0.5 | 0.9 | 1% | 1% | 3% | 10% | 14% |
| Ahmedabad | 0.0 | 0.2 | 1.3 | 1.0 | 1.2 | 0% | 33% | 40% | 30% | 28% |
| Others | 2.9 | 3.8 | 7.2 | 9.4 | 15.6 | 37% | 29% | 22% | 20% | 23% |
| **TOTAL** | **5.2** | **7.7** | **21.6** | **27.1** | **38.4** | **22%** | **19%** | **20%** | **20%** | 21% |

*Source: Horwath HTL*

All three southern cities have upscale supply share of 19% with Pune being a little bit higher, at 23%. Among leisure markets, Goa has 43% supply share in the luxury-upper upscale segment but only 18% in the upscale segment. This means that 39% of supply is of M-E category. While the continued rate growth in that market is remarkable despite the changed supply share, the destination could do with some truly luxury and upper-upscale hotels and also more sustained upscale hotel supply.

**Foreign and Domestic Chain-affiliated Supply**

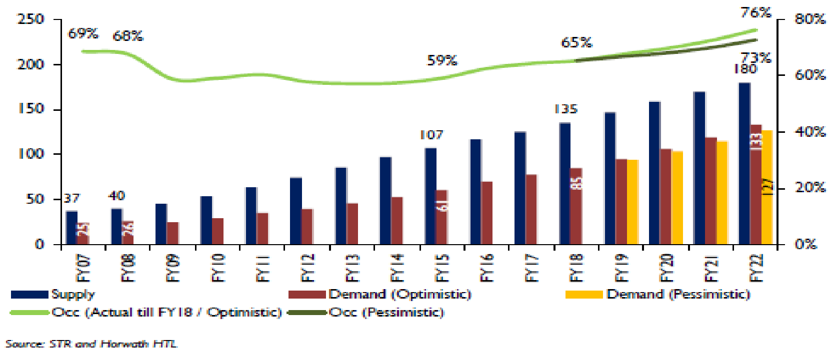
The primacy of domestic chains as of financial year 2001, slowly started ceding ground to international chains which expanded on the basis of aggressive pursuit of management contracts. They also gained from supporting the development of large format hotels with larger scale that added function and meetings spaces of substance in key cities. Domestic chains had earlier based their expansion on a combination of asset ownership and management contracts, often weighted more substantially towards asset ownership.

An interesting feature of hotel supply in India is the lack of scale – hotels tend to have lesser number of rooms than in several other international markets. Larger inventories help create economies of scale and enable hotels to widen their demand reach across varied demand segments, such as MICE and groups. This also creates benefit of larger revenue capture from F&B elements, besides benefitting costs due to economies of scale. While the varied demand sources and need for larger core occupancies may impact the ADR levels at larger hotels – relative to say a hotel of comparable standards but with lesser inventory and more business segment focused demand in the same market, the overall revenue and profit gain is often beneficial.

New supply since the financial year 2001 has seen a modest increase in willingness of developers to build larger hotels. Nevertheless, the number of hotels with sizeable inventory still remain very modest. New supply is predominantly of small to medium sized inventory, reflecting minor to moderate changes in the last 17 years. As of financial year 2018, the average room size for hotels in the luxury, upper-upscale, upscale categories is 208, 169 and 126 respectively. This compares to 585, 398 and 152 for assets in our portfolio for respective categories.

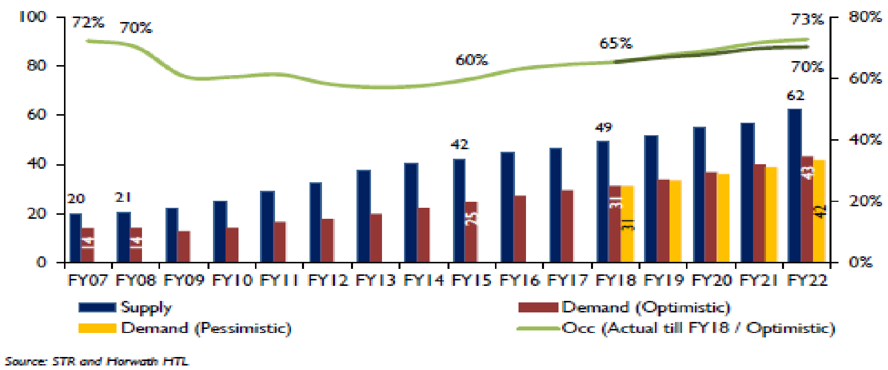
**Supply and Demand**

The following chart reflects all India – Rooms supply compared to demand – for the period indicated below:



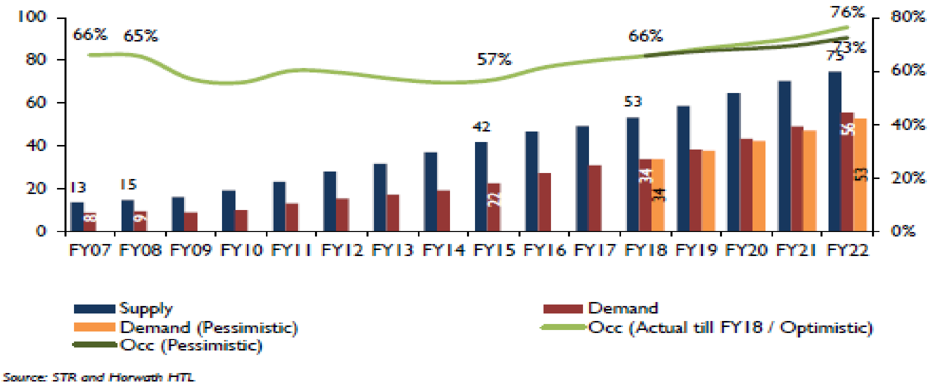

*Source: Smith Travel Research and Horwath HTL*

The following chart reflects the relative demand-supply position for luxury–upper upscale segment:




*Source: Smith Travel Research and Horwath HTL*

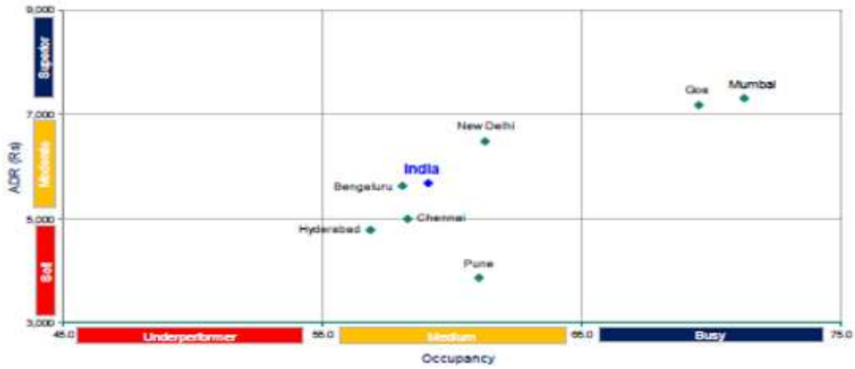
The following chart reflects the relative demand-supply position for upscale and upper midscale segments:




*Source: Smith Travel Research and Horwath HTL*

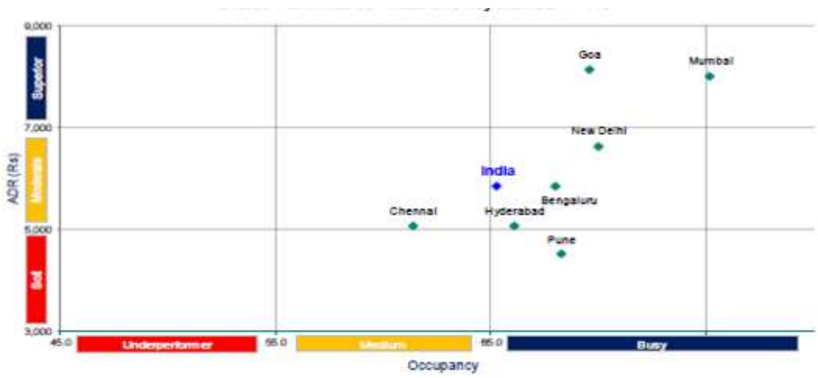
**Performance of Key Markets**

The following chart sets forth the overall performances of key markets in India for the financial year 2015:




*Source: Smith Travel Research and Horwath HTL*

The following chart sets forth the overall performances of key markets in India for the financial year 2018:




*Source: Smith Travel Research and Horwath HTL*

Most markets have moved to the right in the graph above by the financial year 2018, relative to the financial year 2015, indicating sizeable occupancy improvements. The vertical movement has been rather limited with Goa and Mumbai recording bigger gains. This is a result of a combination of factors including a slow economy and investment climate, financial sector stress, demand and occupancy pressure exacerbated by new supply arising from delayed completion of projects. Further, lower city-wide ADR is also an outcome of changing supply composition – as more mid-priced sector hotels come on board, the overall city rate levels naturally decline. On the other hand, ADR has improved in Mumbai and Goa on the back of consistently 'busy' occupancy levels.

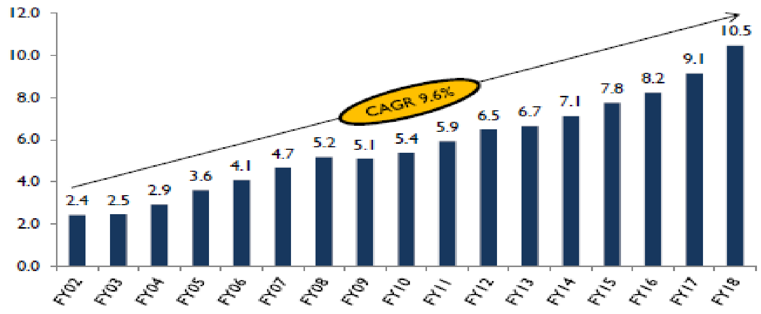
## Overview of Key Impact Factors

### Tourism

#### *Foreign Tourist Arrivals (FTA)*

FTA for the financial year 2018 was reported at 10.5 million by the Department of Tourism, Government of India. Year-on-year FTA grew by 1.33 million in the financial year 2018. In five years from financial 2014 to 2018, FTA grew by 3.8 million which is over 90% of FTA growth numbers of 4.2 million for the previous ten years from the financial year 2004 to 2013. The e-visa scheme was made available for foreign visitors with effect from November 2014. This has been extremely successful in attracting inbound travel, particularly as visitors can come in with short lead-time for the trip. The leisure sector, MICE and business travel is expected to materially benefit from this facility.

The following table reflects the foreign tourist arrivals in India for the period indicated below (in millions):




*Source: Ministry of Tourism, Government of India*

#### *Domestic Tourism*

Travel volumes, in terms of visits by domestic travellers, have grown at 13.7% CAGR between calendar year 2001 and calendar year 2016. Although hotels and resorts in India secure only a small percentage of the overall domestic travel in the country, this segment is an increasingly important demand generator for the hotel sector. Domestic travel numbers have grown nearly seven times, from 236.5 million visits in 2001 to 1.61 billion visits in 2016.

### Access Infrastructure

Better travel infrastructure, in terms of better roads and airports, is a major benefit for domestic travel whether for business, leisure, MICE or social purposes. Infrastructure projects such as the Golden Quadrilateral program creates greater travel facility within regions and enable speedy vehicular movement combined with a major increase in the vehicular options and the mindset for short duration vacation with road journeys. The upgraded road infrastructure has helped develop demand and resort capacity in several markets.

#### *Air Traffic*

Passenger movement at these key markets for the Company grew at 9.3% CAGR between the financial years 2008 and 2018, with 10.4% CAGR growth was achieved on all-India basis. CAGR between the financial years 2015 and 2018 was 15.6% and 17.5% for key cities and all-India respectively

#### *Business Travel*

Business Travel comprises inbound and domestic visitation for business related purposes. This includes travel on corporate account and by individual business travellers. This segment is a predominant source of demand for hotels located in primarily business oriented locations.

Select hotels also secure up to 15% of total demand from the extended stay segment i.e. guests staying for 15 days and longer in connection with projects, training programs, transfers and new jobs in a given location. Such demand particularly arises in luxury-upper upscale and upscale hotels. Of course, long stay demand is the core element of business for serviced apartment facilities such as MEA owned by the Company in Mumbai.

***Leisure Travel***

Leisure travel comprises vacation travel, including short duration vacations. Greater affordability, changing attitudes towards lifestyle, and improved road and air connectivity have materially encouraged short stay vacations including on weekends and extended weekends when a public holiday combines with a weekend as does occur two to four times every year.

Currently this demand is more predominant at upper tier hotels though it has now started percolating to upscale and other hotels in some cities. Leisure travel will predominate for hotels that are in essentially leisure destinations such as Goa, Jaipur and Udaipur. City centre hotels in mainly business cities may secure some staycation business or even some leisure business if the city has the draw for this, for example New Delhi.

***MICE Visitation***

MICE visitation is mainly corporate driven for conferences, training programs and other events that are of customer-facing intent. MICE demand tends to carry price sensitivity; such demand with optional timing may choose off-season months to enjoy lower rates at better quality hotels. Hotels in predominantly business locations will generate MICE demand for training and corporate seminars – these could be day events or residential events. Conferences that include recreation elements (incentives and rewards for dealers, staff or industry players and events that select a location in order to combine work with recreation for delegates) choose city centre locations and resort destinations.

At present, MICE events are hosted in hotels (mainly premium and upscale hotels) with large function spaces. These hotels have gained material revenue scale and diversified business segments from making the investment in such large meeting and function spaces. It is also important to recognize that these hotels will not lose their primacy when convention centres are set up in cities because there are numerous needs for events which are of a size that are not suitable for large convention centre. Further, convention centres are not truly suitable for weddings and social events.

***Weddings and social travel***

Weddings and social travel involve mainly domestic visitation for participating in family weddings, destination weddings and other wedding related or family celebrations (such as anniversaries). Wedding and social event demand will of course gravitate to hotels that have the function areas, guest room capacity and also the quality to host such events at a level consistent with the status of the host. Amongst the Company hotels, JW Marriott Mumbai Sahar and Renaissance Mumbai Convention Centre Hotel both of which have substantial function spaces (covered and open lawns) and large rooms inventory, are oriented towards attracting and servicing wedding demand; these hotels are amongst the main venues for corporate and social MICE or events and weddings in Mumbai.

***Airlines and airline crew***

This demand set helps create a core of demand at hotels, albeit at significantly discounted pricing. Crew demand could arise from international and domestic carriers – while the major international airlines will use upper tier hotels, more price sensitive airlines are open to using upper midscale hotels. Airlines also need to use hotels for layovers in case of significantly delayed flights. This demand is relatively nominal and mainly occurs at hotels that are closer to the airports. In such cases, airlines will prefer more moderately priced hotels that are nevertheless of good standard.

***Transit demand***

Persons at overnight transits between cities also need to use hotel accommodation which is typically located close to the point of onward journey. Transit demand could occur on the inward and/or outward leg of international travel or for travel between cities that are connected through a regional hub.

**Barriers to Entry**

Development of hotels in India faces several challenges, principal among which are:

*Land*: Availability of land at locations that are suitable for hotels, and high cost of available land, create limitations on hotel development and viability. Limited development rights and end-use restrictions on available sites create further challenges. These factors often result in development of hotels with limited inventory.

*Regulatory approvals*: Hotel projects require several regulatory approvals and licenses, before implementation of the project and upon its completion prior to opening. The process of obtaining approvals can be time consuming and materially adds to the development lifecycle. Uncertainties associated with the timing of approvals have often caused delays in opening of hotels, these delays significantly add to interest cost during construction period and pressure on debt service obligations. Additionally, cost escalations occur due to delayed completion impacting project viability, funding of completion and initial operations, and project quality.

*Financing and capital Requirement (Equity and Debt):* In the backdrop of several hotel projects which are in debt default, bankers are extremely selective in providing development finance for hotel projects. Further, interest rates tend to be high - currently in the range of 10% to 14% with the lower range only being available to borrowers with established credibility. In addition, hotel projects require sizeable equity capital for project development and to meet cash shortfalls during operations. Shortage of suitable equity capital is a significant constraint towards development of hotels, particularly a portfolio of assets or hotels with large inventory of rooms and other facilities.

*Manpower shortages*: Manpower shortages are increasing particularly staff and managers with sufficient operating experience and skills for hotel. This poses limitations for all hotels but more specifically for hotel operated by owners as independent properties.

*Distressed assets* – The hotel industry has seen considerable debt-related stressed assets, including projects that are left incomplete or completion prolonged due to lack of funding. Stress has arisen due to various factors: (a) debt terms, by way of high interest rates and repayment obligations over shorter periods than are generally impracticable for hotels; (b) higher project costs emanating from delays, such delays caused by funding, regulatory approvals and project execution issues; and (c) slower demand growth due to slow general business conditions. The stressed assets create acquisition opportunities for interested investors.

**Hotel ownership**

Ownership was initially concentrated among hotel chains. At the end of financial year 2001, about 69% of chain affiliated inventory was chain owned. Chain ownership of hotels has slowed and is estimated at about 29 % of total chain affiliated inventory at the financial year 2018. With decline in chain investment into hotels, particularly as international chains penetrated the market, investment was effected by private developers – developer / institutional investor ownership of hotels is scattered with very limited concentration. Only ten parties have ownership of more than 1,000 rooms and the aggregate inventory with these ten parties is about 18,700 rooms (about 14% of total chain affiliated inventory). According to Horwath HTL, we are amongst two asset owners or developers which own over 2,000 rooms in luxury and upper upscale segment as of March 31, 2018.

**Market Performance Analysis**

The table below sets forth the performance of chain hotels on all India basis:

| Financial Year | All segments | Luxury & Upper Upscale | Upscale and Upper Midscale |
|---|---|---|---|
| **Occupancy** | | | |
| 2008 | 67.6% | 70.2% | 65.4% |
| 2015 | 59.1% | 59.9% | 56.8% |
| 2018 | 65.3% | 65.4% | 65.6% |
| **ADR** | | | |
| 2008 | 8.608 | 10.421 | 5.088 |
| 2015 | 5.660 | 7.738 | 4.332 |
| 2018 | 5.833 | 8.178 | 4.521 |

*Source: Horwath HTL*

The table below sets forth the demand and supply growth of chain hotels on all India basis:

| India | Period | Supply CAGR | Demand CAGR |
|---|---|---|---|
| All segments | FY 2008-2015 | 15.0% | 12.7% |
| | FY 2015-2018 | 8.0% | 12.0% |
| Luxury-upper upscale | FY 2008-2015 | 10.8% | 8.1% |
| | FY 2008-2015 | 5.1% | 8.2% |
| Upscale-upper midscale | FY 2008-2015 | 16.2% | 13.7% |
| | FY 2008-2015 | 8.7% | 14.7% |

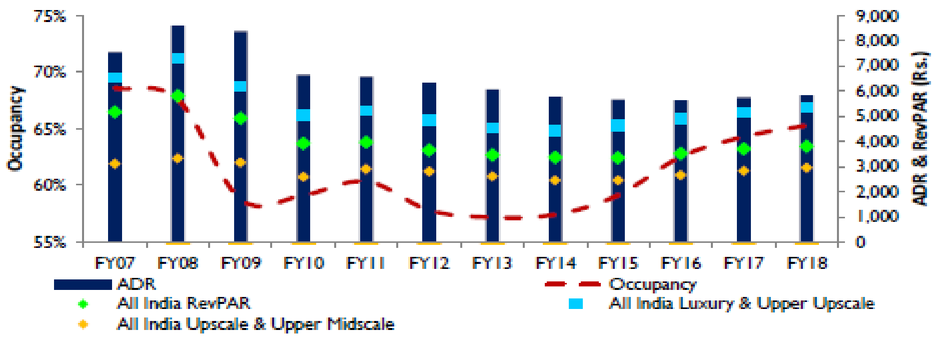
*Source: Horwath HTL*

The table below sets forth the key growth parameters of chain hotels on all India basis:

| Period | All segments CAGR (FY2008-FY2018) | Luxury & Upper Upscale CAGR (FY2008-FY2018) | Upscale and Upper Midscale CAGR (FY2008-FY2018) |
|---|---|---|---|
| Supply | 12.9% | 9.1% | 13.9% |
| Demand | 12.5% | 8.1% | 14.0% |
| ADR | -3.8% | -2.4% | -1.2% |
| RevPAR | -4.2% | -3.1% | -1.1% |
| | CAGR (FY2008-FY2015) | CAGR (FY2008-FY2015) | CAGR (FY2008-FY2015) |
| Supply | 15.0% | 10.8% | 16.2% |
| Demand | 12.7% | 8.1% | 13.7% |
| ADR | -5.8% | -4.2% | -2.3% |
| RevPAR | -7.6% | -6.3% | -4.2% |
| | CAGR (FY2015-FY2018) | CAGR (FY2015-FY2018) | CAGR (FY2015-FY2018) |
| Supply | 8.0% | 5.1% | 8.7% |
| Demand | 12.0% | 8.2% | 14.7% |
| ADR | 1.0% | 1.9% | 1.4% |
| RevPAR | 4.4% | 4.9% | 6.4% |

*Source: Horwath HTL*

The chart below illustrates the change in occupancy, ADR and RevPAR across India between the financial years 2007 and 2018:




*Source: Smith Travel Research*

The hotel sector in India experienced a difficult period from late 2008, with a double dip in occupancy. This was primarily due to the demand-supply mismatch caused by substantial supply growth, on the one hand, and slow down of demand on the other hand. The occupancy rates across India stagnated at 57% between the financial years 2012 to 2014 and grew marginally in the financial year 2015. During financial year 2012 to 2015, 44,000 rooms were added creating nearly 70% new capacity; simultaneously the economy and demand patterns were slow.

Slowdown of occupancy invariably leads to rate decline thereby impacting RevPAR levels. Occupancy has revived since the financial year 2014 and more notably from the financial year 2015, as demand conditions have improved and new supply has slowed. The upward trend in RevPAR has mainly been occupancy led, and is expected to continue or gain momentum. ADR levels are expected to improve, slowly in some markets and more strongly in some other markets which are already experiencing strong occupancy, as demand and occupancy levels improve. Between the financial years 2015 and 2018, demand growth for luxury–upper upscale and upscale–upper midscale segments exceeded the supply growth and there was growth in ADR during this period resulting in positive RevPAR growth. Luxury–upper upscale occupancy increased from 59.9% in the financial year 2015 to 65.4% in the financial year 2018 with supply growth of 8,700 rooms. For the upscale–upper midscale segment, occupancy improved from 56.8% in the financial year 2015 to 65.6% in the financial year 2018 absorbing about 16,400 rooms during this period. RevPAR growth for these segments is higher than the all India RevPAR growth during this period by increase in both occupancy and rates reflecting the growth potential of this segment.

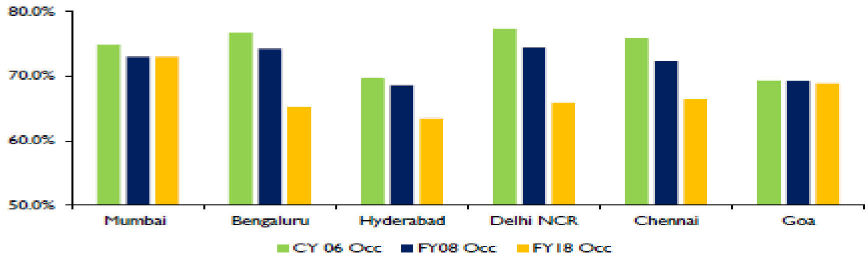
**Performance of Hotels in India in Recent Years**

The following table sets forth the city-wide performance across all segments for key markets:

| City | Calendar Year 2006 | | FY2008 | | FY2018 | |
|---|---|---|---|---|---|---|
| | **Occupancy** | **ADR** | **Occupancy** | **ADR** | **Occupancy** | **ADR** |
| Mumbai | 75.3% | 8,273 | 73.1% | 11,623 | 75.2% | 8,102 |
| Bengaluru | 75.8% | 11,702 | 71.0% | 11,426 | 68.0% | 5,839 |
| Hyderabad | 64.8% | 7,247 | 67.6% | 7,226 | 66.1% | 5,071 |
| Delhi NCR | 76.1% | 9,256 | 73.9% | 11,616 | 65.6% | 5,953 |
| New Delhi | | | | | 70.0% | 6,631 |
| Chennai | 74.8% | 5,579 | 72.6% | 7,219 | 61.4% | 5,061 |
| Pune | | | 75.5% | 7,850 | 68.3% | 4,507 |
| Goa | 69.9% | 5,659 | 68.6% | 6,836 | 69.6% | 8,133 |

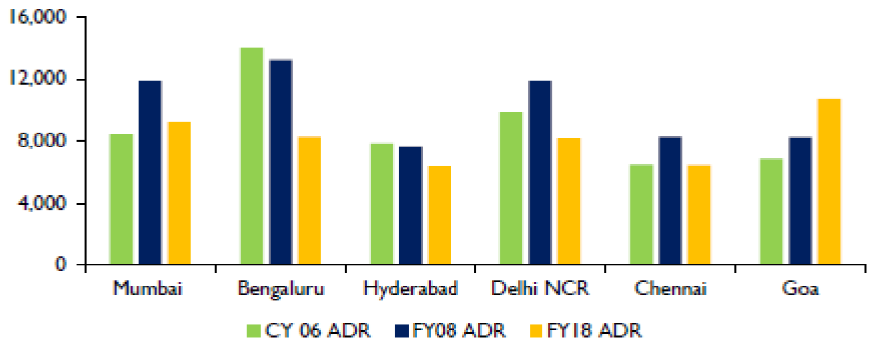
*Source: Smith Travel Research and Horwath HTL*

The chart below reflects the performance of key cities in luxury-upper upscale segment on the basis of city wise occupancy:




*Source: Smith Travel Research and Horwath HTL*

The chart below reflects the performance of key cities in luxury-upper upscale segment on the basis of city wise ADR:




*Source: Smith Travel Research and Horwath HTL*

RevPAR trends have been positive across at all India level and across most of the select markets. Although positive, the absolute amounts still remain modest across the country. Luxury–upper upscale and upscale-upper midscale year-on-year RevPAR growth was higher than the all India average for both years (financial year 2017 and 2018). Growth in the financial year 2018 was lower than in the financial year 2017 because of relatively higher supply growth in the financial year 2018.

***Bengaluru***: Bengaluru which has good supply balance between segments has seen good growth in the upscale and mid–tier segment. RevPAR growth in the luxury–upper upscale segment has been slow. The growth was a moderate 2.7% in the financial year 2017 while in the financial year 2018 the RevPAR declined by 0.6%. This was due to addition of about 1,200 new rooms since the financial year 2015 of which 500 rooms have been added in the financial year 2018.

***Mumbai***: RevPAR growth for Mumbai at the luxury–upper upscale level between the financial year 2016 and 2018 has been driven mainly from ADR increase. The increase has however been modest in absolute terms (between INR 300 to 400) in these years, despite no supply growth during this period. City occupancy crossed 75% in the financial year 2018, however growth is impacted by limited business on weekends for hotels.

***Hyderabad***: Hyderabad has gained from return of demand and growth in the general market, after resolution of the Telangana statehood issue. City occupancy crossed 65% in the financial year 2018 - first time since the financial year 2009.

**Outlook for Select Geographical Markets in India**

***Mumbai: luxury–upper upscale and upscale***

Positive business conditions are expected to increase the demand for hotels, occupancy and ADR across all segments. ADR is expected to grow at a faster pace than in recent past years, arising mainly from high occupancies and moderate new supply. The supply for new luxury-upper upscale hotels is expected to be located in north and central Mumbai with the upscale supply located mainly in north and north-eastern Mumbai and the Navi Mumbai market area. A new convention centre in Bandra Kurla Complex is expected to increase demand, with limited room inventory in its vicinity. This is expected to help increase overall demand in north Mumbai. Business travel and MICE are expected to be the main sources of demand sources. Demand from airline crew is expected to continue to grow and may result in increased demand for hotels outside the upper tier, in the event ADR levels rise.

***Bengaluru: luxury- upper upscale***

There has been a continued supply growth for hotel rooms in Bengaluru, 360 news rooms have been added in April 2018 and 280 rooms are expected to be added over the next two months. With strong demand during working weekdays, new supply is expected to ease weekday pressure in the medium term. Horwath expects rate pressure from regular supply expansion, across segments. The market experiences lack of demand diversity and is dependent on business travel. There is a potential for demand from aerospace and defence sectors. Micro-market factors are expected to impact hotels in different zones in the city. Two new upper upscale hotels opened in Whitefield, with 226 rooms in December 2017 and 360 rooms in April 2018. This will have short to medium term impact on hotels in this competitive set.

***Hyderabad***

Moderate supply growth of 1,489 rooms is expected by the financial year 2022, with 271 rooms in luxury-upper upscale segment and 670 rooms in the upscale segment. 271 rooms of ITC hotel in competitive zone of The Westin Hyderabad Mindspace are expected to open in June 2018. Whilst this is expected to have only modest impact on The Westin Hyderabad Mindspace, it may impact other hotels in the area more significantly. There is expected to be 32.6 million square-foot of new commercial space expected by December 2020. The state government is actively promoting investment in the city and state. In addition, good airport and excellent road infrastructure is expected to attract fresh investment. There is also a potential to capitalise on a convention centre, which did not occur in its initial years due to uncertainties from political agitations.

**Operating Performance Comparison**

The tables below provide a comparison of revenue performance and total expenses for the Company hotels relative to hotels in comparable segments in India:

| | **FY 2016-2017** | | **FY 2017-2018** |
|---|---|---|---|
| **Parameter** | **The Company*** | **All India 5 star Deluxe average** | **The Company*** |
| **Revenue Mix %** | | | |
| Rooms | 58.1% | 55.8% | 57.6% |
| F&B | 33.7% | 37.4% | 33.9% |
| MOD (and Other income) | 8.1% | 6.9% | 8.5% |
| **Total** | **100%** | **100%** | **100%** |
| **Total Expenses (% of Revenue)** | **62.6%** | **66.5%** | **59.5%** |
| Avg. Employee / Room | 1.2 | 2.0 | 1.2 |

*Source: FHRAI Indian Hotel industry survey 2016-2017 published by FHRAI & Hotelivate*

**For four hotels in this segment.*

*Note: (i) JW Marriott Mumbai Sahar opened in February 2015 and has been in market penetration phase in the last 3 years, up to financial year 2018. The hotel is positioned as a luxury hotel and has the largest inventory in Mumbai in that segment; (ii) Renaissance Mumbai Convention Centre Hotel was under phased renovation in the financial years 2016 and 2017. Consequently, available rooms inventory was smaller, the three meal restaurant was closed for 8 months in the financial year 2018 and the spa was closed for 4 months in the financial* *year 2017; (iii) MEA was also renovated over a period of 36-38 months between 2011 and 2014; and (iv) 67 rooms were added at Bengaluru Marriott Hotel Whitefield effective April 2017, increasing its available inventory by 21%.*

The Company hotels have large rooms inventory, enabling substantial revenue share for the rooms department. F&B revenue is also material, benefitting from large function spaces at two of its hotels. Improved GOP is a function of more stabilised operating levels at the Mumbai hotels and the benefit of sizeable revenue contribution from rooms department which typically has materially larger margins compared to other departments such as F&B.

| | FY 2016-2017 | | FY 2017-2018 |
|---|---|---|---|
| **Parameter** | **Four Points by Sheraton Navi Mumbai, Vashi** | **All India 5 star average** | **Four Points by Sheraton Navi Mumbai, Vashi** |
| **Revenue Mix %** | | | |
| Rooms | 60.6% | 52.0% | 61.1% |
| F&B | 30.1% | 40.5% | 29.3% |
| MOD (and Other income) | 9.3% | 7.5% | 9.6% |
| **Total** | **100%** | **100%** | **100%** |
| **Total Expenses (% of Revenue)** | **61.5%** | **68.3%** | **56.9%** |
| Avg. Employee / Room | 1.5 | 1.8 | 1.5 |

*Source: All India Data: FHRAI Indian Hotel industry survey 2016-17 published by FHRAI & Hotelivate*

The Company has two hotels with large function and meeting spaces – JW Marriott Mumbai Sahar and Renaissance Mumbai Convention Centre Hotel. Both hotels have achieved material revenue from the F&B and banquet operations. On a combined basis, these hotels had F&B revenue at 80% of room revenue in the financial year 2016 and 72% of room revenue in the financial year 2017. Function revenue for the financial year 2017 was undoubtedly impacted by the demonetization in November 2016, causing a dent in revenue growth which was restricted to 7.6%. On the other hand, rooms' revenue grew nearly 20%. It is important to recognize that the large rooms' inventory and the significant function spaces support each other, creating rooms and banquet demand to the overall benefit of the hotel.

**Comparison of Company hotels with segmental performance in each market**

The performance of individual Company hotels is presented as occupancy index, ADR index and RevPAR index. Occupancy index = Occupancy of hotel / Occupancy of market. Similar calculation basis is used for ADR index and RevPAR index.

An occupancy index of greater than one indicates that hotel's occupancy is higher than market occupancy; an index of one indicates that hotel's occupancy is equal to the market occupancy and an index of less than one indicates that the hotel's occupancy is lower than the market occupancy. Similar interpretation basis applies for ADR index and RevPAR index in this report.

***JW Marriott Mumbai Sahar***

JW Marriott Mumbai Sahar opened in February 2015 and has steadily penetrated the luxury–upper upscale segment in its market area of Eastern Suburban Mumbai, as seen from the table below.

| | Luxury-Upper Upscale – Eastern Suburban Mumbai | | |
|---|---|---|---|
| | **FY 2016** | **FY 2017** | **FY 2018** |
| Occupancy Index | 0.62 | 0.92 | 0.99 |
| ADR Index | 0.99 | 1.04 | 1.05 |
| RevPAR Index | 0.62 | 0.96 | 1.03 |

*Source: Smith Travel Research*

By the end of its third full operating year, the hotel has starting deriving ADR and RevPAR premium in the luxury-upper upscale segment of Eastern suburban Mumbai. About 70% of the increase in rooms demand per day for between the financial year 2016 and 2018 in the Eastern Suburban luxury-upper upscale market accrued to the benefit of JW Marriott Mumbai Sahar.

The following table sets forth the performance of JW Marriott Mumbai Sahar, for the financial year 2018, relative to aggregation of hotels with large inventory:

| Index of JW Marriott Mumbai Sahar to large hotel compsets (Luxury-upper upscale segment for FY 2018) | | | |
|---|---|---|---|
| | **Occupancy** | **ADR** | **RevPAR** |
| All India 400+ | 1.07 | 1.04 | 1.12 |
| All India 500+ | 1.02 | 1.02 | 1.04 |

| Index of JW Marriott Mumbai Sahar to large hotel compsets (Luxury-upper upscale segment for FY 2018) | | | |
|---|---|---|---|
| | **Occupancy** | **ADR** | **RevPAR** |
| Mumbai 400+ | 1.00 | 0.98 | 0.98 |

*Source: Smith Travel Research*

*The comparative data has been restricted to Luxury–Upper upscale hotels that participate with Smith Travel Research.*

JW Marriott Mumbai Sahar has achieved nominal to sizeable premiums over large sized hotels on all-India basis, with only a limited catch-up to be done on the rate front in Mumbai; having achieved its fair-share of demand, rate improvement can reasonably be expected to follow.

***Renaissance Mumbai Convention Centre Hotel***

Renaissance Mumbai Convention Centre Hotel was impacted by a phased renovation program covering about half the hotel rooms and several public areas.

The following table has therefore been presented on a full inventory basis and separately based on effective inventory:

| | Luxury-Upper Upscale – Eastern Suburban Mumbai | | |
|---|---|---|---|
| | **FY 2016** | **FY 2017** | **FY 2018** |
| Occupancy Index | 0.87 | 0.83 | 0.89 |
| ADR Index | 0.99 | 0.94 | 0.87 |
| RevPAR Index | 0.87 | 0.78 | 0.77 |

*Source: Smith Travel Research*

Renaissance Mumbai Convention Centre Hotel has substantial focus on MICE and events demand; when compared to a market set that includes luxury hotels and hotels with smaller inventory focused more on business travellers, Renaissance Mumbai Convention Centre Hotel will understandably stand discounted on the ADR front. Renaissance Mumbai Convention Centre Hotel needs to regain the business that was dropped during the renovation period and thereby improve its occupancy and rate index. Its rate declined in financial year 2018 at a time when the eastern suburban market rates grew for the Luxury-Upper Upscale segment. On comparison of the increase in demand between the financial years 2017 and 2018 in luxury-upper upscale segment in Eastern Suburban Mumbai, Renaissance Mumbai Convention Centre Hotel alone has contributed to one third of the demand growth consequent to its full inventory becoming operational after the renovation. When combined with JW Marriott Mumbai Sahar, both these hotels have contributed to almost two-thirds of this demand growth in luxury-upper upscale segment in the micro market.

***The Westin Hyderabad Mindspace***

The Westin Hyderabad Mindspace, is among the lead performing hotels in Hyderabad. Its performance is compared to the luxury-upper upscale segment performance for the New Business District micro market:

| **The Westin Hyderabad Mindspace** | **Luxury-Upper Upscale – New Business District*** | | |
|---|---|---|---|
| | **FY 2016** | **FY 2017** | **FY 2018** |
| Occupancy Index | 1.15 | 1.13 | 1.09 |
| ADR Index | 1.12 | 1.11 | 1.12 |
| RevPAR Index | 1.28 | 1.26 | 1.22 |

*Source: Smith Travel Research*

**-comprises of hotels in Hitech City, Gachibowli and Kondapur area (as defined by Smith Travel Research)*

Hyderabad is a business city with limited travel for leisure, recreation and destination based social events. MICE demand is also largely corporate and business based. As such, demand and occupancy challenges on weekends create limitations on occupancy growth beyond a level. This principally explains the narrowing occupancy index; while occupancy at The Westin Hyderabad Mindspace grew 3.2 pts and 2.8 pts respectively in the financial years 2017 and 2018, other hotels have also registered growth due to improved weekday demand, thereby seemingly narrowing the occupancy index premium for The Westin Hyderabad Mindspace.

***Bengaluru Marriott Hotel Whitefield***

Bengaluru Marriott Hotel Whitefield is a significant player in the Whitefield market. Its location and positioning in a key business district of Bengaluru enables the hotel to gain sizeable premium over luxury-upper upscale hotels in the micro market. The hotel has also had an expansion and a strategic contract that seemingly impacts overall numbers. The Company management is confident that the overall gain from the strategic contract will be material.

| | Luxury-Upper Upscale – Whitefield & Sarjapur | |
|---|---|---|
| | **FY 2017** | **FY 2018** |
| Occupancy Index | 1.14 | 1.11 |
| ADR Index | 1.17 | 1.12 |
| RevPAR Index | 1.33 | 1.24 |

*Source: Horwath HTL*

The hotel added 67 rooms effective April 2017 and an office tower with 300,000 square foot of commercial space; as part of the overall contract. The new rooms are fully occupied by a single occupant albeit at a discounted rate that is typical of such long-term commitments. Consequently, the Bengaluru Marriott Hotel Whitefield enjoys 100% occupancy for these new rooms. Ignoring these rooms and the contracted commitments therefore, the hotel achieved 12.6% ADR growth for the financial year 2018, although occupancy declined by 3.9%, the RevPAR increased by 2.7%. A new competitive hotel with 226 rooms opened in the immediate market in December 2017 and added materially to the competitive inventory.

***Four Points by Sheraton, Navi Mumbai, Vashi***

Four Points by Sheraton Navi Mumbai, Vashi has lead the Navi Mumbai market as summarised below:

| | Upscale-Upper Midscale – Navi Mumabi & Thane | | |
|---|---|---|---|
| | **FY 2016** | **FY 2017** | **FY 2018** |
| Occupancy Index | 1.04 | 1.09 | 1.07 |
| ADR Index | 1.37 | 1.32 | 1.31 |
| RevPAR Index | 1.42 | 1.45 | 1.40 |

*Source: Horwath HTL*

The hotel has enjoyed occupancy at 86.8% to 88.0% in the three years of the financial year 2016 to 2018. Strong rate premium is helping the hotel to get RevPAR premium of about 42% to 45% over financial years 2016 to 2018, while comparing it with the upscale & upper midscale hotels in Navi Mumbai and Thane. If we compare the performance against all hotels in Navi Mumbai and Thane, the RevPAR premium for Four Points by Sheraton Navi Mumbai, Vashi is between 66% and 69% over the same period. The micro-market is seeing strong demand and this augers well for the new upscale hotel with 260 room under development by the Company in Airoli.

**Commercial and Retail Real Estate Market in India (*Source: CBRE, cbre.co.in*)**

***Overview***

The Indian economy's growth rate reached a five-quarter high of 7.2% during the quarter ended December 2017, compared with 6.5% in the previous quarter. The upward momentum was largely attributed to the continued recovery of the manufacturing sector, which grew by 8.1%. In addition, sectors such as trade, hotels and transport (9%), and public administration, defence and other services (7.2%) also contributed to this strong momentum. The construction sector's performance improved sharply as it grew by 6.8% compared with 2.8% in the previous quarter. Moreover, the growth of real estate services (along with financial, insurance and professional services) sector increased from 6.4% to 6.7% during the review period. However, despite the visible recovery in quarterly GDP, the Reserve Bank of India continued to project 2017-2018 growth rate at 6.6%.

According to CBRE Research, after rising to 5.2% in December 2017, retail inflation (measured by consumer price inflation) continued on its downward curve, declining to 4.4% in February 2018. In February 2018, the Monetary Policy Committee also estimated inflation at 4.3% to 4.7% during the second half of 2017 and 5.1% to 5.6% during the first half of 2018. Due to the constant fluctuation in inflation, the central bank has decided to keep lending rates stable for now at 6.0%. However, if inflation continues to pose a challenge, the bank might become inclined towards adopting monetary tightening measures in 2018.

Recent disruptions in the technology sector does not seem to have significantly affected the overall leasing activity in the country. Moreover, growth in other sectors appears to have helped plug the gap created by reduced leasing by most Indian tech firms. Despite a drop in its share in office space take-up in India, technology corporates remained the biggest demand driver with a share of 25% during the first quarter of 2018.

***Strengthening Domestic Demand and Governmental Reforms***

According to CBRE Research, while 2016 was a year of policy announcements, 2017 saw their implementation. Last year, the government finally implemented several policies, initiatives and reforms it had announced over the past two years, infusing positively in the real estate landscape. 2018 is expected to be a year of fructification as these initiatives are likely to bear fruit.

***Commercial and Office Real Estate Sector***

According to CBRE Research, due to sustained occupier interest, leasing activity rose by about 25% on a yearly basis and crossed 10 million square feet during the first quarter of 2018. Bengaluru remained a key driver of office leasing in India, accounting for more than the combined share of other markets such as Delhi-NCR, Mumbai and Hyderabad. Except Bengaluru, Mumbai and Kochi, all other cities witnessed a marginal dip in space take-up on a quarterly basis.

As in the previous quarters, office space take-up was dominated by small and medium sized transactions. Small-sized transactions (less than 10,000 square feet) accounted for about 45% of the transaction activity in the quarter, while mid-sized transactions (ranging between 10,000 square feet and 50,000 square feet) held a 42% share. The share of large sized deals (greater than 100,000 square feet) marginally dipped from 5% in the previous quarter to about 4% in the first quarter of 2018. Bengaluru dominated large-sized deal closures, while a few deals were reported in Mumbai, Delhi-NCR, Chennai and Hyderabad. Sectors such as technology, e-commerce, banking/financial services and insurance (BFSI), and engineering and manufacturing dominated large-scale deal closures.

According to CBRE Research, supply addition more than tripled on an annual basis, with about 9.7 million square feet of development completions being reported during the first quarter of 2018. Four cities – Bengaluru, Mumbai, Chennai and Delhi NCR – accounted for more than 80% of the quarterly supply addition, followed by Pune. Strong supply addition was a key driver of the increase in transaction volumes in the current quarter.

Sustained occupier interest resulted in rental values rising by about 1% to 7% on a quarterly basis across several micro-markets in Bengaluru, Hyderabad and Pune. Rental growth remained limited to core locations in Delhi-NCR and Chennai during the first quarter.

*Mumbai*

According to CBRE Research, there has been a quarter-on-quarter increase in the leasing activity.

Sustained interest from occupiers accounted for more than half of the city’s overall leasing activity in Secondary Business District and Peripheral Business District (Powai, Vikhroli). Primary space taken-up dominated leasing activity, owing to the availability of space in recently completed investment-grade developments.

According to CBRE Research, demand was primarily driven by BFSI firms which took up small and medium sized spaces across micro-markets. Although small to medium sized deals continued to dominate leasing activity, the quarter also witnessed a large-sized deal (greater than 100,000 square feet) involving a leading co-working operator in Goregaon Peripheral Business District. Co-working operators also took up space in Andheri Secondary Business District. In addition, a few medium-sized transactions (70,000 to 80,000 square feet) involving firms from sectors such as infrastructure, real estate and logistics were also reported.

Rental values remained stable during the review period across all micro-markets.

The table below sets forth the key statistics of sub market:

| Micro-market | Average rent in Quarter 1, 2018 (INR / square feet / month) | Average rent in Quarter 4, 2017 (INR / square feet / month) | Quarter-on-Quarter Change (%) | Year-on-Year Change (%) |
|---|---|---|---|---|
| Secondary Business District (Andheri, Vile Parle, Jogeshwari) Grade A | 115 | 115 | 0.0 | 0.0 |
| Peripheral Business District (Powai, Vikhroli) Grade A (IT) | 100 | 100 | 0.0 | 0.0 |

*Source: CBRE Research, Quarter 1, 2018*

*Bengaluru*

There has been a quarter-on-quarter increase in the leasing activity.

According to CBRE Research, office space take-up remained concentrated in non-SEZ developments, with Outer Ring Road and Central Business District dominating leasing activity, followed by Extended Business District. Transaction activity mostly consisted of space take-up (and culmination of pre-commitments) in recently completed developments in Peripheral Business District (Whitefield, Electronic City) and Outer Ring Road.

Leasing activity was primarily driven by BFSI corporates followed by e-commerce, research, consulting and analytics and tech firms. Co-working / business centre operators continued to be active in the city. Small-to-medium sized deals dominated leasing activity, with a few large-sized deals being closed in Outer Ring Road.

According to CBRE Research, sustained occupier interest led to a 2% to 7% quarterly rental appreciation across non-SEZ buildings in all micro-markets. Due to lack of available space, rentals of SEZ developments in Outer Ring Road and North Bengaluru District increased by about 1% to 3% on a quarterly basis.

The table below sets forth the key statistics of sub market:

| Micro-market | Average rent in Quarter 1, 2018 (INR / square feet / month) | Average rent in Quarter 4, 2017 (INR / square feet / month) | Quarter-on-Quarter Change (%) | Year-on-Year Change (%) |
|---|---|---|---|---|
| Peripheral Business District (Whitefield, Electronic City) Grade A | 45 | 42 | 7.1 | 12.5 |

*Source: CBRE Research, Quarter 1, 2018*

***Retail Real Estate Sector***

According to CBRE Research, the Indian retail real estate market witnessed continuous foray of international brands, launch of new retail developments and robust demand for space in the second half of 2017. The second half of 2017 saw an addition of about two million square feet of fresh supply across the seven key cities; majority of which was concentrated in Kolkata, Delhi NCR, Chennai, Pune and Bengaluru. Supply on an annual basis was around 3.4 million square feet, almost in line with the supply that entered the key cities in 2016.

The demand for retail space remained strong as several international brands such as Tom tailor, Simon Carter and Jo Malone opened their first outlets in India, while others such as H&M and Starbucks continued to expand operations.

According to CBRE Research, a key noticeable trend in 2017 was retailers adopting an "omni-channel" strategy to connect with their consumers; whereby leading e-commerce players such as Urban Ladder and Pepperfry forayed into the brick and mortar space and set up their experience centers, while established retailers such as Zara launched their online channel in India in October.

Rental trends varied across key high-streets in major cities during the second half of 2017. High street markets such as Brigade Road and Commercial Street observed an appreciation in rentals, while rents maintained stability across most of the other high-streets in India.

According to CBRE Research, the second half of 2017 was upbeat from a policy perspective with further easing of the FDI norms. The key initiative to further encourage FDI inflows in the retail sector came in January 2018 when the Government allowed up to 100% FDI in single-brand retail through the automatic route. The policy initiative would further ease the entry of international retailers in India.

*Bengaluru*

According to CBRE Research, the average market rental in the East Bengaluru Retail Market (Airport Road, Ulsoor and Whitefield) is estimated to be ₹ 125-130 per square feet per month in the second half of 2017.

## OUR BUSINESS

*The industry information contained in this section is derived from a report titled "Industry Report – Top tier and Upscale Hotels" dated June 25, 2018 prepared by Horwath HTL India and commissioned by our Company in connection with the Offer. We have also utilised publically available research reports titled "CBRE India Retail Market View H2 2017", "CBRE India Market Outlook Report April 2018" and "CBRE India Office Market View Q1 2018, released in years 2017 and 2018, prepared by CBRE Research. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. References to hotel segments in this section are in accordance with the presentation in the Horwath Report and we do not report our financial information by these segments.*

*Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to our Company along with our Subsidiary, on a consolidated basis.*

*To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "**Risk Factors**", "**Industry Overview**", "**Summary Financial Information**, "**Summary Financial Data**" and "**Management's Discussions and Analysis of Financial Condition and Results of Operations**" on pages 17, 128, 240, 63 and 537 respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.*

### Overview

We are an owner, developer and asset manager of high-end hotels in key metro cities in India. Our hotel platform comprises five operating hotels, including a hotel with a co-located serviced residence, located in the Mumbai Metropolitan Region, Hyderabad and Bengaluru, representing 2,328 keys, as of March 31, 2018. Our hotels are branded with globally recognized hospitality brands and are in the luxury-upper upscale and upscale hotel segments, according to the Horwath Report. Our hotel platform emphasizes strategic locations, efficient design and development, appropriate positioning in hotel segments together with branding and operational tie-ups with leading hospitality companies. We use our experience to actively manage the hotel assets to drive performance. In addition, we have developed commercial and retail spaces, in close proximity to certain of our hotels.

We have developed our hotels at strategic locations generally with high barriers-to-entry and in high density business districts of their respective metro cities, according to the Horwath Report. We generally develop our hotels on large land parcels, allowing us to situate a greater number of rooms, as well as provide a wide range of amenities, such as, fine dining and specialty restaurants, large banquet and outdoor spaces. We endeavour to build our hotels to superior standards targeting the luxury-upper upscale and upscale hotel segments at an efficient gross built up area and development cost per key.

We believe we have a competitive advantage in key metro cities due to, the significant time outlay required to build and establish a profitable hotel or commercial project, our early mover advantage in large, mixed-use developments in specific micro-markets and availability of unutilized land at certain of our hotel properties to further expand our operations, among others.

We seek to brand our hotels with leading global hospitality brands, which we believe are well matched to the location, size, target customer base and intended hotel segment of our hotel properties. This allows us to save on the time and cost required to build, develop and maintain our 'own hotel brand'. Our hotels are currently branded with global brands such as JW Marriott, Westin, Marriott, Marriott Executive Apartments, Renaissance and Four Points by Sheraton which are held by Marriott Hotels India Private Limited and its affiliates (collectively "**Marriott**"). We also determine, by detailed financial and operational analysis, whether hotel operations should be undertaken directly by us or by engaging third party hotel operators. Currently, our hotel at Vashi, Navi Mumbai, is operated by us under a license agreement with Marriott, and four of our hotels, including our serviced residence, are operated pursuant to hotel operation and related agreements with Marriott.

We follow an active asset management model for our hotels operated by third parties, pursuant to which we closely monitor, and exercise regular oversight over, the performance of our hotel properties. Among other things, we discuss and agree on budgeting and operational and financial targets, review performance reports, engage with the hotel management team at each hotel by conducting detailed monthly performance review meetings and provide regular inputs on cost saving initiatives and potential improvements. We believe that our active asset management model, the premium location of our hotels, our large room inventory and large function spaces, together with our relationship with international hospitality brands, has allowed our hotels to achieve competitive financial and operational parameters. For example most of our hotels have higher ADR, occupancies and RevPAR compared to the average of other hotels in their respective micro-markets and hotel segments, for the financial year 2017, according to the Horwath Report. See "***Industry Overview***" on page 128.

We are part of K. Raheja Corp group which is a leading business group in India and we believe that we derive significant benefit from the confidence that consumers, lenders, hospitality partners, vendors and others place in the group. The companies forming part of the K. Raheja Corp group ("**K. Raheja Companies**") have extensive experience in developing large scale real estate, hospitality and commercial projects resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and opportunities. We further leverage the experience and relationships of these companies with construction companies, architects and designers, to develop, refurbish and maintain hotels at optimal cost and quality.

Our Promoters include Mr. Ravi C. Raheja and Mr. Neel C. Raheja, who have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning as well as our hotel and retail businesses. We have a strong management team with significant industry experience. Our Managing Director and CEO, Mr. Sanjay Sethi has three decades of experience in the hospitality industry and our Executive Director and CFO, Mr. Rajeev Newar, has over 26 years of experience in various industries. Our Key Management Personnel and senior management include qualified professionals and industry experts with significant experience across various industries and functions including finance, legal, projects and design, asset management, hospitality.

Our total revenue was ₹ 9,295.14 million for the financial year 2018, and our total revenue grew at a CAGR of 14.83% between the financial years 2014 and 2018. Our total comprehensive income was ₹ 298.92 million and our Adjusted EBITDA before Exceptional Items was ₹ 3,514.06 million, for the financial year 2018. Adjusted EBITDA before Exceptional Items grew at a CAGR of 27.57%, between the financial years 2014 and 2018. Adjusted EBITDA before Exceptional Items, is a supplemental measure of our performance and liquidity. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Accounting Policies – Adjusted EBITDA before Exceptional Items***" on page 542.

**Competitive Strengths**

***High-End Branded Hotels Strategically Located in Key Metro Cities of India***

We are an owner, developer and asset manager of high-end hotels in key metro cities in India. Our hotel platform comprises five operating hotels, including a hotel with a co-located serviced residence, located in the Mumbai Metropolitan Region, Hyderabad and Bengaluru, representing 2,328 keys, as of March 31, 2018. Our hotels are branded with globally recognized hospitality brands and are in the luxury-upper upscale and upscale hotel segments, according to the Horwath Report. Our hotel platform emphasizes strategic locations, efficient design and development, appropriate positioning in hotel segments together with branding and operational tie-ups with leading hospitality companies.

All our hotel assets are located in high density business districts of key metro cities in India, according to the Horwath Report. We have developed our hotels at strategic locations generally with high barriers-to-entry. For example, we have a hotel in Sahar, Mumbai and another located across 15 acres at the banks of Powai lake, both in proximity to Mumbai's international airport. Similarly, our hotel in Vashi, Navi Mumbai is located close to new business districts and the proposed international airport and our hotels in Hyderabad and Bengaluru are located near the offices of major technology corporations, business centers and retail and commercial facilities. Our design and development team manages construction, design, approval and engineering for our projects and utilizes modern technology for quicker and more efficient development of our properties. We generally locate our hotels on large land parcels, allowing us to situate a greater number of rooms, as well as provide a wide variety of amenities such as fine dining and specialty restaurants, large banquet halls, ball rooms and executive lounges, swimming pools and outdoor spaces, spas and gymnasiums. For example, our four largest hotels have 773, 585, 427 and 391 keys, respectively.

We seek to brand our hotels with leading global hospitality brands, which we believe are well matched to the location, size, target customer base and intended hotel segment of our hotel properties. This allows us to save on the time and cost required to build, develop and maintain our 'own hotel brand'. Currently, all our hotels are branded with global brands, such as, JW Marriott, Westin, Marriott, Marriott Executive Apartments, Renaissance and Four Points by Sheraton, which are held by Marriott. We believe that our active asset management model, the premium location of our hotels, our large room inventory and large function spaces, together with our relationship with leading international hospitality brands, enables us to attract our target customer base including large corporate key accounts such as information technology companies, airlines, multi-national corporations, consultancy firms and banks, deliver an enhanced customer experience, encourage repeat business and drive customer loyalty.

***Active Asset Management Model***

We follow an active asset management model for our four hotels, including a hotel with a co-located serviced residence, which are operated by Marriott pursuant to hotel operation and related agreements. These agreements give us access to Marriott's management expertise, industry best practices, online reservation systems, marketing strategies, systems and processes, human resources and operational know-how. Our active asset management model entails that in addition to contractual obligations under agreements with Marriott, we closely monitor, exercise regular oversight and contribute to the performance of our hotel properties. As part of our active asset management model, we regularly:

- engage with the hotel management team at each hotel in order to discuss and agree on budgeting, cost management initiatives and operational and financial targets for each of our hotel properties. For example, we conduct detailed performance review meetings each month with the hotel management team to assess hotel performance on a host of parameters and provide regular inputs on cost saving initiatives and potential improvements;
- review performance reports generated by each hotel;
- conduct periodic meetings with hotel operator's management teams;
- discuss and optimize pricing strategies to maximize room yield by active monitoring of key corporate accounts and provide inputs on promotional activities;
- review furniture, fixtures and equipment deployment plans and assist with execution of these plans;
- review competitor set performance and penetration across relevant micro-markets; and
- assist in renewing licenses and consents, as necessary.

We believe that our active asset management model, the premium location of our hotels and our large room inventory together with large function spaces, together with our relationship with leading international hospitality brands, has allowed our hotels to achieve competitive financial and operational parameters. For example our hotels had higher ADR, occupancies and RevPAR compared to the average of other hotels in their respective micro-markets and hotel segments, for the financial year 2017, according to the Horwath Report.

The table below sets forth certain key performance parameters for our hotels:

| | **Our Company Financial Year 2018** | **All India Luxury-Upper Upscale Segment Financial Year 2018*** |
|---|---|---|
| **For our hotels managed by third parties:** | | |
| ADR[1] (₹) | 7,978.76 | 8,223 |
| Average Occupancy [2] | 71.70% | 65% |
| Rev PAR [3] (₹) | 5,720.54 | 5,345 |
| Total Operating Revenue (₹ million) [4] | 7,883.79 | - |
| Total Operating Expenses (₹ million) [5] | 4,704.59 | - |
| **For our hotel managed by us:** | | **All India Upscale and Upper Midscale Hotel Segment Financial Year 2018*** |
| ADR[1] (₹) | 6,435.73 | 4,496 |
| Average Occupancy [2] | 88.10% | 66% |
| Rev PAR [3] (₹) | 5,669.57 | 2,967 |
| Total Operating Revenue (₹ million) [4] | 511.14 | - |
| Total Operating Expenses (₹ million) [5] | 291.50 | - |

* *According to the Horwath Report.*

(1) *ADR represents revenue from room rentals at our hotels divided by total number of room nights sold (including keys that were available for only a certain portion of a period).*

(2) *Average occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels.*

(3) *RevPAR is calculated by multiplying ADR and average occupancy.*

(4) *Total operating revenue comprises of revenue from hotel including room revenue, food and beverage revenue and other income from hotel operations.*

(5) *Operating expenses comprises of expenses towards food and beverage consumed, operating supplies, employee benefit cost and other expenses.*

Our staff per room ratio (including our employees and personnel engaged on a contractual basis), calculated by dividing total staff by number of available keys, was 1.21 as of March 31, 2018 and 1.25 as of March 31, 2017 for our hotels in the luxury-upper upscale segment and 1.40 as of March 31, 2018 and 1.38 as of March 31, 2017 for our hotel in the upscale segment. The average staff per room ratio of all hotels in India was 2.0 for the five star deluxe segment and 1.8 for the five star segment, as of March 31, 2017, according to the Horwath Report.

Our total revenue was ₹ 9,295.14 million for the financial year 2018, and our total revenue grew at a CAGR of 14.83% between the financial years 2014 and 2018. Our total comprehensive income was ₹ 298.92 million and our Adjusted EBITDA before Exceptional Items was ₹ 3,514.06 million, for the financial year 2018. Adjusted EBITDA before Exceptional Items grew at a CAGR of 27.57%, between the financial years 2014 and 2018. As of March 31, 2018, 2017 and 2016, our Average Cost of Indebtedness was 8.65%, 9.68% and 11.11%, respectively.

***Well Positioned to Benefit from Industry Trends***

According to the Horwath Report, growth in per capita income, changing demographic dynamics, rising urbanization, growth in travel and higher discretionary spending trends, are expected to assist the growth of the hospitality industry in India. Given our presence in key metro cities which are expected to benefit from the growth in these parameters, we are well placed to benefit from the potential growth opportunity. We believe we have a competitive advantage in the key metro cities due to the significant time outlay required for companies to build and establish a profitable hotel or commercial office space or mall and our early mover advantage in large, mixed-use developments in specific micro-markets. Further, the availability of land with our company in proximity to our developments for further expansion and high entry costs to develop projects in metro cities where our developments and projects are located, provide us with an advantage in our relevant micro-markets.

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

According to CBRE Research, due to sustained occupier interest, leasing activity for commercial and office real estate rose by about 25% on a yearly basis and crossed 10 million square feet during the first quarter of 2018. Further, according to CBRE Research, the Indian retail real estate market witnessed continuous foray of international brands, launch of new retail developments and robust demand for space in the second half of 2017. We believe we are well positioned to leverage this growth due to our in-depth understanding of the rental market and the needs and preferences of consumers. We believe that our clients have confidence in us, demonstrated by our relationships with several large corporate clients and domestic and global retail brands, including a long-term agreement with a leading global professional services company for 109,228 square feet of commercial space at Whitefield, Bengaluru. Such relationships may help us to secure clients for our new developments and mitigate the risks that may arise from an inability to secure clients for large commercial or retail spaces at suitable rates.

***Experienced Management Team***

We have a strong management team with significant industry experience. Our Promoters, Mr. Ravi Raheja and Mr. Neel Raheja, have been instrumental in the growth of our hospitality and retail business and actively advise on finance, corporate strategy and planning. Further, our Managing Director and CEO, Mr. Sanjay Sethi has three decades of experience in the hospitality industry, including with leading Indian hotel chains, and across hotel segments. Further, our Executive Director and CFO, Mr. Rajeev Newar, has over 26 years of experience in roles in finance and management. Our Key Management Personnel and senior management include qualified professionals and industry experts, with significant experience across various industries and functions including finance, legal, projects and design, asset management, hospitality and logistics. Our Promoters, Board and management team have demonstrated an ability to enhance our performance by growing our business through different economic and industry cycles. We believe that the strength of our management team and its understanding of the hospitality and real estate market in India enables us to continue to take advantage of current and future market opportunities.

### *Backed by Leading Indian Real Estate Developer*

We are part of K. Raheja Corp group which is a leading business group in India and we believe that we derive significant benefit from the confidence that consumers, lenders, commercial partners, vendors and others place in the group. The K. Raheja Companies have extensive experience in developing large scale real estate and commercial projects resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and opportunities. We further leverage the experience and relationships of these companies with construction companies to develop hotels at optimal cost and quality. For example, the average development cost per room (including the cost of land), for our luxury hotel at Sahar, Mumbai, completed in financial year 2015 was ₹ 13.99 million. Further, our hotel project management and design team, works together with the K. Raheja Companies and leverages the experience of K. Raheja Companies' design teams to develop our hotel properties, commercial offices and malls.

## Competitive Strategies

### *Focus on Maximizing Performance in Existing Portfolio through Active Asset Management*

A critical part of our growth strategy is to continue our focus on maximizing the cost efficiency of our portfolio by following a disciplined approach to asset management, and a collaborative working arrangement with our hotel operators to drive strategic and tactical initiatives, to drive profitability. Some of the initiatives are listed below:

- alternative and optimal utilization of hotel spaces to maximize and diversify revenue sources besides room revenue by increasing our share of revenue from food and beverage, meeting rooms, club floors, conferences, events and commercial or retail space;

- continued focus on upgrading facilities to work towards a best-in-class experience across our existing hotels by undertaking renovations and rebranding exercises;

- improve staff productivity and efficiency through appropriate training and learning exercises and an optimal use of technology;

- undertake energy saving initiatives that are both cost-efficient and environmentally friendly as well explore shared service opportunities, such as laundry and finance operations, for our hotels located in the same city; and

- ensuring presence of leadership personnel commensurate with the size and scale of each hotel property.

### *Disciplined Development of Assets in the Current Pipeline*

We are developing two additional hotel projects which are expected to have 410 keys and two projects representing commercial office space with built up area of approximately 1.12 million square feet. We have traditionally acquired large parcels of land at competitive prices with the intention to develop hotel-led mixed-use projects. We seek to leverage unutilized FSI at some of our hotel locations which allows us to develop additional commercial or retail spaces. For example, we are developing commercial space in Powai, Mumbai and an IT Park in Whitefield, Bengaluru located on unutilized land at our hotel properties. We also intend to focus on developing new hotel-led mixed-use projects in prime locations with development sizes similar to our existing projects, and which feature a combination of hotels, retail developments and commercial office space. Our retail and commercial space under construction is expected to generate regular rental income and cushion the hospitality cash flow cyclicality. Retail and commercial space are also expected to complement the hospitality business and generate synergies within the hotel led mixed-use projects. For example, we believe that the development of our commercial and retail real estate projects in proximity to our hotels will provide benefits to our hotel business for MICE events and assist in driving room occupancy.

### *Expand Portfolio by way of Opportunistic and Accretive Acquisitions*

The hospitality industry in India has recently experienced some consolidation according to the Horwath Report, and we will continue to explore opportunities for acquiring operating hotel assets. The hotel industry has seen considerable debt-related stressed assets, including projects that are left incomplete or completion prolonged to due lack of funding which creates acquisition opportunities, according to the Horwath Report. We seek to leverage our experience and in-house capabilities to acquire operational or near complete hotel assets at an attractive price to reduce replacement cost, initiate turnaround strategies through active asset management, brand repositioning, property enhancement or cost controls and derive benefits of economies of scale. We believe that our asset ownership model allows us the flexibility to acquire a variety of existing branded hotels unlike hotel companies which operate under their own brand.

Further, we will evaluate inorganic growth opportunities, in keeping with our strategy to grow and develop our market share. We may consider opportunities for inorganic growth, such as through acquisitions of operating hotel assets, if, among other things, they:

- are consistent with the positioning and parameters of our existing hotels and which we estimate are high-yielding hotel assets;
- consolidate our market position in strategic micro-markets in key metro cities;
- achieve operating leverage by unlocking potential efficiency and synergy benefits;
- strengthen and expand our portfolio to newer geographies across India which typically attract significant traffic from business and leisure travellers particularly in the NCR, Bengaluru, Pune, Chennai and Goa; and
- enhance our depth of experience and know-how.

***Maintain a Sustainable Capital Structure and Ensure Prudent Capital Allocation***

We seek to expand our portfolio of hotel properties organically or inorganically, based on industry developments and supply and demand movements across the hotel sector and in and specific locations and micro markets. Our strategy is to invest in buying completed projects in demand dense markets when acquisition costs are low and we are able to obtain financing at suitable rates. We leverage our Company's and K. Raheja Companies' development strength to construct and develop our hotels and thereafter actively manage properties along with a suitable hospitality brand partner. Our approach has allowed us to allocate capital at opportune times to acquire land and build hotels efficiently. Once our hotels are operational, we aim to take advantage of growing demand to maximize revenue and returns by partnering with well-renowned hotel operators, as well as to reduce existing debt. As of March 31, 2018, 2017 and 2016, our Average Cost of Indebtedness was 8.65%, 9.68% and 11.11%, respectively and our debt to equity ratio was 5.50, 5.64 and 4.55, respectively. We aim to continue to reduce our cost of indebtedness through active evaluation of refinancing and alternative capital sources.

***Opportunity for reflagging hotels or renegotiating hotel operation contracts***

The hotel operation contracts for our operational hotels, including our serviced residence, at Powai, Mumbai and Hyderabad will be due for renewal in March 2020 and December 2021, respectively. Further, our license agreement for our hotel at Vashi, Navi Mumbai will be due for renewal in December 2021. This provides us with an opportunity to rebrand hotel assets or reposition our properties by using alternate brands at these hotels to better cater to expected demand in the respective micro markets where our hotels are located. Given the demand potential in the hospitality sector according to the Horwath Report, we believe that we may also be able to renegotiate better terms for our hotel operation contracts. We may also evaluate options of diversifying our asset portfolio to include more international brands of similar to higher positioning as our current brands, in order to reduce risk of reliance on any one hospitality company.

## DESCRIPTION OF OUR BUSINESS

We are an owner, developer and asset manager of high-end hotels in key metro cities in India. Our hotel platform comprises five operating hotels, including a hotel with a co-located serviced residence, located in Mumbai Metropolitan Region, Hyderabad and Bengaluru, representing 2,328 keys, as of March 31, 2018. Our hotels, including our serviced residence are branded with globally recognized hospitality brands and are in the luxury-upper upscale and upscale hotel segments according to the Horwath Report. In addition, we have developed commercial and retail spaces, in close proximity to certain of our hotels. We earn revenue from our hospitality operations and also derive lease income from our commercial and retail properties as well as real estate income from sale of certain residential flats. The following table sets forth our revenue from operations from our business segments, for the periods indicated:

| | Revenue from Operations | | | | | |
|---|---|---|---|---|---|---|
| | Financial Year 2018 | | Financial Year 2017 | | Financial Year 2016 (Proforma Ind AS) | |
| | *(₹ in million)* | *as a % of Revenue from Operations* | *(₹ in million)* | *as a % of Revenue from Operations* | *(₹ in million)* | *as a % of Revenue from Operations* |
| **Hospitality** (income earned through hotel operations) | 8,595.26 | 96.16% | 7,121.59 | 96.58% | 5,739.45 | 98.54% |
| **Retail and commercial** (income earned through leasing of commercial and retail properties) | 240.77 | 2.69% | 140.51 | 1.91% | 7.73 | 0.13% |
| **Property Development** (income from sale of residential flats) | 102.13 | 1.14% | 111.44 | 1.51% | 77.39 | 1.33% |
| **Revenue from Operations** | 8,938.16 | 100% | 7,373.53 | 100% | 5,824.57 | 100% |

## Our Hotel Business

As part of our hotel business, we are focused on developing high-end hotels and use our experience to actively manage the property to drive hotel performance. All of our hotels are in the luxury-upper upscale and upscale segments, according to the Horwath Report. We have developed our hotels at strategic locations generally with high barriers-to-entry close to airports, major business centers or commercial districts and other convenient locations. We determine, by detailed financial and operational analysis, whether the hotel operations should be undertaken directly by us or by engaging third party hotel operators. Currently, one of our hotels is operated by us under a license agreement, and four of our hotels, including our serviced residence, are operated by third party hotel operators pursuant to hotel operation and related agreements, all executed with Marriott.

### *Our Hotels Managed by Third Party Hotel Operators*

As of March 31, 2018, we own four hotels, including a hotel with a co-located serviced residence, which are managed by third parties, which represent 2,176 keys. These hotels accounted for 88.2% of our revenue from operations for the financial year 2018. Our hotels which are managed by third parties are located in three major metro cities in India, namely, Mumbai, Bengaluru and Hyderabad. These hotels are located on freehold land owned directly by our Company and the title to the buildings, equipment and furniture or fixtures generally vests with our Company. The table below provides certain details of our hotels which are managed by third parties, as of March 31, 2018:

| Hotel Name | Hotel Segment[(1)] | Location and Details of land Parcel | No. of keys | Month of Opening | Nature of Ownership Interest |
|---|---|---|---|---|---|
| JW Marriott Mumbai Sahar | Luxury-Upper Upscale | Sahar, Mumbai; 14.55 acres | 585 | February 2015 | Freehold, 100.00% ownership |
| Bengaluru Marriott Hotel Whitefield | Luxury-Upper Upscale | Whitefield, Bengaluru; 9.76 acres | 391 | February 2013[(2)] | Freehold, 100.00% ownership |
| The Westin Hyderabad Mindspace | Luxury-Upper Upscale | Mindspace, Hyderabad; 3.10 acres | 427 | December 2009 | Freehold, 100.00% ownership |
| Renaissance Mumbai Convention Centre Hotel and Lakeside Chalet, Mumbai-Marriott Executive Apartments | Luxury-Upper Upscale | Powai, Mumbai; 15.00 acres | 773[(3)] | July 2001[(4)] | Freehold, 100.00% ownership |

(1) *According to the Horwath Report.*
(2) *The hotel commenced operations in February 2013, however we recognized revenues and expenses in relation to hotel operations upon the completion of the demerger and transfer of the hotel effective November 1, 2016.*
(3) *600 rooms at the Renaissance Mumbai Convention Centre Hotel and 173 serviced residences at the Lakeside Chalet, Mumbai-Marriott Executive Apartments*
(4) *173 serviced residences opened in July 2001, further 283 keys opened in 2001, 300 keys opened in 2008 and 17 keys opened in 2017. Lakeside Chalet, Mumbai-Marriott Executive Apartments was opened in July 2001.*

*Hotel Operators for Our Hotels Managed by Third Parties*

We benefit from hotel operation contracts with Marriott for global brands such as JW Marriott, Westin, Marriott,

Marriott Executive Apartments and Renaissance, with terms generally ranging from 10 to 20 years. We generally also enter into license and royalty agreements, international marketing program participation agreements, technical services agreements and training and computer systems agreements with the hotel operator or its affiliates, to leverage their management expertise, industry best practices, online reservation systems, marketing strategies, systems and processes, human resources and operational know-how.

The hotel operation agreements subject to the terms and limitations set forth in the agreements, generally provide the hotel operator with day-to-day operational control, including selection, recruitment, training and management of our personnel for the hotel together with determining their remuneration, determining the price and rate schedules for rooms, commercial spaces and other services, credit policies, managing food and beverage service, employment policies, receipt, holding, and disbursement of funds, maintenance of bank accounts, procurement of inventories, supplies and services, maintaining and renewing licenses and consents and entering into agreements on our behalf with regulatory and governmental authorities to ensure the smooth functioning of the hotel, negotiating and executing agreements with third parties such as vendors, licensees and concessionaires and carrying out marketing, sales, reservations and advertising operations for the hotel, among others. See "– ***Certain Key Agreements – Hotel Operation Agreements and Related Agreements***" on page 157.

The table below provides certain details of the agreements entered into for our hotels which are managed by third parties, as of March 31, 2018:

| Hotel Name | Brand Utilized | Date of Expiry of Term |
|---|---|---|
| JW Marriott Mumbai Sahar | JW MARRIOTT | March 31, 2035 |
| Bengaluru Marriott Hotel Whitefield | MARRIOTT BENGALURU WHITEFIELD | March 31, 2033 |
| The Westin Hyderabad Mindspace | THE WESTIN | December 31, 2021 |
| Renaissance Mumbai Convention Centre Hotel and Lakeside Chalet, Mumbai-Marriott Executive Apartments | RENAISSANCE<br>Marriott EXECUTIVE APARTMENTS | March 31, 2020 |

Pursuant to the agreements entered into with hotel operators and their affiliates, our hotels are generally obliged to pay one time fees for design and construction consulting services, as well as, periodic operating fees, management fees, royalty fees for licensing the use of certain trademarks, fees for technical services rendered based on invoices raised and reimbursements for advertising, marketing, promotion, sales, software related expenses, training, reservations and loyalty programs incurred by the hotel operator or their affiliates. These operating and related agreements together provide for a multi-tiered fee structure that compensates the hotel operators 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. See **"– *Certain Key Agreements – Hotel Operation Agreements and Related Agreements***" on page 157.

*Our Active Asset Management Model*

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

- engage with the hotel management team at each hotel in order to discuss and agree on budgeting, cost management initiatives and operational and financial targets for each of our hotel properties. For example, we conduct detailed performance review meetings each month with the hotel management team to assess hotel performance on a host of parameters and provide regular inputs on cost saving initiatives and potential improvements;
- review performance reports generated by each hotel;
- conduct periodic meetings with hotel operator's management teams;
- discuss and optimize pricing strategies to maximize room yield by active monitoring of key corporate accounts and provide inputs on promotional activities;
- review furniture, fixtures and equipment deployment plans and assist with execution of these plans;
- review competitor set performance and penetration across relevant micro-markets; and
- assist in renewing licenses and consents, as necessary.

We have a specialised asset management team which, aiming to optimize profitability, undertakes extensive and comprehensive research and provides business intelligence, feasibility studies, capital outlay plans and financial analysis. This allows us to monitor property functioning, rationally review and control costs, and explore opportunities to further improve asset productivity. Learnings from each hotel are pooled in to ensure best practices are replicated, resulting in improved functioning.

*Key Performance Indicators for our Hotels Managed by Third Parties*

The table below sets forth certain key parameters for our hotels managed by third parties, for the past three financial years:

**For our hotels managed by third parties**

| | Financial Year 2018 | Financial Year 2017 | Financial Year 2016 |
|---|---|---|---|
| No. of available keys* | 2,176 | 2,109 | 1,771 |
| ADR(1) (₹) | 7,978.76 | 7,975.35 | 7,723.09 |
| Average Occupancy (2) | 71.70% | 65.99% | 58.09% |
| Rev PAR (3) (₹) | 5,720.54 | 5,262.83 | 4,486.35 |
| Total Operating Revenue (₹ million) (4) | 7,883.79 | 6,314.75 | 5,152.01 |
| Total Operating Expenses (₹ million) (5) | 4,704.59 | 4,026.81 | 3,426.94 |
| Staff per Room Ratio as on last day of the year (6) | 1.21 | 1.25 | 1.25 |
| Power units consumed (Kwh) per available room per day (7) | 54.62 | 57.55 | 60.20 |

**JW Marriott Mumbai Sahar**

| Financial Year or As of March 31, | 2018 | 2017 | 2016 |
|---|---|---|---|
| No. of available keys* | 585 | 585 | 585 |
| ADR1 (₹) | 8,499.15 | 8,259.44 | 7,734.81 |
| Average Occupancy2 | 73.16% | 65.13% | 45.72% |
| Rev PAR3 (₹) | 6,217.95 | 5,379.31 | 3,536.53 |
| Total Operating Revenue (₹ million)4 | 2,422.54 | 2,048.39 | 1,494.46 |
| Operating expenses5 | 1,445.58 | 1,351.14 | 1,116.76 |
| Staff per room ratio6 | 1.22 | 1.24 | 1.27 |
| No. of Meeting Rooms | 5 | 5 | 5 |
| No. of Food and Beverage Outlets | 3 | 3 | 3 |
| Sq. meters Outdoor and Banquet Space | 2,780 | 2,780 | 2,780 |

**Bengaluru Marriott Hotel Whitefield**

| Financial Year or As of March 31, | 2018 | 2017* |
|---|---|---|
| No. of available keys* | 391 | 324 |
| ADR[1] (₹) | 8,620.27 | 9,589.43 |
| Average Occupancy[2] | 74.79% | 73.69% |
| Rev PAR[3] (₹) | 6,447.31 | 7,066.16 |
| Total Operating Revenue (₹ million)[4] | 1,476.74 | 528.61 |
| Operating expenses[5] | 804.66 | 338.17 |
| Staff per room ratio[6] | 1.22 | 1.38 |
| No. of Meeting Rooms | 2 | 2 |
| No. of Food and Beverage Outlets | 5 | 5 |
| Sq. meters Outdoor and Banquet Space | 1,656 | 1,656 |

**The performance is presented for the entire financial year 2017, however we recognized revenues and expenses in relation to hotel operations upon the completion of the demerger and transfer of the hotel effective November 1, 2016.*

**The Westin Hyderabad Mindspace**

| Financial Year or As of March 31, | 2018 | 2017 | 2016 |
|---|---|---|---|
| No. of available keys* | 427 | 427 | 427 |
| ADR[1] (₹) | 7,972.71 | 7,792.22 | 7,653.86 |
| Average Occupancy[2] | 71.41% | 68.64% | 65.72% |
| Rev PAR[3] (₹) | 5,693.67 | 5,348.73 | 5,029.89 |
| Total Operating Revenue (₹ million)[4] | 1,525.99 | 1,449.89 | 1,375.94 |
| Operating expenses[5] | 888.79 | 867.99 | 834.80 |
| Staff per room ratio[6] | 1.22 | 1.22 | 1.21 |
| No. of Meeting Rooms | 5 | 5 | 5 |
| No. of Food and Beverage Outlets | 4 | 4 | 4 |
| Sq. meters Outdoor and Banquet Space | 1,374 | 1,374 | 1,374 |

**Renaissance Mumbai Convention Centre Hotel and Lakeside Chalet, Mumbai-Marriott Executive Apartments**

| Financial Year or As of March 31, | 2018 | 2017 | 2016 |
|---|---|---|---|
| No. of available keys* | 773 | 773 | 759 |
| ADR[1] (₹) | 7,214.90 | 7,539.99 | 7,756.98 |
| Average Occupancy[2] | 69.18% | 63.83% | 63.33% |
| Rev PAR[3] (₹) | 4,991.32 | 4,812.52 | 4,912.64 |
| Total Operating Revenue (₹ million)[4] | 2,458.52 | 2,287.86 | 2,281.61 |
| Operating expenses[5] | 1,565.56 | 1,469.51 | 1,475.38 |
| Staff per room ratio[6] | 1.20 | 1.21 | 1.26 |
| No. of Meeting Rooms | 9 | 9 | 9 |
| No. of Food and Beverage Outlets | 6 | 6 | 6 |
| Sq. meters Outdoor and Banquet Space | 3,579 | 3,579 | 3,579 |

* *As of March 31 at the end of each financial year*

1 *ADR represents revenue from room rentals at our hotel divided by total number of room nights sold (including keys that were available for only a certain portion of a period).*

2 *Average occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels.*

3 *RevPAR is calculated by multiplying ADR and average occupancy.*

4 *Total operating revenue comprises of revenue from hotel including room revenue, food and beverage revenue and other income from hotel operations.*

5 *Operating expenses comprises of expenses towards food and beverage consumed, operating supplies, employee benefit cost and other expenses.*

6 *Staff per room is calculated by dividing total staff at the end of the relevant period by number of available keys as of the last date of relevant period. Staff includes our employees and personnel engaged on a contractual basis at our hotel.*

7 *Average power consumed per day per room for the year.*

### *Our Hotel Operated by Us*

As of March 31, 2018, we operate a hotel located in Vashi, Navi Mumbai, which represents 152 keys. This hotel accounted for 5.72% of our revenue from operations for the financial year 2018. It is located on land utilized by us on a leasehold basis. In relation to this hotel, we exercise day-to-day operational control, including selection, recruitment, training and management of our personnel for the hotel together with determining their remuneration, determining the price and rate schedules for rooms, commercial spaces and other services, applying for licenses and consents, negotiating and executing agreements with third parties such as vendors, licensees and concessionaires, among others.

The table below provides certain details of our hotel operated by us, as of March 31, 2018:

| Hotel Name | Location | No. of keys | Month of Opening | Nature of Ownership Interest |
|---|---|---|---|---|
| Four Points by Sheraton Navi Mumbai, Vashi | Vashi, Navi Mumbai | 152 | June 2009 | Leasehold[(1)] |

(1) Lease term valid for 60 years from 2003, 45 years of residual period as of March 31, 2018. See "*Risk Factors – Our hotel located at Vashi, Navi Mumbai is subject matter of a litigation with City & Industrial Development Corporation of Maharashtra Limited ("CIDCO"). Any adverse order by the Supreme Court of India in this matter may result in a direction to demolish our hotel, which may adversely affect our business and results of operations*" on page 583.

*License and Related Agreements for the Hotel Managed by Us*

We benefit from an international license agreement with Luxury Hotels International of Hong Kong Limited for the global brand Four Points by Sheraton together with a centralised services agreement with Marriott, which among other things gives us access to the Four Points by Sheraton brand and network, industry best practices, online reservation systems, marketing strategies, systems and processes and operational know-how. We utilize the marketing, sales, reservations and advertising operations of the license owner and its affiliates. See "*– Certain Key Agreements – License and Related Agreements*" on page 157.

The table below provides certain details of the license agreement entered into for our hotel operated by us, as of March 31, 2018:

| Hotel Name | Brand Utilized | Date of Expiry of Term |
|---|---|---|
| Four Points by Sheraton Navi Mumbai, Vashi | FOUR POINTS BY SHERATON Navi Mumbai Vashi | December 2021 |

Pursuant to the agreements entered into with Marriott, we are obliged to pay license and royalty fees together with fees for advertising, marketing, promotion, sales, software and other technical and centralised services rendered. See "*– Certain Key Agreements – License and Related Agreements*" on page 157.

*Key Performance Indicators for Our Hotel Operated by Us*

The table below sets forth certain key parameters for our hotel operated by us, for the past three financial years:

Four Points by Sheraton Navi Mumbai, Vashi

| Financial Year or As of March 31, | 2018 | 2017 | 2016 |
|---|---|---|---|
| No. of available keys* | 152 | 150 | 150 |
| ADR[1] (₹) | 6,435.73 | 6,325.59 | 6,494.47 |
| Average Occupancy[2] | 88.10% | 86.14% | 86.42% |
| Rev PAR[3] (₹) | 5,669.57 | 5,449.05 | 5,612.42 |
| Total Operating Revenue (₹ million)[4] | 511.14 | 492.09 | 492.31 |
| Operating expenses (₹ million)[5] | 291.50 | 303.93 | 306.40 |
| Staff per room ratio[6] | 1.40 | 1.38 | 1.48 |
| No. of Meeting Rooms | 4 | 4 | 4 |
| No. of Food and Beverage Outlets | 3 | 3 | 3 |
| Power units consumed (Kwh) per available room per day [(7)] | 58.23 | 56.03 | 75.44 |
| Square meters Outdoor and Banquet Space | 1,115 | 1,115 | 1,115 |

1 *ADR represents revenue from room rentals at our hotel divided by total number of room nights sold (including keys that were available for only a certain portion of a period).*

2 *Average occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels.*

3 *RevPAR is calculated by multiplying ADR and average occupancy.*

4 *Comprises rental income received from occupied keys during a financial year.*

5 *Operating expenses comprises of expenses towards food and beverage consumed, operating supplies, employee benefit cost and other expenses.*

[6] *Staff per room is calculated by dividing total staff at the end of the relevant period by number of available keys as of the last date of relevant period. Staff includes our employees and personnel engaged on a contractual basis at our hotel.*

[7] *Average power consumed per day per room for the year.*

***Our Hotel Operations***

Our five operating hotels, including a hotel with a co-located serviced residence, as of March 31, 2018 cater to the growing needs of our customers. Five key hotel operations departments: front office, housekeeping, food and beverage service, food production and spa services, are focused on ensuring customer experience and comfort through quality product and service offerings. In addition, support departments such as finance, stores, purchase, sales and marketing, engineering and maintenance, IT and security also play a role in ensuring efficient day-to-day operations. For our hotels operated by third parties, these functions are generally controlled by the hotel operators leveraging the operational experience of Marriott, while for our hotel at Vashi, Navi Mumbai, we carry out day-to-day operations with assistance from Marriott in the form of brand standards and guidelines and other assistance.

The marketing and loyalty strategy for our hotels is conducted by the hotel operators and licensor in discussion with us. Our hotels use online travel agents ("**OTAs**") and websites of our hotel operators, as well as strategic and tactical sales and marketing initiatives to acquire customers. The loyalty programs of our hotel operators, reward guests for staying at our hotels and provides extra benefits, exclusive offers and personalized services to get repeat business from these members and also generate word of mouth publicity. We believe the premium location of our hotels and the high quality of our hotel properties, together with our relationship with leading international hospitality brands, enables us to attract our target customer base including large corporate key accounts such as information technology companies, airlines, multi-national corporations, consultancy firms and banks, deliver an enhanced customer experience, encourage repeat business and drive customer loyalty.

***Certain Key Agreements***

*Hotel Operation Agreements and Related Agreements*

We benefit from hotel operation contracts with Marriott for global brands such as JW Marriott, Marriott, Marriott Executive Apartments, Renaissance and Westin, with terms generally ranging from 10 to 20 years. We generally also enter into license and royalty agreements for the use of brands and trademarks, international marketing program participation agreements, technical services agreements or consultancy agreements and training and computer systems agreements or operating support agreements with the hotel operator or its affiliates, all generally having the same term as the corresponding hotel operation contracts.

Operational Services

We appoint the hotel operator to render the technical and professional services and to supervise and direct the operation of the hotel. The operation of the hotels is under the supervision and control of hotel operator. The hotel operators have discretion in matters relating to operation of the hotel, including, charges for guestrooms and commercial space, credit policies, food and beverage service, employment policies, receipt, holding, and disbursement of funds, maintenance of bank accounts, procurement of inventories, supplies and services, promotion and publicity, and such other activities as are specifically provided for or otherwise reasonably necessary for the proper and efficient operation of the hotel. The hotel operator is authorized to make routine maintenance, repairs and minor alterations, the cost of which is expensed to the account of the hotels. In general, the leases or grants of concessions for arcade shops to lessees or concessionaires are selected by mutual agreement between us and the hotel operator, where we have the right to review and approve the selections of the hotel operator. We are responsible for securing all necessary licenses, permits, approvals, and other instruments necessary for the hotel operations at the initial stage.

The hotel operators are required to prepare an annual operating plan, taking into account the specific market conditions expected to affect the hotel in the forthcoming calendar year. The annual operating plan includes an estimate of gross revenues, operating profit, occupancy and average room rate; and narrative descriptions of the advertising, sales and marketing program for the hotel. The annual operating plan is to be provided by the hotel operators to us for our review and the hotel operators are required to meet with us to discuss the annual operating plan.

Support Services

The hotel operators or their affiliates provide our hotels with access to international programs for advertising, marketing, promotion, and sales. These include purchase of advertising space in magazines, newspapers, and other printed media, as well as radio, television, and other electronic media; printing and publication of pamphlets, brochures, directories, and other materials; marketing, promotional, and public relations campaigns designed to increase sales or to increase public awareness; market research and the development of marketing products; access to marketing and sales offices throughout the world; retention of advertising agencies, marketing firms, public relations firms, and other professionals; and administration and management of the foregoing.

Our hotels also receive access to software and systems such as reservations systems and property management systems of our hotel operators and their affiliates together with related services. Hotel operators or their affiliates agree to provide training programs for the benefit of a limited number of management level employees at the hotel; as well as certain other employees at the hotel (to whom the hotel operators may choose to provide such training at their discretion). We are required to incur the expenses to install hardware and software necessary for use at the hotel to participate in the reservations system.

Improvements and Fit-Outs

On a periodic basis, we are required to carry out, at our own cost and expense, improvements including planning, design, construction, furnishing, and fitting equipment in accordance with hotel standards of the hotel operators and as agreed on in the agreements, within a stipulated time-frame. The hotel operators or their affiliates have provided us with design and construction consulting services, in order for us to implement the improvements and fit-outs at our hotels.

Hotel Employees

While the agreements state that certain key employees may be employees of the hotel operator, as of March 31, 2018, all employees working at our hotels are our employees together with certain personnel who are engaged on a contractual basis. The hotel operator has full discretion to hire, promote, supervise, direct, train, fix compensation, and generally establish and maintain all employment policies and practices. The payroll and related costs for all hotel employees such as, salaries, wages, bonuses, payroll taxes, social security, retirement payments or accruals, and provident fund and worker’s compensation funds and employees’ state insurance, among others are paid by the hotel.

Payment Terms

Pursuant to the agreements entered into with hotel operators and their affiliates, our hotels are generally obliged to pay one time fees for design and construction consulting services, as well as, periodic operating fees, management fees, royalty fees for licensing the use of certain trademarks, fees for technical services rendered based on invoices raised and reimbursements for advertising, marketing, promotion, sales and software related expenses incurred by the hotel operator or their affiliates. These operating and related agreements together provide for a multi-tiered fee structure that compensates the hotel operators based on a fixed percentage of the gross revenue of the hotel as well as a portion of gross operational profits as an incentive fees, subject to certain exclusions and adjustments including periodic increments. See “***Management’s Discussion and Analysis of Financial Condition and Results of Operations***” on page 537 for details of payments made by us pursuant to these agreements in the previous three financial years.

Reserve Account and Repairs and Alterations

Under the operating agreements, we are generally responsible to provide the initial working capital and inventories in amounts determined by the hotel operator as well as the funds necessary to supply the project with fixed asset supplies. Further, we are obliged to establish a separate interest-bearing bank account or reserve account, to cover the cost of, renewals, replacements, and additions to the furniture, fixtures, or other equipment of the hotel; and routine repairs, maintenance and additions to the hotel building, including, interior repairs, resurfacing walls, floors, ceilings and parking areas. The reserve is stipulated as a fixed percentage of the gross revenues of the hotel over a particular accounting period. The hotel operator is required to submit for our review, with the annual operating plan, a repairs and equipment estimate of the expenditures necessary in this regard.

Further, for major repairs, alterations, improvements, renewals, replacement, or additions, the hotel operator is required to submit for our approval, with the annual operating projection, a major repairs and building improvements estimate of the expenditures necessary. The hotel operator is not allowed to make any expenditures for any such major purpose without our prior consent, subject to certain limitations.

Certain Additional Obligations

We are required to maintain good and marketable title in the freehold property and hotel building, free and clear of any and all liens, encumbrances, or other charges. Other than in the manner specifically set out under the agreements, we agree not to enter into or grant a mortgage on the hotels. We are generally obliged not to enter into any agreement for the sale or transfer of the hotel (other than among certain specified affiliates) unless we obtain prior written consent of the hotel operator.

Project Accounts

All funds derived from operation of the hotel are deposited by hotel operator in bank accounts in our name, as approved by the hotel operator. We are obliged to agree with the hotel operator on an auditor to be engaged to perform quarterly audits of selected aspects of the books of control and account for the hotels.

*License and Related Agreements*

We benefit from an international license agreement with Luxury Hotels International of Hong Kong Limited for the global brand Four Points by Sheraton together with a centralised services agreement with Marriott. We are granted a non-exclusive right to develop and operate a hotel under the brand at the specified premises and using the systems provided. This gives us access to the Four Points by Sheraton brand and network, industry best practices, online reservation systems and websites, marketing strategies, systems and processes and operational know-how. We utilize the marketing, sales, reservations and advertising operations of the licensor and its affiliates on a central basis. Our hotels also receive access to software and systems such as reservations systems, sales program, marketing program and loyalty programs of the licensor and its affiliates together with related services.

The agreements include a schedule of specified services together with relevant rates for utilizing such services, which are expressed either as a fixed amount per use or on a monthly basis or as a percentage of gross room revenue, among other parameters. Pursuant to the agreements, our hotel was obliged to pay initial fees for design and construction consulting services at the time of construction. The hotel pays periodic license fees for licensing the use of certain trademarks, administrative fees. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 537 for details of payments made by us pursuant to these agreements in the previous three financial years.

We are obliged to adhere to stipulated brand standards and guidelines issued by the licensor including, purchasing, installing in the hotel and renovating or refurbishing such furniture, fixtures, or other equipment as required to adhere to the stipulated requirements; maintaining supply or utilising only such products, materials, goods, and services in the operation of the hotel that comply with the brand standards or as approved by the licensor; keep open and operate the hotel on a continuous basis; and respond to and address guest complaints in a manner provided in the standards and policies of the licensor, among others. Our hotel is subject to periodic inspections by the licensor.

**Our Commercial and Retail Business**

As of March 31, 2018, we have developed two projects representing approximately 0.86 million square feet, adjacent to our hotel properties. These projects accounted for 2.69 % of our revenue from operations for the financial year 2018. These projects are located on freehold land owned directly by our Company. We earn lease and rental income from these properties. We have established longstanding relationships with several large corporate clients and domestic and global retail brands including food and beverage chains, department stores, consulting and management companies, among others. Such relationships help us secure retail clients for our new developments and mitigate the risks that may arise from an inability to secure corporate or retail clients for large commercial or retail spaces at suitable rates. In particular, we believe that our track record and the quality of our commercial and retail developments has enabled us to maximise our lease revenues through our established relationships with corporate clients and domestic and global retail clients.

The table below provides certain details of our commercial and retail projects, as of March 31, 2018:

| Project Name | Location | Leasable Area (sq. ft.) | Month of Completion | Nature of Ownership Interest |
|---|---|---|---|---|
| Business Centre and Office | Sahar, Mumbai[(1)] | 366,557 | March 2018 | Freehold, 100.00% ownership |
| The Orb - Retail | Sahar, Mumbai[(1)] | 124,223 | June 2014 | Freehold, 100.00% ownership |
| Whitefield, Bengaluru – Commercial | Whitefield, Bengaluru[(2)] | 109,228 | August 2014[(3)] | Freehold, 100.00% ownership |
| Inorbit Mall, Whitefield, Bengaluru – Retail | Whitefield, Bengaluru[(2)] | 260,948 | October 2012[(3)] | Freehold, 100.00% ownership |

(1) *Expected too commence operations by March 2019. Located on the same land parcel as our hotel at Sahar, Mumbai.*

(2) *Located on the same land parcel as our hotel at Whitefield, Bengaluru.*

(3) *We recognized revenues and expenses in relation to commercial and retail operations upon the completion of the demerger and transfer of the commercial and retail projects effective November 1, 2016.*

*Key Performance Indicators for our Commercial and Retail Projects*

The table below sets forth certain key parameters for our operational commercial and retail projects:

Commercial Project:

| Financial Year or As of March 31, | 2018 | 2017* |
|---|---|---|
| Leasable Area | 109,228 square feet | 109,228 square feet |
| Leased Area | 109,228 square feet | 109,228 square feet |
| Occupancy | 100% | 100% |
| Revenue | ₹ 54.98 million | ₹ 58.69 million |

Retail Project:

| Financial Year or As of March 31, | 2018 | 2017* |
|---|---|---|
| Leasable Area | 260,948 square feet | 259,599 square feet |
| Leased Area | 232,607 square feet | 223,304 square feet |
| Occupancy | 89% | 86% |
| Revenue | ₹ 185.80 million | ₹ 174.47 million |

**The performance is presented for the entire financial year 2017, however we recognized revenues and expenses in relation to commercial and retail operations upon the completion of the demerger and transfer of the commercial and retail projects effective November 1, 2016.*

### Our Residential Project

We have a residential project, Quiescent Heights in Madhapur, Hyderabad. Out of the total saleable area of 204,125 square feet we have already sold 170,965 square feet as of May 31, 2018. We own a property situated at Koramangala Industrial Layout, Bengaluru, where we proposed to construct a residential complex. The property is located within the proximity of an aerodrome operated by the Hindustan Aeronautics Limited and is the subject matter of litigation, with a writ petition currently pending before the Karnataka High Court. See "*Risk Factors – Our residential project at Koramangala, Bengaluru is the subject matter of a litigation with Hindustan Aeronautics Limited. Any adverse order in relation to this litigation may adversely affect our ability to complete the project, and our business, results of operations and reputation.*" on page 22.

### Our Projects under Development

We periodically evaluate new sites for greenfield development as well as prospective hotel assets for conversion or acquisition. We have traditionally acquired large parcels of land at competitive prices with the intention to develop hotel-led mixed-use projects. In addition, we intend to focus on developing new hotel-led mixed-use projects in prime locations with development sizes similar to our existing projects, and which feature a combination of hotels, retail developments and commercial office.

#### *Hotels under Development*

Our development pipeline for hotels consists of 410 rooms across two hotels. We classify owned hotels for which: (i) land is owned by us together with relevant agreements or memorandum of understanding having been executed for such use; (ii) relevant construction approvals have been applied for; and (iii) our preliminary design plans are complete, as hotels under development. The table below provides certain details of our hotels under development:

| Location and Details of land parcel | No. of keys[(1)] | Expected Month of opening[(1)] | Our Ownership Interest |
|---|---|---|---|
| Airoli, Navi Mumbai; 3,964.58 square meters | 260 | September 2021 | Leasehold Rights |
| Powai, Mumbai[(2)] | 150 | December 2022 | 100% ownership |

(1) *As per management estimates. See "Risk Factors – Statements as to the months in which our properties under development are expected to commence operations and the number of rooms or leasable area expected in such properties are based on management estimates and have not been independently appraised" on page 33.*

(2) *Being developed on the same land parcel as our hotel, convention center and serviced residence at Powai, Mumbai.*

***Commercial Projects under Development***

Our development pipeline for commercial projects consists of built up area of approximately 1.12 million square feet across two projects. We classify projects for which: land is owned by us together with relevant agreements or memorandum of understanding having been executed for such use; (ii) relevant construction approvals have been applied for; and (iii) our preliminary design plans are complete, as projects under development. The table below provides certain details of our projects under development:

| Project Name | Location and Details of land parcel | Total Built-up Area (square feet) [(1)] | Expected Month of commencement* | Our Ownership Interest |
|---|---|---|---|---|
| IT Building Phase II | Whitefield, Bengaluru [(2)] | 432,332 | March 2021 | Freehold, 100%, ownership |
| Powai Office Block | Powai, Mumbai[(3)] | 688,896 | September 2021 | Freehold, 100%, ownership |

(1) *As per management estimates. See "Risk Factors – Statements as to the months in which our properties under development are expected to commence operations and the number of rooms or leasable area expected in such properties are based on management estimates and have not been independently appraised" on page 33.*

(2) *Being developed on the same land parcel as our hotel at Whitefield, Bengaluru.*

(3) *Being developed on the same land parcel as our hotel, convention center and serviced residence at Powai, Mumbai.*

***Property Development Cycle***

We utilise specialised design and project management teams for the development of our properties managing various aspects of our real-estate development from construction, design, approval and engineering. We have 13 personnel as of March 31, 2018 who have competencies in architecture and design, design and project execution. Our team is involved from technical feasibility assessment of a property, to design and supervision of on-site execution, through to commencement of operations and selectively engages third parties to support them in this initiative. Our team undertakes technical feasibility assessment, wherein they test product mix as per business development and market inputs; prepares project execution plans, budget estimates and schedules and monitors project progress, as well as works to mitigate involved risks and challenges. Our team keeps track of new technologies and products to adopt cost and time effective methods of construction to drive operational efficiency.

We leverage our capability in project management for efficient development and renovation of our projects. This team works with consultants and specialist agencies to deliver target results where we believe utilizing third party project management companies will be more efficient. The property development process entails employment of standardized parameters that allow for a consistent and replicable process, which in turn reduces variations in development costs and project time. The development model focuses on standardized designs and defined process for selection of sites, contractors and materials. K. Raheja Companies' knowledge of construction dynamics in the markets in which we operate helps us ensure cost efficient development

*Identification Process and Land Acquisition and Development Arrangements*

Our site identification is based on a market selection process that leverages our management's knowledge of Indian cities, understanding of our customer base, an analytical approach to site-selection that encompasses accessibility, local economy, potential for growth, demographics and socio-economic environment and adequate infrastructure.

While we do not fix any site specific criteria and consider location specific factors, key considerations for site selection include the economics of the site and our geographic strategy. Analysis of the economics of the site include assessment of the demand potential, considering among other factors the current and likely future demand, existing and future competition, pricing potential, local talent availability and prospects for increased infrastructure and accessibility. After the site is fully analysed from both a marketing and development perspective, the project is either discarded or advanced for a subsequent financial analysis and due diligence.

*Project Planning and Tenders*

While our management is generally involved in the design, project management and supervision of hotel development, it hires third party contractors for construction of the hotel. Contractors are awarded projects through a tender process. While each project is generally awarded subject to a project-specific bid, we also factor in the selection our prior experience, if any, with the vendor. While we maintain certain standard design features such as room size, bathroom size, dimensions for corridors and lobby, we continuously seek new and improved ideas that are then incorporated in future developments. Due to our standardization procedures, the customization required by contractors selected by us is minimized, which streamlines the construction timeframe and costs.

*Execution, Construction and Safety Standards*

The project planning and execution process commences with obtaining the requisite regulatory approvals, environmental clearances and location specific approvals. Completion and occupancy certificates are obtained from the appropriate authorities after the construction of properties is completed, in accordance with applicable law. For a more detailed explanation of the applicable regulations, see "***Key Regulations and Policies in India***" on page 165.

We monitor the development process, construction quality, actual and estimated project costs and construction schedules. The project management team and the contractor conduct site and activity reviews including a review of quality of work, adherence to project timelines and materials used.

We have endeavoured to develop each property with high safety standards. During construction, standards maintained by us are generally in line with those prescribed in India. A detailed safety manual has been created by us which ensures guidelines such as proper safety wear, safety signage, first aid protocol and task specific safety measures.

**Our Intellectual Property**

We own the registered name and mark 'Chalet' under various classes provided for under the Trade Marks Act, 1999. Additionally, we have applied for registration of logo under various classes. We have received trademark registrations for the logo under Classes 31, 32, 33, 39, 41, 44 and 45 and application for registration under Classes 16, 29, 30, 35 and 43 are currently pending. See "***Risk Factors – Our inability to protect or use intellectual property rights may adversely affect our business***." on page 35.

**Information Technology**

We utilize leading software and technology infrastructure to ensure our business runs smoothly. We have instituted a corporate data-center, which is equipped with virtual server environment supported by multi-layered advanced security infrastructure, policies and procedures and advanced threat protection tools to protect against cyber-attacks. We use an enterprise resource planning (ERP) software for our core business transactions along with an enterprise document management system. Further, we utilize third party software for sourcing and employee connectivity. We intend to implement software to cover tracking and managing compliance across locations, business analytics and dashboards, and business planning and consolidation software. We believe we have a strong IT setup with skilled resources that ensure secure working for our business.

**Environmental Matters and Quality Standards**

In connection with our ownership and management of hotels and development of properties, we are subject to various national, state and local laws and regulations relating to environmental laws. We have established construction and operating standards that comply with environmental sustainability requirements. We incorporate U.S. Green Building Council's Gold Leadership in Energy and Environmental Design ("**LEED**") criteria in our hotel designs in order to achieve energy and water efficiency. For example our hotels at Sahar, Mumbai and Bengaluru have been built in accordance with the Indian Green Building Council's LEED standards. Over time, environmental and cost saving the measures implemented at certain of our hotels by us include:

- energy management systems such as use of energy-saving LED lighting, solar panels, energy-saving key tags for guest rooms, and efficient evaporative cooling pad systems, heat recovery from boilers, chiller de-super heater, flash steam recovery and heat pumps;

- auto time management (for lighting, air-conditioning and ventilation fans) through timers and motion sensors;

- water management initiatives such as plant room optimiser with variable pumps and remote monitoring, sewage treatment plants which recycle water, motion sensors for public area wash rooms, dual-flow or low volume flush tanks and rain water harvesting; and

- building management systems.

We are also subject to various requirements, including those contained in environmental permits required for our operations, governing air emissions, effluent discharges, the use, management and disposal of hazardous substances and wastes and health and safety. See "***Risk Factors – We are subject to extensive government regulation with respect to safety, health, environmental, real estate, excise and labour laws. Any non-compliance with, or changes in, regulations applicable to us may adversely affect our business, results of operations and financial condition***" on page 20.

**Awards and Accreditations**

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

| Calendar Year | Awards and accreditations |
|---|---|
| 2018 | '*Certificate of Honour*' awarded to our Company by IMP for 2018-2019 |
| 2017 | Awarded the '*Most Preferred Business Hotel of the Year*' to JW Marriott Mumbai Sahar by CMO Asia Awards, 2017 |
| 2017 | Awarded the '*Most Preferred Luxury Hotel of the Year*' to JW Marriott Mumbai Sahar by CMO Asia Awards, 2017 |
| 2016 | Awarded the '*HISCA 2016 Best New Hotel of the Year*' to JW Marriott Mumbai Sahar in recognition of an outstanding hotel development in the '*Luxury / Upper Upscale Hotel Segment*' |
| 2016 | Awarded the "*Best Business Hotel*" of the year to The Westin Hyderabad Mindspace, by CMO Asia Award, 2016 |

For details of the awards and accreditations, see "***History and Certain Corporate Matters- Awards and Accreditations***" on page 170.

**Insurance**

Our Company, is subject to various risks characterised and inherent in the hospitality and real estate industry, such as risk of work accidents, business stoppages and disruptions, force majeure, etc. causing loss and damages to property, equipment, environment and to the business and its processes at large. As a precautionary measure, our Company maintains insurance policies with independent third parties covering various aspects such as property damage inter-alia in respect of buildings plinth and foundation, plant and machinery break-downs, stock and deterioration of stocks, accidental damage, pressurised equipments such as boilers and vessels, losses of rent, loss of profit, business interruptions, fire insurance, losses of rent, loss of profit, business interruptions and terrorism. We also maintain directors' and officers' liability insurance for our management personnel and accident group insurance, health insurance and life insurance for our employees. We believe that the insurance policies that we currently hold are adequate for our business and operations and in keeping with industry standards.

**Employees**

We employed 2,402 permanent employees as of March 31, 2018 across our owned and leased or licensed properties, as described in the following table, by function:

| | |
|---|---|
| **Hotel Operations** | |
| Rooms | 843 |
| Food and beverages | 994 |
| Sales and marketing | 99 |
| Administration | 390 |
| **Hotel Operations Total** | **2,326** |
| | |
| Accounts | 22 |
| Secretarial and Legal | 3 |
| Projects and Engineering | 11 |

| | |
|---|---|
| Design and Architecture | 2 |
| Contracts and Purchase | 7 |
| HR and Administration | 1 |
| Security | 11 |
| Sales and Marketing | 4 |
| Mall Operations | 12 |
| CEO's Office | 3 |
| **Total** | **2,402** |

In addition to our permanent employees, we utilize 524 personnel engaged on a contractual basis at our hotels primarily for rooms, food and beverage and hotel administration functions. We consider ourselves to have good relations with our employees. In addition to compensation that includes both salary and allowances (including performance linked bonuses), we provide our employees other benefits which include insurance coverage, medical reimbursements and yearly leave. We believe these initatives lead to an engaged and committed workforce. We have an external union at our hotel, convention center and serviced residence in Powai, Mumbai, with which we believe we have an effective working relationship. See "*Risk Factors – We have a large number of personnel or third party service providers deployed across our hotels, consequently we may be exposed to service related claims and losses or employee disruptions that could have an adverse effect on our reputation, business, results of operations and financial condition.*" on page 24.

### Our Community Initiatives

We believe that the benefits that we derive from operating in our geographical locations should also benefit the local communities. To achieve this, we partner with both the local communities and national level initiatives for development of underprivileged communities through our various hotel initiatives. We conduct several community outreach initiatives, including:

- differently abled and special children were invited to display a variety of products made by them;
- donation to Mumbai mobile creches to provide comprehensive and holistic day care to migrant children on construction sites;
- clothes and grains donation at the Cheshire Home for the old aged; and
- cleanliness drive was organized and around 30 employees actively took part and were able to clean the designated area, near Vashi Station.

### Competition

Our hotels operate in the luxury-upper upscale and upscale hotel segments in India. The hotel industry in India is intensely competitive and we compete with large multinational and Indian companies in each of the regions in which we operate. We experience competition from other chain affiliated and independent hotels in the segments in which we operate, as well as certain hotels in the upper-midscale segments. Our success is largely dependent upon our ability to compete in areas such as location of the property, room rates, quality of accommodation, service level, and the quality and scope of other amenities, including food and beverage facilities.

See "*Risk Factors – The hotel industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition.*" on page 28.

### Immovable Properties

Our registered and corporate office is located at Raheja Tower, Plot No.C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (E), Mumbai 400051. We have taken our registered and corporate office on a license basis from K. Raheja Corporate Services Private Limited pursuant to a license agreement dated February 12, 2014. The license agreement is valid for a period of five years from July 1, 2013. We have executed a letter of intent dated June 28, 2018 with K. Raheja Corporate Services Private Limited to execute a license agreement for a further period of 5 years in respect of the premises. See "*Risk Factors – We do not own the land on which our Registered and Corporate Office is situated.*" on page 39.

For details of our owned hotel, commercial and retail properties, see "*– Our Hotel Business – Our Hotels Managed by Third Party Hotel Operators*" and "*– Our Commercial and Retail Business*".

## REGULATIONS AND POLICIES

*The following is an overview of certain sector specific relevant laws and regulations in India which are applicable to the operations of our Company and its Subsidiary. The information available in this section has been obtained from publications available in public domain. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.*

**Food Related Legislations**

***The Food Safety and Standards Act, 2006,* ("*FSS Act*")**

The FSS Act was enacted with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India ("**FSSAI**"), for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, and to ensure availability of safe and wholesome food for human consumption. The FSS Act also sets out requirements for licensing and registration of food businesses, general principles of food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by Food Safety Appellate Tribunal. For enforcement under the FSS Act the 'commissioner of food safety', 'food safety officer' and 'food analyst' have been granted with detailed powers of seizure, sampling, taking extracts and analysis. Further, The Food Safety and Standards Rules, 2011 ("**FSSR**") which have been operative since August 5, 2011, provide the procedure for registration and licensing process for food business and lay down detailed standards for various food products. The standards include specifications for ingredients, limit of quantities of contaminants, tolerance limits of pesticide drugs residue, biological hazards and labels. The FSSAI has also framed *inter alia* the following food safety and standards regulations in relation to various food products and additives:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulation, 2011;
- Food Safety and Standards (Import) Regulation, 2017;
- Food Safety and Standards (Approval for Non-Specified Food and Food Ingredients) Regulations, 2017;
- Food Safety and Standards (Alcoholic Beverages) Regulations, 2018 (effective April 2019);
- Food Safety and Standards (Contaminates, Toxins and Residues) Regulations, 2011; and
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011.

**Environmental Legislations**

***Environment (Protection) Act, 1986 ("Environment Act") and the Environment (Protection) Rules, 1986 ("Environment Rules")***

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules for various purposes viz., to prescribe:

- the standards of quality of air, water or soil for various areas;

- the maximum allowable limits of concentration of various environmental pollutants for different areas;
- the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents;
- the procedures and safeguards for extracting and utilizing ground water.

Further, pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") or Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") or shall submit to the concerned Pollution Control Board ("**PCB**") an environmental statement for that financial year in the prescribed form.

***Air (Prevention and Control of Pollution) Act, 1981***

The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The PCB is required to grant, or refuse, the consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

***Water (Prevention and Control of Pollution) Act, 1974***

The Water Act aims to prevent and control water pollution and to maintain or restore water purity. Under the provisions of the Water Act, any individual, industry or institution discharging industrial or domestic wastewater or establishing any treatment or disposal system or the using of any new or altered outlet for the discharge of sewage is required to obtain the consent of the applicable state PCB, which is empowered to establish standards and conditions that are required to be complied with. The consent to operate is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the state PCB. Even before the expiry of the consent period, the state PCB is authorized to carry out random checks on any industry to verify if the standards prescribed are being complied with by the industry. In the event of non-compliance, the state PCB after serving notice to the concerned industry may, among other measures, close the premises, withdraw water supply to the premises or cause magistrates to pass injunctions to restrain such polluters.

***Hazardous and Other Wastes (Management, Handling and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")***

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to obtain an approval from the relevant state pollution control board and to dispose of such waste without harming the environment.

***The Environmental Impact Assessment Notification, 2006 (the "EIA Notification")***

As per the EIA Notification, any construction of new projects or activities or the expansion or modernisation of existing projects or activities as listed in the schedule to the EIA Notification and meeting the thresholds specified therein can be undertaken only after the prior environmental clearance from the Central government or as the case may be, by the State Level Environment Impact Assessment Authority. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. In 2016, the Ministry of Environment, Forest and Climate Change ("**MoEF**") issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects.

**Property related Legislations**

***The Real Estate (Regulation and Development) Act, 2016 (the "RERA") and the rules made thereunder***

The RERA seeks to regulate and promote real estate sector by establishing a specialised forum known as the Real Estate Regulatory Authority ("**Regulatory Authority**") and to ensure sale of plot, apartment or building, as the case may be, or sale of real estate project, in an efficient and transparent manner and to protect the interest of consumers in the real estate sector and to establish an adjudicating mechanism for speedy dispute redressal. It mandates the registration of residential and commercial projects before booking, selling or offering apartments for sale in such projects. The application for registration must disclose details of the promoter, brief details of the projects launched by the promoter, an authenticated copy of the approval and commencement certificate received from the competent authority, the sanctioned plan, layout plan, specifications of the project, proforma of the allotment letter, number, type and carpet area of the apartments, the names and addresses of the promoter's real estate agent and a declaration by the promoter stating that he has a legal title to the land and the time period within which he undertakes to complete the project.

The RERA mandates that the promoter shall not accept more than 10% of the cost of the apartment as advance payment without first entering into a written agreement of sale with such person. Further, in case of delay in handing over possession, the promoter shall be liable to return the amount received by him from the allottee with interest and compensation. However, if the allottee does not intend to withdraw from the project, he shall be paid interest by the promoter till the handing over of the possession. The RERA also ensures that the promoter does make any addition or alteration in the sanctioned plans without the previous consent of the allottees. In case of any structural defect or any other defect in workmanship, quality or provision of services or any other obligations of the promoter, the promoter shall rectify such defect and if he fails to do so, the aggrieved allottee shall be entitled to receive appropriate compensation.

***The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the "Land Acquisition Act")***

The Land Acquisition Act has replaced the Land Acquisition Act, 1894 and aims at establishing a participative, informed and transparent process for land acquisition for industrialisation, development of essential infrastructural facilities and urbanisation. While aiming to cause least disturbance to land owners and other affected families, it contains provisions aimed at ensuring just and fair compensation to the affected families whose land has been acquired or is proposed to be acquired. It provides for rehabilitation and resettlement of such affected persons. Under the Land Acquisition Act, various state rules have been notified which frame rules in relation to, *inter alia,* the consent process, the compensation mechanism and rehabilitation and resettlement.

***National Building Code of India, 2016 (the "Code")***

The Code a comprehensive building code, is a national instrument providing guidelines for regulating the building construction activities across the country. It serves as a model code for adoption by all agencies involved in building construction works, including the public works departments, other government construction departments, local bodies or private companies in the field of construction. The Code mainly contains administrative regulations, development control rules and general building requirements; fire safety requirements; stipulations regarding materials, structural design and construction (including safety) and building and plumbing services.

Other Property related legislations which are applicable to our Company include:

- The Transfer of Property Act, 1882;
- The Registration Act, 1908;
- Indian Stamp Act, 1899; and
- The Indian Easements Act, 1882.

***Airports Authority of India Act, 1994, as amended ("AAI Act")***

The AAI Act, among others, prohibits construction of any building or erection, placement or raising any moveable or immoveable structure or fixture on or in front of any airport premises (as defined in the AAI Act), except in accordance with an approval required be obtained from the Airports Authority of India.

**Other Applicable Law**

***State Laws***

We own and operate hotels and commercial projects in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to *inter alia* classification of land use, fire prevention and safety measures and legislations dealing with license for sale of alcohol. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

***Municipality Laws***

Pursuant to the Constitution (Seventy-Fourth Amendment) Act,1992 the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective States of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

***Shops and Establishments legislations in various states***

Under the provisions of local shops and establishment legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

***Excise Laws***

Under the Seventh Schedule of the Constitution of India, state legislature is empowered to levy duty of excise on alcoholic liquor made for human consumption. Different state legislatures have enacted state legislations dealing with license for sale of alcohol. Any person selling alcoholic liquor is required to obtain appropriate license under the state legislation. Such license is issued and classified based upon the nature and type of alcoholic liquor. Recently, pursuant to an order by the Supreme Court of India dated December 15, 2016, the Supreme Court banned the issuance of new license, and renewal of existing license after April 1, 2017, for sale of liquor within 500 meters of national/ state highways. However, the Supreme Court of India clarified in August 2017 that licensed establishments within municipal limits are exempted from this restriction.

***Intellectual Property Laws***

The Copyright Act, 1957 ("**Copyright Act**") protects literary and dramatic works, musical works, artistic works including photographs and audio visual works (cinematograph films and video). The Copyright Act specifies that for the purposes of public performance of Indian or international music a public performance license must be obtained. All those who play pre-recorded music in the form of gramophone records, music cassettes or compact discs in public places have to obtain permission for sound recordings. The Trade Marks Act, 1999 ("**Trade Marks Act**") provides for application and registration of trademarks in India. Trade Marks Act provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks.

***Foreign Investment Regulations***

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 ("**FEMA**") along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy ("**FDI Policy**") issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time. Currently, 100% FDI is permitted under the automatic route in the companies which are engaged in construction-development projects (including development of townships, construction of residential / commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure and townships) subject to compliance with prescribed conditions. For further details, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 680.

**Labour Law Legislations**

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following :

- The Child Labour (Prohibition and Regulation) Act, 1986;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employee's Compensation Act, 1923;
- The Employees State Insurance Act, 1948;
- The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 ("**EPF Act**");
- The Equal Remuneration Act, 1976;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Payment of Wages Act, 1936;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013; and
- The Workmen's Compensation Act, 1923.

**Other Legislations**

Additionally, we are required to comply with other legislations such as the laws governing taxation aspects of our business and the rules made thereunder, and applicable import-export regulations, each as amended.

## HISTORY AND CERTAIN CORPORATE MATTERS

**Incorporation details and changes to the name of our Company:**

| Name | Reason for change | Date of certificate of incorporation/fresh certification of incorporation/ effective date of change of name | Date of the resolution of the shareholders of the Company |
|---|---|---|---|
| Kenwoods Hotels Private Limited | Original incorporation | January 6, 1986 | - |
| Kenwoods Hotels Limited | Conversion into a public limited under Section 43A of Companies Act, 1956 | July 19, 1997 | - |
| K. Raheja Resorts & Hotels Limited | Change in name of the Company | April 6, 1998 | March 2, 1998 |
| Chalet Hotels Limited | Change in name of the Company | May 4, 1999 | April 24, 1999 |
| Chalet Hotels Private Limited | Conversion into a private limited company | October 15, 2011 | August 25, 2011 |
| Chalet Hotels Limited | Conversion into a public limited company | June 6, 2018 | June 4, 2018 |

**Changes in Registered Office**

Details of prior changes in the registered office of our Company are as below:

| Effective date | Details of change | Reasons for change |
|---|---|---|
| June 7, 2008 | The address of the registered office of our Company was changed from Construction House, 24th Road, Khar, Mumbai 400 052, Maharashtra, India to Plot no. C 30, Block G, Opposite SIDBI, Bandra Kurla Complex, Bandra (East) Mumbai 400 051, Maharashtra, India | For operational efficiency |
| October 20, 2011 | The address of the registered office of our Company was changed from Plot no. C 30, Block G, Opposite SIDBI, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India to Raheja Tower, Plot no. C 30, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India | Change in name of the building |

**Corporate profile, business and management of our Company**

For a description of our Company's business, activities, services, technology, capacity build-up, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors, major suppliers, environmental issues, regional geographical segment etc., see "***Our Business***", "***Industry Overview***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 146, 128 and 537, respectively. For details of the management of our Company and its managerial competence, see "***Our Management***" on page 177.

**Main Objects of our Company**

The main objects of our Company as contained in our MoA are:

"*1.* *To own, construct, run, furnish of, take over, manage and carry on the business of hotel, holiday resorts, restaurant, café, tavern bars, refreshment rooms, boarding and lodging, housekeepers, clubs, in India or in any other part of the world.*

*2.* *To provide lodging and boarding, restaurants, eating houses, bar, swimming pool and other facilities to the public including tourists, visitors and other delegates coming to India from foreign countries and to members of delegations and missions from foreign countries.*

*3.* *To carry on business of building, erecting and constructing structures, buildings, houses or sheds including RCC works and other fixtures on lands and or building and to convert squares, gardens and other conveniences and to make, build or construct surface metal or otherwise repair roads and carry* *on business of builders, constructors, contractors and road repairers of all kinds of dams, bunds, canals, bridges and irrigation works including and construction of power house or power stations*"

The main objects and objects incidental and ancillary to the attainment of the main objects, as contained in the Memorandum of Association, enable our Company to carry on our existing business and the activities for which the loans were taken, which are proposed to be repaid from the Net Proceeds. For further details, see "***Objects of the Offer***" on page 114.

**Amendments to our Memorandum of Association**

Since the incorporation of our Company, the following amendments have been made to our MoA:

| Date of change/ shareholders' resolution | Nature of amendment |
|---|---|
| September 20, 1993 | The authorised share capital of our Company was increased from ₹ 100,000 divided into 1,000 equity shares of ₹ 100 each to ₹ 5,000,000 divided into 4,000 equity shares of ₹ 100 each and 1,000 of 4.00% non-cumulative redeemable preference shares of ₹ 100 each. |
| March 9, 1998 | The equity shares of our Company of ₹ 100 each were subdivided into equity shares of ₹ 10 each and accordingly the authorised share capital of our Company was altered to ₹ 500,000 divided into 40,000 equity shares of ₹ 10 each and 1,000 of 4.00% non-cumulative redeemable preference shares of ₹ 100 each. |
| March 19, 1998 | The authorised share capital of our Company was increased from to ₹ 500,000 divided into 40,000 equity shares of ₹ 10 each and 1,000 4% non-cumulative redeemable preference shares of ₹ 100 each to ₹ 150,100,000 divided into 15,000,000 equity shares of ₹ 10 each and 1,000 of 4.00% non-cumulative redeemable preference shares ₹ 100 each. |
| June 15, 1998 | The authorised share capital of our Company was increased from ₹ 150,100,000 divided into 15,000,000 equity shares of ₹ 10 each and 1,000 of 4% non-cumulative redeemable preference shares ₹ 100 each to ₹ 850,100,000 divided into 85,000,000 equity shares of ₹ 10 each and 1,000 of 4.00% non-cumulative redeemable preference shares of ₹ 100 each. |
| July 12, 2000 | The authorised share capital of our Company was re-classified from ₹ 850,100,000 divided into 85,000,000 equity shares of ₹ 10 each and 1,000 of 4.00% non-cumulative redeemable preference shares of ₹ 100 each to ₹ 85,010,000 equity shares of ₹ 10 each and further increased to ₹ 1,050,000,000 divided into 105,000,000 equity shares of ₹ 10 each. |
| September 29, 2001 | The authorised share capital of our Company was increased from ₹ 85,010,000 equity shares of ₹ 10 each and further increased to ₹ 1,050,000,000 divided into 105,000,000 equity shares of ₹ 10 each to ₹ 1,100,000,000 divided into 110,000,000 equity shares of ₹ 10 each. |
| September 25, 2002 | The following clause was included in the main objects of our Company:<br>"*To carry on business of building, erecting and constructing structures, buildings, houses or sheds including RCC works and other fixtures on lands and or building and to convert squares, gardens and other conveniences and to make, build or construct surface metal or otherwise repair roads and carry on business of builders, constructors, contractors and road repairers of all kinds of dams, bunds, canals, bridges and irrigation works including and construction of power house or power stations*" |
| November 10, 2006 | The authorised share capital of our Company was increased from ₹ 1,100,000,000 divided into 110,000,000 equity shares of ₹ 10 each to ₹ 1,525,000,000 divided into 152,500,000 equity shares of ₹ 10 each. |
| September 22, 2017 | The authorised share capital of our Company was increased from ₹ 1,525,000,000 divided into 152,500,000 equity shares of ₹ 10 each to ₹ 1,880,000,000 divided into 172,000,000 equity shares of ₹ 10 each and 1,600 non-cumulative redeemable preference shares of ₹ 100,000 each. |
| June 4, 2018# | The authorised share capital of our Company was increased from ₹ 1,880,000,000 divided into 172,000,000 equity shares of ₹ 10 each and 1,600 non-cumulative redeemable preference shares of ₹ 100,000 each to ₹ 4,210,000,000 divided into 205,000,000 equity shares of ₹ 10 each and 20,000, 0.00% non-cumulative non-convertible redeemable preference shares of ₹ 100,000 each and 1,600, 0.001% non-cumulative redeemable preference shares of ₹ 100,000 each. |

*# The scheme of amalgamation of Magna Warehousing & Distribution Private Limited ("**Magna**") with our Company, also provides for the addition of the authorised share capital of Magna (an erstwhile wholly owned subsidiary of our Company), with the authorised share capital of our Company on the effective date of amalgamation i.e., March 31, 2018. Our Company has made the requisite filing with the RoC and upon the RoC taking these on record, the authorised share capital of our Company will stand increased from ₹ 4,210,000,000 divided into 205,000,000 equity shares of ₹ 10 each and 20,000, 0.00% non-cumulative non-convertible redeemable preference shares of ₹ 100,000 each and 1600, 0.001% non-cumulative redeemable preference shares of ₹ 100,000 each to ₹445,10,00,000 divided into 205,100,000 equity shares*

*of ₹ 10 each and 20,000 0.00% non-cumulative non-convertible redeemable preference shares of ₹ 100,000 each and 4000 0.001% non-cumulative redeemable preference shares of ₹ 100,000 each.*

**Total Number of shareholders of our Company**

As on the date of this Draft Red Herring Prospectus, our Company has 15 shareholders. For further details on the shareholding of our Company, see "***Capital Structure***" on page 87.

**Major events and milestones**

The table below sets forth some of the major events in the history of our Company:

| Calendar Year | Events and Milestones |
|---|---|
| 2015 | Commencement of operation of the hotel project "JW Marriott Mumbai Sahar" at Sahar, Mumbai |
| 2013 | Commencement of operation of the hotel project "Bengaluru Marriott Hotel Whitefield" at Bengaluru |
| 2010 | Commencement of operation of the hotel project "Four Points by Sheraton Navi Mumbai, Vashi" at Vashi, Navi Mumbai |
| 2009 | Commencement of operation of the hotel project "The Westin Hyderabad Mindspace" at Hyderabad |
| 2009 | Commencement of operation of the hotel project "Renaissance Mumbai Convention Centre Hotel" at Powai, Mumbai |
| 2000 | Commencement of operation of the project "Lakeside Chalet, Mumbai-Marriott Executive Apartments" at Mumbai |
| 1999 | Commencement of operation of the hotel project "Renaissance" at Powai, Mumbai |

**Awards and Accreditations**

| Calendar Year | Awards and accreditations |
|---|---|
| 2018 | '*Certificate of Honour*' awarded to our Company by IMP for 2018-2019 |
| 2017 | Awarded the '*Most Preferred Business Hotel of the Year*' to JW Marriott Mumbai Sahar by CMO Asia Awards, 2017 |
| 2017 | Awarded the '*Most Preferred Luxury Hotel of the Year*' to JW Marriott Mumbai Sahar by CMO Asia Awards, 2017 |
| 2016 | Awarded the '*HISCA 2016 Best New Hotel of the Year*' to JW Marriott Mumbai Sahar in recognition of an outstanding hotel development in the '*Luxury / Upper Upscale Hotel Segment*' |

*Changes in activities of our Company during the last five years*

There have been no changes in the activities of our Company during the last five years preceding the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

*Capital raising (Equity/ Debt)*

Our equity issuances in the past and outstanding debt as on the date of this Draft Red Herring Prospectus, have been provided in "***Capital Structure***" and "***Financial Indebtedness***" on pages 87 and 566, respectively. Further, our Company has not undertaken any public offering of debt instruments since its incorporation.

*Strike and lock-outs*

We have not experienced any strike, lock-outs or labour unrest since incorporation.

*Time/cost overrun*

We require a number of regulatory permits, licenses and approvals at various stages of construction of our hotels and other real estate projects such as residential projects, commercial projects and retail projects. For details, see "***Government and Other Approvals***" on page 606. We have, from time to time, experienced delays in completion of construction of certain projects from our initial estimated date/ period of completion, on account of delays in receiving relevant construction related approvals or, on account of compliance with certain conditions in such regulatory approvals that required us to make changes in the project designs and obtain other clearances. We have experienced delays in completion of projects on account of non-availability of off-site infrastructure from the respective governments and various construction related conditions. As a result of such time delays, we have also experienced overruns in terms of cost, with respect to certain such projects. Such time and cost overruns are in the ordinary course of our business. Such time/ cost overruns involve risks and uncertainties, including those discussed in "***Risk Factors – We are exposed to risks associated with the development of our hotel properties and commercial and retail projects. Delays in the constructions of new buildings or improvements on our properties may have an adverse effect on our business, results of operations and financial condition.***" on page 21.

Further, we are experiencing time and cost overrun with respect to one of our ongoing project in Koramangala, Bengaluru due to an ongoing litigation. For details, see "***Risk Factors – Our residential project at Koramangala, Bengaluru is the subject matter of litigation with Hindustan Aeronautics Limited. Any adverse order in relation to this litigation may adversely affect our ability to complete the project, and our business, results of operations and reputation.***" on page 22 and see "***Outstanding Litigation – Material outstanding litigation by our Company***" on page 569.

*Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company*

Except as stated below, there are no defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into equity in relation to our Company:

With respect to facilities availed from SCB, our Company, has in the past breached certain sanction covenants in relation to average room rent, occupancy and minimum debt service coverage ratio in relation to certain onshore and offshore credit facilities availed against the Renaissance Hotel at Powai. SCB vide consent letter dated May 25, 2018 confirmed that our Company took corrective action in the form acceptable to SCB and maintained a three months equivalent interest service reserve account as a corrective action. Further, SCB has waived the condition of occurrence of an event of default in relation to the said breach.

With respect to facilities availed from RBL, our Company, has in the past breached certain sanction covenants in relation to EBITDA and interest covenants, average room rental and occupancy ratio conditions for Fiscal 2017. The competent authority at RBL has granted a specific waiver dated May 25, 2018 with respect to the breach of these sanction covenants.

With respect to facilities availed from ICICI, ICICI UK and ICICI Bahrain, our Company, has in the past breached certain financial covenant in relation non-maintenance of total debt/ATNW and total debt and security cover for the Fiscal 2017 which has been waived off pursuant to the letters dated May 28, 2018, May 29, 2018 and June 14, 2018 from ICICI, ICICI Bahrain and ICICI UK, respectively.

**Injunctions or Restraining Order against our Company**

Other than as disclosed in "***Outstanding Litigation – Other material outstanding litigation involving our Company – Litigation by our Company***" on page 569, there are no injunctions or restraining orders against our Company as on the date of this Draft Red Herring Prospectus.

**Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.**

Except as disclosed below, our Company has not acquired any business or undertaking, or entered into any scheme of merger or amalgamation.

*(i) Scheme of amalgamation of Neerav Properties and Hotels Private Limited ("**NPHPL**") with our Company*

Pursuant to an order dated September 1, 2006, the High Court of Bombay sanctioned a scheme of amalgamation under Sections 391 and 394 of the Companies Act 1956, whereby NPHPL was amalgamated into our Company. The appointed date for such merger was April 1, 2006 while the effective date was October 25, 2006.

The entire undertaking of NPHPL including all assets, properties, liabilities, debts, rights and obligations, immovable and movable assets of NPHPL were transferred to and vested in our Company as a going concern. For every 1 fully paid up equity share of ₹ 10 each of NPHL, 1.08 fully paid up Equity Share were allotted to the shareholders of NPHPL.

*(ii)* *Scheme of amalgamation of Marble Arch Properties and Hotels Private Limited ("**MAPHPL**") with our Company*

Pursuant to an order dated November 27, 1997, the High Court of Bombay sanctioned a scheme of amalgamation under Sections 391 and 394 of the Companies Act 1956, whereby MAPHPL was merged into our Company. The appointed date for such merger was August 1, 1997 and the effective date was December 2, 1997.

The entire undertakings of MAPHPL including all assets, properties, debts, liabilities, rights and obligations, immovable and movable assets of MAPHPL was transferred to and vested in our Company as a going concern.

One fully paid up 4.00% non-cumulative redeemable preference share of ₹ 100 each of our Company was issued and allotted at par, for every one fully paid up 4.00% non-cumulative redeemable preference share of ₹ 100 each held in MAPHPL. These shares ranked *pari-passu* with the then existing preference shares of our Company. The entire equity share capital consisting of 740 equity shares held by our Company in MAPHPL stood cancelled. Our Company held the entire equity consisting of 740 equity shares in MAPHPL which were cancelled pursuant to the Scheme of Amalgamation becoming effective.

*(iii)* *Scheme of arrangement of Genext Hardware & Parks Private Limited ("**Genext**") with our Company*

Pursuant to an order dated August 2, 2017, the National Company Law Tribunal (Mumbai Bench) sanctioned a scheme of arrangement under Sections 230 to 232 of the Companies Act 2013, whereby the hotel and retail undertakings of Genext were demerged into our Company through a scheme of arrangement. The appointed date for such demerger was November 1, 2016 and the effective date was September 30, 2017.

The hotel and retail undertaking of Genext including all assets, properties, debts, liabilities, rights and obligations, immovable and movable assets of the hotel and retail undertakings were transferred to and vested in our Company as a going concern. For every one equity share held by the equity shareholders of Genext, our Company issued and allotted 1,509 fully paid up equity shares of ₹ 10 each and for every one non-cumulative redeemable preference share of ₹ 100,000 each held by the preference shareholders of Genext, our Company issued and allotted one fully paid up non-cumulative redeemable preference share of ₹ 100,000 each. These equity shares and preference shares ranked *pari-passu* with the then existing equity shares and preference shares of our Company. The remaining business and all assets, liabilities and obligations pertaining thereto continued to be vested in Genext.

*(iv)* *Scheme of amalgamation of Magna with our Company*

Pursuant to the order dated August 2, 2017 by the National Company Law Tribunal (Mumbai Bench and the order dated March 14, 2018, by the National Company Law Tribunal (Bengaluru Bench) a scheme of amalgamation under Sections 230 to 232 of the Companies Act, 2013 was sanctioned, whereby Magna (*an erstwhile wholly owned subsidiary of our Company*) was merged into our Company. The appointed date for such merger was November 1, 2016 and the effective date was March 31, 2018.

The entire undertaking of Magna including all assets, liabilities, rights and obligations, immovable and movable assets of Magna were transferred to and vested in our Company as a going concern and as the entire equity share capital of Magna was held by our Company and its nominees, no shares were issued and allotted by our Company pursuant to the scheme of amalgamation. The entire share capital of Magna stands cancelled and extinguished.

Our Company has revalued its freehold land in Fiscal 2017 by an independent registered appraiser. For details, see "***Summary Financial Information***" on page 240.

**Summary of Material Agreements**

**Shareholders' agreements**

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholder's agreements to which our Company is a party to. Further to the extent that our Company is aware, there are no subsisting Shareholders' agreements which have been entered *inter se* our Shareholders, as on the date of this Draft Red Herring Prospectus.

**Other Material Agreements**

Except as stated below, our Company has not entered into any material contracts (including any shareholders agreement) other than in the ordinary course of business carried on or intended to be carried on by our Company in the two years preceding this Draft Red Herring Prospectus. For details on business agreements of our Company, see "***Our Business – Certain Key Agreements***" on page 159.

***Subscription agreement dated June 4, 2018 entered into among our Company, Ravi C. Raheja and Neel C. Raheja ("Subscription Agreement")***

Pursuant to the Subscription Agreement, Ravi C. Raheja and Neel C. Raheja, the Promoters of our Company as designated nominees on behalf of all our Promoters, have agreed to subscribe to 10,000 (zero percent) non-cumulative non-convertible redeemable preference shares ("**Series A Zero Coupon NCRPS** ") and 10,000 (zero percent) non-cumulative non-convertible redeemable preference shares ("**Series B Zero Coupon NCRPS** ") to be issued by our Company having a tenure of 20 years for an aggregate amount of ₹ 2,000 million to provide funds as required by our Company in connection with all costs, expenses and liabilities pertaining to the development of our residential project located in Koramangala, Bengaluru ("**Koramangala Project**"). The construction of our Koramangala Project is incomplete and any further construction has been suspended by our Company due to an on-going litigation. For details, see "***Outstanding Litigation - Material outstanding litigation by our Company" on*** page 569.

In accordance with the terms and conditions of the Subscription Agreement, the Promoters of our Company shall undertake to bear costs for all expenditure including cost of completion of the Koramangala Project, any litigation and other penalties arising out of it until the completion of the Koramangala Project ("**Project Costs**"). In case, the Project Costs exceeds the initial subscription amount, our Company may require the Promoters pay such further amounts towards call money relating to the Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS as and when calls are made by the Company to meet such Project Costs. Further, the consideration received from the issuance of these Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS shall be accumulated in a designated bank account and shall be exclusively utilised for the purpose of Project Costs and redeeming Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS. The cash flows generated from the other activities / businesses carried on by our Company (other than the Koramangala Project), shall not be utilised by our Company for the purpose of meeting the Project Costs. In order to facilitate treasury management, our Company may utilise the funds in the designated bank account for the purpose of satisfying the temporary overdraft limits on a day to day basis, until there shall be any immediate requirement for meeting any Project Costs or redemption of Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS. Any amount required for the Project Costs shall be ploughed back to the designated bank account from such overdraft facility.

The Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS are partly paid up in nature. Any further amount shall be paid by our Promoters towards call money as and when call is made pursuant to the terms and conditions set out in the Subscription Agreement. The Promoters shall not receive any voting rights pursuant to receiving the Series A Zero Coupon NCRPS and Series B Zero Coupon NCRPS in any meetings of the shareholders and board of our Company. The Subscription Agreement shall remain in effect until all subscription are redeemed under its terms and conditions.

**Holding Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

**Subsidiaries of our Company**

As on the date of this Draft Red Herring Prospectus, our Company has one Subsidiary i.e., Chalet Hotels and Properties (Kerala) Private Limited ("**Chalet Kerala**").

Chalet Kerala was incorporated under the Companies Act 1956 on December 22, 2006, as a private limited company. Its CIN is U55101KL2006PTC020125 and its registered office is located at ICCC, Near NISH School, Village Cheruvaikkal & Village Attipra, Akkulam, Thiruvananthapuram 695 017, Kerala, India.

The authorized share capital of Chalet Kerala is ₹ 500,000 divided into 50,000 equity shares of ₹ 10 each and its paid-up share capital is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each. Our Company currently holds

90.00% of the issued equity share capital of Chalet Kerala with the balance 10.00% being held by K Raheja Corp. Chalet Kerala is involved in carrying out the business of hospitality as authorized by the MoA.

The accumulated losses of Chalet Kerala not accounted for by our Company for the year ended March 31, 2018 is ₹ 28.00 million.

Further, Grandwell Properties & Leasing Private Limited ceased to be our Subsidiary with effect from March 31, 2018.

**Confirmations**

***Listing***

Our Subsidiary is not listed in India or abroad.

***Sale or purchases exceeding 10.00% in aggregate of the total sales or purchases of our Company***

Other than as provided in "***Summary Financial Information– Related Party Transactions***" on page 240, our Company is not involved in any sales or purchases with our Subsidiary where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

***Business interests***

Except as disclosed in "***Our Business***" and "***Summary Financial Information – Related Party Transactions***" on page 146 and 240 respectively, our Subsidiary does not have any business interest in our Company.

***Common pursuit of our Subsidiary***

Our Subsidiary is in the same line of business as our Company. As on the date of this Draft Red Herring Prospectus, there are no conflict of interest situations amongst our Subsidiary and our Company.

***Strategic and financial partnerships***

As on the date of this Draft Red Herring Prospectus, our Company does not have any strategic or financial partners.

***Guarantees provided by our Promoters***

Except guarantees provided by Neel C. Raheja (one of our individual Promoter) to secure facilities availed by our Company amounting to ₹ 862.35 million as on May 31, 2018, no guarantees have been provided by our Promoters participating in the Offer.

## OUR MANAGEMENT

Under our Articles of Association, our Company is authorised to have up to 15 Directors. As on the date of this Draft Red Herring Prospectus, we have eight Directors on our Board, comprising two Executive Directors, two Non-Executive Directors and four Independent Directors. The Chairman of our Board, Hetal Gandhi is an Independent Director. Further, we have one woman director on our Board. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

### Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

| Name, designation, address, occupation, nationality, term and DIN | Age (years) | Other directorships |
|---|---|---|
| **Hetal Gandhi**<br><br>*Designation:* Chairman and Independent Director<br><br>*Address:* B/2, 1203, Vivarea Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai 400 011<br><br>*Occupation*: Professional<br><br>*Nationality:* Indian<br><br>*Term:* Five years with effect from June 12, 2018<br><br>*DIN:* 00106895 | 52 | *Indian companies*<br><br>1. Shree Shubham Logistics Limited<br>2. Tano India Advisors Private Limited<br>3. Windlas Biotech Private Limited<br><br>*Foreign companies*<br><br>Nil |
| **Ravi C. Raheja**<br><br>*Designation:* Non-Executive Director<br><br>*Address:* 4th Floor, Raheja House, Auxilium Convent Road, Pali Hill, Bandra (West), Mumbai 400 050, Maharashtra, India<br><br>*Occupation*: Business<br><br>*Nationality:* Indian<br><br>*Term:* Liable to retire by rotation<br><br>*DIN:* 00028044 | 46 | *Indian companies*<br><br>1. Genext Hardware & Parks Private Limited<br>2. Gigaplex Estate Private Limited<br>3. Inorbit Malls (India) Private Limited<br>4. Intime Properties Limited<br>5. Ivory Properties and Hotels Private Limited<br>6. K. Raheja Corp Private Limited<br>7. K. Raheja IT Park (Hyderabad) Limited<br>8. K Raheja Private Limited<br>9. Shoppers Stop Limited<br>10. Sundew Properties Limited<br>11. Support Properties Private Limited<br>12. Whispering Heights Real Estate Private Limited<br><br>*Foreign companies*<br><br>Nil |
| **Neel C. Raheja**<br><br>*Designation:* Non-Executive Director<br><br>*Address:* 4th Floor, Raheja House, Auxilium Convent Road, Pali Hill, Bandra (West), Mumbai 400 050, Maharashtra, India<br><br>*Occupation*: Business<br><br>*Nationality:* Indian<br><br>*Term:* Liable to retire by rotation<br><br>*DIN:* 00029010 | 44 | *Indian companies*<br><br>1. Genext Hardware & Parks Private Limited<br>2. Inorbit Malls (India) Private Limited<br>3. Intime Properties Limited<br>4. Ivory Properties and Hotels Private Limited<br>5. K. Raheja Corp Private Limited<br>6. K. Raheja IT Park (Hyderabad) Limited<br>7. K Raheja Private Limited<br>8. Eternus Real Estate Private Limited<br>9. Shoppers Stop Limited<br>10. Sundew Properties Limited<br>11. Trion Properties Private Limited<br><br>*Foreign companies* |

| Name, designation, address, occupation, nationality, term and DIN | Age (years) | Other directorships |
|---|---|---|
| | | Asia Pacific Real Estate Association Limited |
| **Sanjay Sethi**<br><br>*Designation:* Managing Director and Chief Executive Officer<br><br>*Address:* C/o Badrinath CHS, 15th Floor, Flat 1602, Plot No. 458,459, Khar West, Corner of 13th & 15th Road, Mumbai 400 052, Maharashtra, India<br><br>*Occupation*: Service<br><br>*Nationality:* Indian<br><br>*Term:* Three years with effect from February 9, 2018*<br><br>*DIN:* 00641243 | 53 | *Indian companies*<br><br>Chalet Hotels and Properties (Kerala) Private Limited<br><br>*Foreign companies*<br><br>Nil |
| **Rajeev Newar**<br><br>*Designation:* Executive Director and Chief Financial Officer<br><br>*Address:* Flat no. P1, 16th Floor, Cuffe Castle, CHS Cuffe Parade, GD Somani Marg, Mumbai 400 005, Maharashtra, India<br><br>*Occupation*: Service<br><br>*Nationality:* Indian<br><br>*Term:* Three years with effect from August 3, 2017*<br><br>*DIN:* 00468125 | 50 | *Indian companies*<br><br>Chalet Hotels and Properties (Kerala) Private Limited<br><br>*Foreign companies*<br><br>Nil |
| **Arthur William De Haast**<br><br>*Designation:* Independent Director<br><br>*Address:* Sheepleas House, Epsom Road, Leatherhead, West Horsley - KT24 6AL, United Kingdom<br><br>*Occupation*: Service<br><br>*Nationality:* British<br><br>*Term:* Five years with effect from June 12, 2018<br><br>*DIN:* 07893738 | 61 | *Indian companies*<br><br>Nil<br><br>*Foreign companies*<br><br>Nil |
| **Conrad D'Souza**<br><br>*Designation:* Independent Director<br><br>*Address:* 501 & 502, Hasmukh Mansion, Plot No.-375, 14th Road, Khar, Mumbai 400 052, Maharashtra, India<br><br>*Occupation*: Professional | 58 | *Indian companies*<br><br>1. Association of Finance Professionals of India<br>2. HDFC Education and Development Services Private Limited<br>3. HDFC Holdings Limited<br>4. HDFC Investments Limited<br>5. HDFC Sales Private Limited |

| Name, designation, address, occupation, nationality, term and DIN | Age (years) | Other directorships |
|---|---|---|
| *Nationality:* Indian<br><br>*Term:* Five years with effect from June 12, 2018<br><br>*DIN:* 00010576 | | *Foreign companies*<br><br>1. First Housing Finance (Tanzania) Limited<br>2. Housing Development Finance Corporation PLC, Maldives<br>3. Nations Trust Bank PLC, Sri Lanka |
| **Radhika Piramal**<br><br>*Designation:* Independent Director<br><br>*Address:* 7th Floor Piramal House, 61, Pochkhanwala Road, Mumbai 400 030, Maharashtra, India<br><br>*Occupation*: Industrialist<br><br>*Nationality:* British<br><br>*Term:* Five years with effect from June 12, 2018<br><br>*DIN:* 02105221 | 40 | *Indian companies*<br><br>1. VIP Industries Limited<br>2. DGP Securities Limited<br>3. Kiddy Plast Limited<br>4. Blow Plast Retail Limited<br><br>*Foreign companies*<br>Nil |

**Liable to retire by rotation*

In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation.

**Arrangement or Understanding with Major Shareholders**

None of our Directors or Key Managerial Personnel have been nominated pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

**Brief profiles of our Directors**

**Hetal Gandhi**, is the Chairman and Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and is a chartered accountant of the Institute of Chartered Accountants of India. He has been on our Board since March 20, 2003. He has been appointed as an Independent Director of our Company for a period of 5 years with effect from June 12, 2018. He is the co-founder and managing director of Tano India Advisors Private Limited and was previously associated with IL&FS as its head -financial services and ORIX Auto and Business Solutions Limited as its chief financial officer. He has over 31 years of experience in the financial services industry.

**Ravi C. Raheja**, Promoter of our Company, is a Non-Executive Director of our Company. He holds a bachelor's degree in commerce from the University of Mumbai and a master's degree in business administration from the London Business School. He has been on our Board since September 4, 1995. He is also the group president of K. Raheja Corp group. Ravi C. Raheja has 22 years of experience across the real estate, hotel and retail industry.

**Neel C. Raheja**, Promoter of our Company, is a Non- Executive Director of our Company. He holds a bachelor's degree in law and a master's degree in commerce from the Mumbai University. He has also completed the Owner/President Management Program from Harvard Business School. He has been on our Board since December 12, 1996. He is also the group president of K. Raheja Corp group. He has been instrumental in the diversification of the K. Raheja Corp group's business from real estate development to retail and hospitality for the last two decades. He has also played a key role in the organisation's presence in retail brands namely Shoppers Stop, Inorbit Mall and Crossword. Neel C. Raheja is the co-chairman of the CII-National Committee on Real Estate and Housing, India chapter of Asia Pacific Real Estate Association Limited, and president of the NAREDCO Maharashtra, Management Committee. He has 20 years of experience across the real estate, hospitality and retail industry.

**Sanjay Sethi** is the Managing Director and Chief Executive Officer of our Company. He holds a diploma in hotel management, catering and nutrition from IHM Pusa. Sanjay Sethi ceased to be the Managing Director & CEO from October 1, 2017. He rejoined our Company on February 5, 2018 as the CEO and was appointed as an

Additional Director and as Managing Director & Chief Executive Officer of our Company with effect from February 9, 2018. Prior to joining our Company, he worked with ITC Limited as the chief operating officer for their hotels division, Bergguren Hotels Private Limited as the managing director and chief operating officer, and with The Indian Hotels Company Limited as a general manager to their hotel properties. He has 30 years of experience in the hospitality industry.

**Rajeev Newar**, is an Executive Director and Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from the University of Calcutta**.** He is a chartered accountant registered with Institute of Chartered Accountants of India and has also been admitted as an associate with the Institute of Company Secretaries of India. He was appointed as an Executive Director with effect from August 3, 2017. Prior to joining our Company, he has led various transformational initiatives with companies like The Indian Hotels Company Limited. He has over 26 years of experience in the field of finance and management. During the course of his career, he has held leadership roles in finance and management.

**Arthur William De Haast,** is an Independent Director of our Company. 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 been on our Board since August 2017 and was appointed for a three year term with effect from August 3, 2017. He was appointed as an Independent Director on June 12, 2018 for a period of five years with effect from June 12, 2018. He has over 34 years of experience in the hospitality sector and has led many transactional and advisory assignments.

**Conrad D'Souza,** is an Independent Director of our Company. 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 Program from the London Business School. He has been on our Board since March 2012. He was appointed as an Independent Director on June 12, 2018 for a period of five years with effect from June 12, 2018. He has been associated with HDFC Limited since 1984 and is currently a member of executive management & chief investor relations officer and his responsibilities include corporate planning and budgeting, corporate finance and investor relations.

**Radhika Piramal**, is an Independent Director of our Company. 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 appointed as an Independent Director on June 12, 2018 for a period of five years with effect from June 12, 2018. She has 9 years of experience in managing, strategizing and carrying on the business of luggage, bags and other travel accessories. She has been associated with VIP Industries Limited since 2009 and was previously associated with Bain and Company, and Carlton Travel Goods Limited.

**Relationship between Directors**

Apart from Ravi C. Raheja and Neel C. Raheja, who are brothers, none of our Directors are related to each other.

**Terms of Appointment of our Executive Directors**

**Sanjay Sethi**

Sanjay Sethi was appointed as our Chief Executive Officer on February 5, 2018 and thereafter as our Managing Director for a period of three years with effect from February 9, 2018 pursuant to the resolution passed by our Board on February 9, 2018 and our shareholders on June 13, 2018.

Pursuant to the Board resolution dated February 9, 2018 and the employment agreement dated June 21, 2018, Sanjay Sethi is entitled to remuneration as enumerated below:

| | |
|---|---|
| Basic Salary: | ₹ 1,045,000 per month with annual increments as may be declared by the Board. |
| House Rent Allowance: | ₹ 522,500 per month. |
| Flexi Balance: | ₹ 820,352 per month. |
| Transport Allowance: | ₹ 103,000 per month. |
| Leave Travel Allowance: | Upto a limit of ₹ 120,000 per annum. |
| Supplementary Benefit: | ₹ 36,500 per month. |
| Provident Fund: | 12% of the basic salary per month. |
| Telephone Reimbursement: | Upto a limit of ₹ 24,000 per annum. |
| Bonus: | ₹ 1,044,588 per annum. |

Reimbursement of entertainment and travelling expenses incurred by the Managing Director and the Chief Executive Officer in connection with our business, as per the HR policy of our Company.

Sanjay Sethi is also entitled to a performance bonus at the discretion of our Company's management.

He received a gross remuneration of ₹ 26,316,701 in Fiscal 2018 from our Company.

**Rajeev Newar**

Rajeev Newar was appointed as our Executive Director for a period of three years with effect from August 3, 2017, pursuant to the resolution passed by our Board on August 3, 2017 and an employment agreement dated September 15, 2017, which was approved by the shareholders at the AGM held on September 22, 2017 .

Rajeev Newar was appointed as an Executive Director with effect from August 3, 2017 and he received a gross remuneration of ₹ 11,389,236 in Fiscal 2018. Further, pursuant to the approval of the Board of Directors on May 01, 2018, the Board has revised his remuneration for Fiscal 2019, as enumerated below.

| | |
|---|---|
| Basic Salary | ₹ 587,000 per month |
| House Rent Allowance | ₹ 293,500 per month |
| Flexi Balance | ₹ 456,480 per month |
| Transport Allowance | ₹ 93,000 per month |
| Supplementary Benefits | ₹ 32,300 per month |
| Leave Travel Allowance | Upto a limit of ₹120,000 per annum |
| Telephone Reimbursement | Upto a limit of ₹ 24,000 per annum |
| Bonus: | ₹ 586,764 per annum |
| Provident fund: | 12% of the basic salary per month |

Reimbursement of entertainment and travelling expenses incurred by the Executive Director and Chief Financial Officer in connection with our business, as per the HR policy of our Company.

Rajeev Newar is also entitled to a performance bonus at the discretion of our Company's management.

**Compensation paid to our Non-Executive and Independent Directors**

Pursuant to the resolution passed by our Board on June 17, 2005, our Non-Executive Directors and Independent Directors were entitled to receive a sitting fee of ₹ 10,000 for attending each meeting of our Board. Further, pursuant to the resolution passed by our Board on June 12, 2018, our Non-Executive Directors and Independent Directors are entitled to receive a sitting fee of ₹ 50,000 for attending each meeting of our Board, ₹ 25,000 for attending the Audit Committee Meeting and ₹ 10,000 for other Committees.

Details of the remuneration/sitting fees paid by our Company to the Non- Executive Directors and Independent Directors in Fiscal Year 2018 are as follows:

| S. No | Name of Director | Total remuneration (including sitting fees) for Fiscal 2018 (in ₹) |
|---|---|---|
| 1. | Ravi C. Raheja | 50,000 |
| 2. | Neel C. Raheja | 90,000 |
| 3. | Hetal Gandhi | 70,000 |
| 4. | Arthur William De Haast | 982,932* |
| 5. | Conrad D'Souza | 90,000 |
| 6. | Radhika Piramal | Nil** |
| | Total | 1,282,932 |

** Arthur William De Haast was paid professional fees of ₹ 982,932 in Fiscal 2018.*
*** Radhika Piramal was appointed as a Director on our Board on June 12, 2018 and was not paid any sitting fees for Fiscal 2018.*

Independent Directors shall be entitled to receive sitting fees and reimbursement of local travelling expenses as per the Policy determined by our Board / Compensation, Nomination & Remuneration Committee from time to time for attending meetings of our Board and its Committees.

Arthur Wiliam De Haast, Independent Director, will also be entitled to receive professional fees and reimbursement of expenses, as per the terms of the Agreement dated July 7, 2017.

**Loans to Directors**

Except for a loan of ₹ 1,165,000 extended to Rajeev Newar, our Executive Director and Chief Financial Officer and a loan of ₹ 958,000 extended to Sanjay Sethi, our Managing Director and Chief Executive Officer, our Company or its Subsidiary has not granted any loans to our Directors on the date of this Draft Red Herring Prospectus.

None of our Directors are related to the beneficiaries of loans, advances and sundry debtors of our Company.

**Bonus or profit sharing plan for the Directors**

Our Company does not have a bonus or profit sharing plan for our Directors.

**Shareholding of our Directors**

Our Articles of Association do not require our Directors to hold any qualification shares.

Other than as disclosed under "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 87, none of our Directors hold any shares in our Company as on the date of this Draft Red Herring Prospectus.

**Service contracts with Directors**

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

**Interest of Directors**

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them by our Company. For further details, see "***- Terms of Appointment of our Executive Directors***", "***- Compensation Paid to Our Non-Executive and Independent Directors***" on pages 180 and 181 respectively.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them and to the extent of any dividend payable to them and other distributions in respect of these Equity Shares. Our Directors may also be interested to the extent of Equity Shares held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer. Additionally, the Directors may be interested to the extent of stock options that have been granted to them under ESOP 2018. For further details regarding the shareholding of our Directors and the ESOP 2018, see "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" and "***Capital Structure – Employee Stock Option Scheme***" on pages 113 and 100, respectively.

Our Directors may also be interested to the extent of loans availed by them from our Company. For further details, see "**- Loans to Directors**" on page 182.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as, a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

*Interest in land and property*

Except as stated below, our Directors are not interested in any property acquired by our Company, in any property that is proposed to be acquired by our Company or in any transaction in the acquisition of land, construction of building or supply of machinery within two years of the date of this Draft Red Herring Prospectus.

Our Company has acquired approximately 8.62 acres of land from Genext in Bengaluru for our Whitefield project and has entered into a 'memorandum of understanding' that grants our company an option to acquire leasehold rights for 0.09 acres of land from Mindspace for our proposed hotel in Airoli. Our Directors, Ravi C. Raheja and Neel C. Raheja are shareholders and directors of Genext and shareholders of Mindspace.

*Interest in promotion of our Company*

Except Ravi C. Raheja and Neel C. Raheja, who are Promoters of our Company, our Directors have no interest in the promotion of our Company, as on the date of this Draft Red Herring Prospectus.

*Business interest*

Except as stated in the section titled "***Related Party Transactions***" on page 237, our Directors do not have any other interest in our business or our Company.

**Directorships of Directors in listed companies**

None of our Directors are, or for the five years prior to the date of this Draft Red Herring Prospectus, have been on the board of any listed company whose shares have been/were suspended from being traded on BSE or NSE.

Except as disclosed below in respect of Ravi C. Raheja and Neel C. Raheja, none of our Directors has been or is a director on the board of any listed companies which have been or were delisted from any stock exchange(s).

**Ravi C. Raheja and Neel C. Raheja were directors on the board of Asiatic Properties Limited.**

| ***S. No.*** | ***Particulars*** | ***Details*** |
|---|---|---|
| 1. | Name of the company | Asiatic Properties Limited |
| 2. | Name of the stock exchange(s) on which the company was listed | BSE |
| 3. | Date of delisting on stock exchanges | July 2, 2004 |
| 4. | Whether the delisting was compulsory or voluntary delisting | compulsory |
| 5. | Reasons for delisting | Non-compliance with certain provisions of the Listing Agreement entered into with the BSE |
| 6. | Whether the company has been relisted | No |
| 7. | Date of relisting, in the event the company is relisting | NA |
| 8. | Name of the stock exchange(s) on which the company was relisted | NA |
| 9. | Term (along with relevant dates) in the above company | NA |

Except as disclosed below and in "***Management – Our Board***" on page 177, none of our Directors is associated with the securities market.

Radhika Piramal is a director on the board of DGP Securities Limited since April 11, 2011, a stock broking company registered with SEBI.

| ***S. No.*** | ***Particulars*** | ***Details*** |
|---|---|---|
| 1. | SEBI Registration No. | INB230654134 / INF230654134 |
| 2. | Category of registration | Equity / Derivatives |
| 3. | Date of expiry of registration | None |
| 4. | If registration has elapsed, reasons for non-renewal | None |
| 5. | Details of any enquiry/ investigation conducted by SEBI at any time | SEBI registered cases against DGP Securites Limited for alleged structured trading/ deals in share of five companies in the year 2001-02. |
| 6. | Penalty imposed by SEBI, if any (Penalty includes deficiency/warning letter, adjudication proceedings, suspension/ cancellation/ prohibitory orders) | SEBI suspended DGP Securities Limited's trading membership registration for a period of two month and one month by way of orders dated September 30, 2004, October 18, 2004 and September 25, 2008. The trading / |

| S. No. | Particulars | Details |
|---|---|---|
| | | registration suspension period was reduced to one month pursuant to a SAT appeal. DGP Securities Limited voluntarily discontinued the trading / broking activities since July 24, 2009. |
| 7. | Outstanding fees payable to SEBI, if any | None |

None of our Directors has been declared as Wilful Defaulters.

**Changes in our Board during the last three years**

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

| Name of Director | Date of Change | Reasons |
|---|---|---|
| Conrad D'Souza*** | June 12, 2018 | Appointment as Independent Director |
| Radhika Piramal*** | June 12, 2018 | Appointment as Independent Director |
| Arthur William De Haast*** | June 12, 2018 | Appointment as Independent Director |
| Hetal Gandhi*** | June 12, 2018 | Appointment as Independent Director |
| Conrad D'Souza | June 11, 2018 | Resignation |
| Arthur William De Haast | June 11. 2018 | Resignation |
| Hetal Gandhi | June 11, 2018 | Resignation |
| Ramesh M. Valecha | May 2, 2018 | Resignation |
| Rajeev Chopra | May 2, 2018 | Resignation |
| Chandru L. Raheja | April 26, 2018 | Resignation |
| Sanjay Sethi | February 9, 2018 | Appointed as Managing Director |
| Sanjay Sethi | October 1, 2017 | Resignation |
| Rajeev Newar* | August 3, 2017 | Appointed as an Additional Director and Executive Director |
| Arthur William De Haast* | August 3, 2017 | Appointed as an Additional Director |
| Ramesh M. Valecha | August 1, 2017 | Change in designation from Whole Time Director to Non-Executive Director |
| Rajeev Chopra** | June 1, 2017 | Appointment as an Additional Director |

* *Arthur William De Haast's and Rajeev Newar's appointment was regularized pursuant to a resolution passed by the Shareholders on September 22, 2017.*

***Rajeev Chopra's appointment was regularised pursuant to a resolution passed by the Shareholders on September 22, 2017.*

*** *Conrad D'Souza, Arthur William De Haast, Radhika Piramal, Hetal Gandhi & Sanjay Sethi's appointment were regularized pursuant to resolutions passed by the Shareholders on June 13, 2018.*

**Payment of non-salary related benefits**

Except as stated in "***-Compensation paid to our Executive Directors***", "***-Compensation paid to our non-Executive Directors***", **"Loans to Directors"** and **"*Summary Financial Information -Related Party Transactions*"**, our Company has not in the last two years preceding the date of this Draft Red Herring Prospectus paid and nor does it intend to pay any non-salary related amount or benefits to our Directors.

**Borrowing Powers**

Pursuant to our Articles of Association, subject to the provisions of the Companies Act, 2013 and other applicable laws and pursuant to the resolution passed by the shareholders of our Company on June 13, 2018, our Board has been authorised to borrow from time to time any sum or sums of money (inclusive of interest) on such terms and conditions as may be determined, which, together with the monies already borrowed by our Company (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) shall not exceed the sum of ₹ 50,000 million over and above the aggregate of the paid-up share capital and free reserves of our Company.

**Corporate Governance**

As on the date of this Draft Red Herring Prospectus, we have eight Directors on our Board, comprising two Executive Directors, two Non-Executive Directors and four Independent Directors. The Chairman of our Board, Hetal Gandhi is a Non-Executive Independent Director. Further, we have one woman director on our Board. Our

Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act 2013 in relation to the composition of our Board and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act 2013.

**Board committees**

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act 2013:

(a) Audit Committee;

(b) Compensation, Nomination and Remuneration Committee;

(c) Stakeholders' Relationship Committee;

(d) Corporate Social Responsibility Committee; and

(e) IPO Committee.

***Audit Committee***

Our Audit Committee was constituted by a resolution of our Board dated December 8, 2000 and was last reconstituted by a resolution of our Board dated June 12, 2018 and is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently consists of:

1. Conrad D'Souza – Chairman

2. Hetal Gandhi – Member

3. Ravi C. Raheja – Member

The Company Secretary shall act as the secretary to the Audit Committee.

*Scope and terms of reference:* The terms of reference of the Audit Committee shall include the following:

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

**A. Powers of the Audit Committee**

The Audit Committee shall have powers, including the following:

1. to investigate any activity within its terms of reference;

2. to seek information from any employee;

3. to obtain outside legal or other professional advice; and

4. to secure attendance of outsiders with relevant expertise, if it considers necessary.

**B. Role of the Audit Committee**

The role of the Audit Committee shall include the following:

1. oversight of our 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 our Company;

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

4. approval of payment to our 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 Companies Act, 2013;

    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 and monitoring 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 SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies 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 there on;

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.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;

2. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3. management letters / letters of internal control weaknesses issued by the statutory auditors;

4. internal audit reports relating to internal control weaknesses;

5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

6. statement of deviations in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and

   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.

***Compensation, Nomination and Remuneration Committee***

Our Compensation, Nomination and Remuneration Committee was constituted by a resolution of our Board dated February 21, 2004 and was last reconstituted on by a resolution of the Board dated June 12, 2018. The Compensation, Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013, Regulation 19 of the SEBI Listing Regulations. The Compensation, Nomination and Remuneration

Committee currently consists of:

1. Conrad D'Souza – Chairman
2. Neel C. Raheja – Member
3. Arthur William De Haast – Member

The Company Secretary shall act as the secretary to the Compensation, Nomination and Remuneration Committee.

*Scope and terms of reference:* The terms of reference of the Compensation, Nomination and Remuneration Committee shall include the following:

The Compensation, Nomination and Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

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;

   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.

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

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

4. 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);

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

6. 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.

7. perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority."

***Stakeholders' Relationship Committee***

Our Stakeholders' Relationship Committee was constituted by a resolution of our Board dated May 01, 2018 and was last reconstituted by a resolution of the Board dated June 12, 2018. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently consists of:

1. Conrad D'Souza - Chairman
2. Ravi C. Raheja – Member
3. Neel C. Raheja – Member
4. Rajeev Newar – Member

The Company Secretary shall act as the secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

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."

***Corporate Social Responsibility Committee***

Our Corporate Social Responsibility Committee was constituted by a resolution of the Board dated February 26, 2015 and was last re-constituted on June 12, 2018 and is in compliance with Section 135 of the Companies Act 2013. The Corporate Social Responsibility Committee currently consists of:

1. Hetal Gandhi - Chairman
2. Sanjay Sethi - Member
3. Neel C. Raheja – Member
4. Radhika Piramal - Member

The Corporate Social Responsibility Committee be and is hereby authorized to perform the following functions:

1. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

2. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (1);

3. monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

4. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

***IPO Committee***

Our IPO Committee was constituted by a resolution of our Board dated February 09, 2018 and was last reconstituted by a resolution of the Board dated June 12, 2018. The IPO Committee currently consists of:

1. Ravi C. Raheja

2. Neel C. Raheja

3. Sanjay Sethi

4. Rajeev Newar

5. Ravindra Kolhe

6. Milind Wadekar

7. Dhanraj Mulki

8. Christabelle Baptista

**Scope and terms of reference of the IPO Committee**

This Committee is responsible for taking all decisions and approving, negotiating, finalising and carry out all activities relating to the Offer, without requiring any further approval of the Board, including the following:

1. to decide in consultation with the Selling Shareholders and the Book Running Lead Managers (the "**BRLMs**") on the actual size, timing of the Offer, including any reservation (including any reservation for eligible employees, green shoe option, discount and any other reservations as may be permitted) on a competitive basis or firm allotments as may be permitted, and/or any private placement of certain Equity Shares to selected investors as permitted under the applicable provisions of the Companies Act, 2013 (including any amendments, modifications or re-enactment), including the applicable rules made thereunder to the extent notified (the "**Companies Act, 2013**"), and the provisions of the memorandum of association of the Company and articles of association of the Company, the Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder (the "**SCRA**"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "**SEBI ICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"), and other applicable regulations, guidelines, circulars and directives issued by Securities and Exchange Board of India ("**SEBI**"), as well as other applicable law, regulations, rules, guidelines, policies, ordinances, notifications, circulars or clarifications, directions and orders, in India or outside India (including any amendment thereto or re-enactment thereto for the time being in force) issued from time to time by the Government of India, including by the Department of Industrial Policy and Promotion, Government of India (the "**DIPP**"), the Reserve Bank of India (the "**RBI**"), the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**"), the Department of Economic Affairs, the Ministry of Finance, the Real Estate Regulatory Authority ("**RERA**"), the relevant stock exchanges or any other competent authority from time to time and the listing agreements with the relevant stock exchanges where the Equity Shares are proposed to be listed (the "**Stock Exchanges**") in each case, as amended (collectively, "**Applicable Law**") after filing of the Draft Red Herring Prospectus (the "**DRHP**") with the SEBI and prior to filing of the Red Herring Prospectus (the "**RHP**") with the RoC (the "**Pre-IPO Placement**") and/ or any rounding off in the event

of any oversubscription and/or any discount (as permitted under Applicable Law) to be offered to retail individual bidders or eligible employees participating in the Offer and all the terms and conditions of the Offer, including, without limitation timing, pricing (price band, offer price, including to anchor investors, etc.) opening and closing dates of the Offer, allocation/allotment to eligible persons pursuant to the Offer, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;

2. to appoint, instruct and enter into arrangements with the BRLMs, underwriters, syndicate members, brokers, advisors, escrow collection bankers, refund banks, public offer accounts banks, registrar, offer grading agency, monitoring agency, legal counsel, printers, advertising agency(ies) and any other agencies, intermediaries or persons (including any successors or replacements thereof) whose appointment is required in relation to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letter(s) with the BRLMs, negotiation, finalization and execution of the offer agreement with the BRLMs and the Selling Shareholders;

3. to invite the existing shareholders of the Company to participate in the IPO to offer for sale Equity Shares held by them at the same price as in the IPO;

4. to finalise, approve, adopt and arrange for, in consultation with the Selling Shareholders and BRLMs, submission of the DRHP, the RHP and the Prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient), the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto for the offer of Equity Shares including incorporating such alterations/corrections/modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities or in accordance with all Applicable Law,

5. to issue advertisements in such newspapers and other media as it may deem fit and proper in accordance with Regulation 60 of the SEBI ICDR Regulations, the Companies Act and the other Applicable Law;

6. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, in accordance with Applicable Law and on permitting existing shareholders to sell any Equity Shares of the Company held by them;

7. approving any corporate governance requirement that may be considered necessary by the Board or the committee or as may be required under Applicable Law in connection with the Offer;

8. to open and operate separate escrow accounts and or any other account, with scheduled banks to receive applications along with application monies in relation to the Offer in terms of Section 40(3) of the Companies Act, 2013 and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

9. to determine and finalise the floor price and the price band at which the Equity Shares are offered and confirm allocation of the equity shares of face value of ₹ 10 each of the Company to be, offered and allotted to investors in the Offer in accordance with Applicable Law in consultation with the Selling Shareholders(if any) and the BRLMs and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors and do all such acts and things as may be necessary and expedient for and incidental and ancillary to the Offer;

10. to negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, cash escrow agreement, share escrow agreement, underwriting agreement, agreements with the registrar to the Offer and the advertising agency and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever, any amendment(s) or addenda thereto, including, with respect to the payment of commissions, brokerages and fees, with the registrar to the Offer, legal counsel, auditors, stock exchanges, BRLMs and other agencies/intermediaries in connection with Offer with the power to authorize one or more officers of the Company to negotiate, execute and deliver all or any of the aforesaid documents;

11. the opening of a bank account of the Company in terms of the escrow agreement for the handling of refunds for the Offer and to authorize one or more officers/ employees of the Company to execute all documents/deeds as may be necessary in this regard;

12. to make any applications to, seek clarifications/exemptions and obtain approvals from, if necessary, RBI, SEBI, RERA, Corporate Debt Restructuring Cell or to any other statutory and governmental authorities in connection with the Offer, as may be required (including for the purpose of offer of shares by the Company to non-resident investors, including NRIs and FPIs) and wherever necessary, incorporate such modifications, amendments, alterations, corrections as may be required in the DRHP, the RHP and the Prospectus;

13. to do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, in consultation with the Selling Shareholders and the BRLMs, deem necessary or desirable for the Offer, including, without limitation, determining the anchor investor portion and allocation to anchor investors, finalizing the basis of allocation and allotment of Equity Shares to the successful allottees as permissible under Applicable Law and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Law, issue of shares in accordance with the relevant rules;

14. to seek, if required, the consent of the lenders to the Company and/or the lenders to the subsidiaries of the Company, industry data providers, joint venture partners, parties with whom the Company has entered into various commercial and other agreements including, without limitation customers, suppliers, strategic partners of the Company, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Offer in accordance with Applicable Law;

15. to settle all questions, difficulties or doubts that may arise from time to time in relation to such issues or allotment, as it may in its absolute discretion deem fit;

16. to do all acts and deeds, and negotiate, finalise, settle, execute and deliver or arrange the delivery of all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing for the purpose of or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by committee shall be conclusive evidence of the authority of the committee in so doing;

17. to do all such deeds and acts as may be required to dematerialize the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with the National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;

18. to authorize and approve the incurring of expenditure, including the payment of fees, commissions and remuneration and expenses in connection with the Offer;

19. to submit undertaking/certificates or provide clarifications to the Securities Exchange Board of India, Registrar of Companies, Maharashtra at Mumbai and the Stock Exchanges where the Equity Shares of the Company are proposed to be listed;

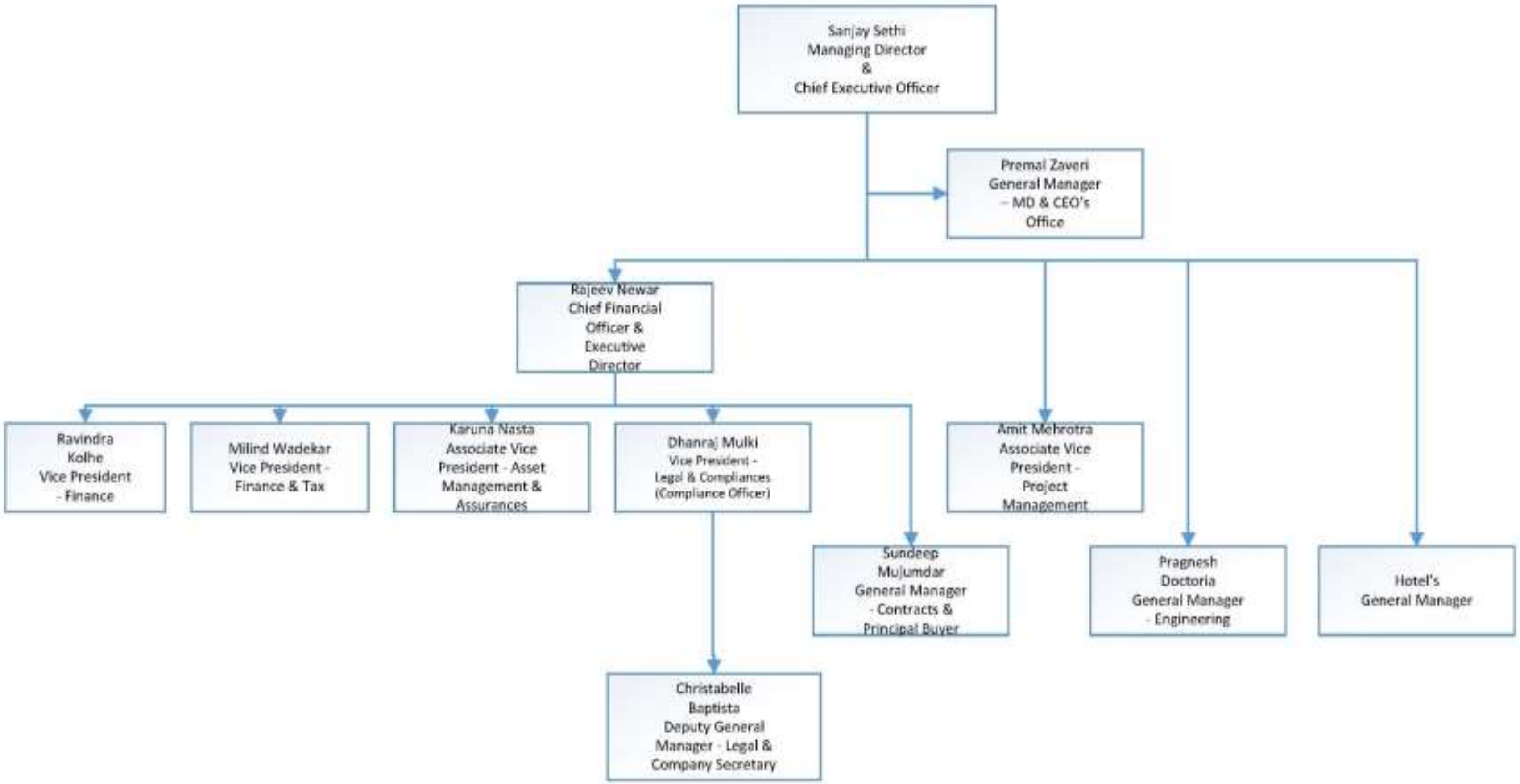
20. to make applications to the Stock Exchanges for in-principle approval for listing of its equity shares and to execute and to deliver or arrange the delivery and file such papers and documents with the Stock Exchanges, including a copy of the DRHP filed with the Securities Exchange Board of India, as may be required for the purpose;

21. to issue allotment advice cum refund intimation and confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Stock Exchanges, with power to authorize one or more officers of the Company to sign all or any of the afore stated documents;

22. to withdraw the DRHP or the RHP or to decide not to proceed with the Offer in consultation with the BRLMs at any stage in accordance with Applicable Law; and

23. to authorize and empower officers of the Company (each, an "**Authorized Officer**"), for and on behalf of the Company, to execute and deliver, on a several basis, any declarations, affidavits, certificates, consents, agreements and arrangements as well as amendments or supplements thereto as may be required from time to time or that the Authorized Officers consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s)/fee letter(s), memoranda of understanding, the listing agreements, the registrar's agreement, the depository's agreements, the offer agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the stabilization agreement, the cash escrow agreement, the share escrow agreement, confirmation of allocation notes, and any agreement or document in connection with the Pre-IPO Placement (including any placement agreement, escrow agreement and documentation in relation to the Offer), with the BRLMs, lead manager, syndicate members, bankers to the Offer, registrar to the Offer, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, advertising agencies, industry research consultants and all such persons or agencies as may be involved in or concerned with the Offer, if any and to do or cause to be done any and all such acts or things that the Authorized Officer may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

# Chalet Hotels Limited
# Management Organisation Chart



## Key Managerial Personnel

### Brief profiles of our Key Managerial Personnel

In addition to Sanjay Sethi, our Managing Director and Chief Executive Officer, and Rajeev Newar, our Executive Director and Chief Financial Officer, whose details are provided in "*–Brief Profiles of our Directors*" on page 177, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

**Dhanraj Mulki**, aged 51 years, was appointed as the Compliance Officer of our Company on June 12, 2018. He joined our Company on April 18, 2018 as Vice President legal and compliance of our Company. He holds a bachelor's degree in commerce and law from the University of Mumbai and a diploma in business management from Indian Merchants Chamber, Mumbai. He is also a member of the Institute of Company Secretaries of India. He has 23 years of experience in legal, secretarial, and compliance. He is responsible for legal, compliance and secretarial functions of the Company. As he joined our Company on April 18, 2018, he was not paid any remuneration during Fiscal Year 2018.

**Christabelle Baptista**, aged 38 years, is the Company Secretary and deputy general manager-legal of our Company. She holds a bachelor's degree in commerce and law from University of Mumbai. She is a member of the Institute of Company Secretaries of India. She has 14 years of experience in legal, secretarial, corporate restructuring & compliance. She has experience in the pharmaceutical and glass industry. She joined our Company on September 23, 2011 and was appointed as Company Secretary on September 23, 2011. . She is responsible for secretarial, compliance & restructuring and corporate legal function of the Company. During Fiscal 2018, she received a remuneration of ₹ 2,008,093 from our Company.

### Senior Management Personnel

The details of certain Senior Management Personnel, other than our Directors and Key Management Personnel, are set out below.

**Milind Wadekar**, aged 49 years, is the vice president-finance and tax of our Company. He joined our Company on August 24, 2009. He holds a bachelor's degree in commerce from M.L. Dahanukar College of Commerce, University of Bombay. He is a member of the Institute of Chartered Accountants of India. He has 22 years of experience in the fields of finance, accounts and tax. He is responsible for accounting, finance, taxation and related stakeholder engagement and compliances, treasury and forex activities of our Company. During the Fiscal Year 2018, he was paid a gross remuneration of ₹ 5,512,202.

**Ravindra Kolhe,** aged 47 years, is the vice president- finance of our Company. He was appointed as vice president- finance of our Company on May 1, 2018. He joined the K. Raheja Corp. group on April 19, 2005. He holds a bachelor's degree in electrical engineering from the Shri Sant Gajanan Maharaj College of Engineering, Shegaon and a master's in business administration from the University of Poona. He has 23 years of experience in fundraising, project finance, corporate finance and strategy. He is responsible for the treasury function and is involved in the loan syndication, fund and cashflow management, fundraising and related stakeholder engagement and compliances. As he was transferred to our Company with effect from May 1, 2018, he was not paid any remuneration during Fiscal Year 2018.

**Amit Mehrotra,** aged 43 years, is the associate vice president- project management of our Company. He joined K. Raheja Corp. group on July 1, 2016 and was transferred to our Company with effect from April 1, 2018. He holds a bachelor's degree in architecture from Maulana Azad College of Technology, Bhopal and a post-graduate diploma in urban design from the Centre for Environmental Planning and Technology, Ahmedabad. He has also undertaken executive program in Project Management from S P Jain Institute of Management and Research, Mumbai and is an associate with the Indian Institute of Architects. He has 17 years of experience in engineering, planning and design. He is responsible for preparing project execution plan, budget estimates & schedules and coordinate designs across MEP, structure, architecture and interior design. With his team of planners & cost manager, he monitors project progress, forecast and mitigate variances. He is involved in company's initiative to adopt new technologies for cost and time effective methods of construction. As he was transferred to our Company on April 1, 2018, he was not paid any remuneration during Fiscal Year 2018.

**Karuna Nasta,** aged 42 years, is the associate vice president asset management and assurances of our Company. She joined K. Raheja Corp group on April 12, 1999 and was transferred to our Company on April 1, 2005. She holds a bachelor's degree in commerce from Shri Narsee Monjee College of Commerce and Economics, University of Mumbai. She is also a member of the Institute of Chartered Accountants of India. She has 19 years of experience in financial reporting, auditing and accounting, maintaining internal controls and budget management. She is responsible for asset management and assurances of our Company's operating hotels which is aimed at maximizing income, improving on profitability and ensuring statutory compliance. During the Fiscal Year 2018, she was paid a gross remuneration of ₹ 4,536,726.

**Sundeep Mujumdar**, aged 45 years, is the general manager-contracts and principal buyer for our Company. He joined our Company on September 19, 2016. He holds a diploma in engineering from the Board of Technical Examinations, Maharashtra and a diploma in business management from the National Open School of Management Studies. He has also participated in an accelerated PMP course organized by the Project Management Institute, Pune. He has 18 years of experience in procurement, contracts and purchase. He is involved in procurement and contracting for projects as well as the operational hotels of our Company. During the Fiscal Year 2018, he was paid a gross remuneration of ₹ 3,206,840.93.

**Pragnesh Doctoria**, aged 43 years, is the general manager- engineering of our Company. He joined K Raheja Corp group on December 2, 2008 and was transferred to our Company on October 20, 2010. He holds a diploma in mechanical engineering from KJ Somaiya Polytechnic, Mumbai. He has 13 years of experience in engineering operations, renovation, refurbishment, opening of hotels and MEP design. He is responsible for engineering operations, bringing new energy efficient ideas, equipment and system along with complete implementation and followed by tracking of savings, heat light and power budgets, repair maintenance budget, CAPEX and FF&E. He also looks after upkeep of the hotels and technical due diligence of acquisition opportunities. During the Fiscal Year 2018, he was paid a gross remuneration of ₹ 5,062,099.

**Premal Zaveri**, aged 40 years, is the general manager- MD and CEO's office and joined our Company on April 16, 2018. He holds a bachelor's degree in commerce from University of Mumbai. He oversees business growth for the Company through inorganic development and acquisitions in new markets and aids in strategy planning for the Company. Prior to joining Chalet Hotels, Premal worked in CBRE South Asia, HVS International, Checkin Hospitality Services Private Limited etc. As he joined our Company on April 16, 2018, he was not paid any remuneration during Fiscal Year 2018.

**Status of Key Managerial Personnel and Senior Management Personnel**

All the Key Managerial Personnel and senior management personnel are permanent employees of our Company.

**Relationship among Key Managerial Personnel and Senior Management Personnel**

None of our key managerial personnel or senior management personnel is related to each other or to our Directors, in terms of the definition of 'relative' under Section 2(77) of the Companies Act 2013.

**Bonus or profit sharing plan for the Key Managerial Personnel and Senior Management Personnel**

Our Company has no profit sharing plan for the Key Managerial Personnel or Senior Management Personnel. Our Company makes bonus payments, in accordance with their terms of appointment.

**Loans to Key Managerial Personnel and Senior Management Personnel**

Except as stated in "**Loans to Directors"** on page 182, no loans have been availed by our KMPs or SMPs from our Company as on the date of this DRHP.

**Shareholding of Key Managerial Personnel and Senior Management Personnel**

None of our Key Managerial Personnel or Senior Management Personnel holds Equity Shares as on the date of this Draft Red Herring Prospectus.

**Service Contracts with Key Managerial Personnel and Senior Management Personnel**

Our Key Managerial Personnel and Senior Management Personnel have not entered into any service contracts with our Company. Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company including Key Managerial Personnel or Senior Management Personnel is entitled to any benefit upon termination of such officer's employment or superannuation.

**Interest of Key Managerial Personnel and Senior Management Personnel**

None of our Key Managerial Personnel or Senior Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business or loans availed from our Company. Our Key Managerial Personnel or Senior Management Personnel may also be interested to the extent of employee stock options, if any, held by them.

**Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management Personnel**

There is no contingent or deferred compensation payable to our Key Managerial Personnel or Senior Management Personnel, which does not form part of their remuneration.

**Arrangements and understanding with major shareholders, customers, suppliers or others**

None of our Key Managerial Personnel or Senior Management Personnel has been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or any other person.

**Changes in Key Managerial Personnel during the last three years**

The changes in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

| Name | Date | Reason |
|---|---|---|
| Dhanraj Mulki | June 12, 2018 | Appointed as Compliance Officer |
| Rajeev Newar | May 1, 2018 | Appointed as Chief Financial Officer |
| Sanjay Sethi | February 9, 2018 | Appointed as Managing Director |
| Sanjay Sethi | February 5, 2018 | Appointed as Chief Executive Officer |
| Rajeev Newar | August 3, 2017 | Appointed as Executive Director |

**Employee stock option and stock purchase schemes**

For details of the employee stock option plan of our Company, ESOP 2018, see "***Capital Structure- Employee Stock Option Scheme***" on page 100.

**Payment of non-salary related benefits to officers of our Company**

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

## OUR PROMOTERS AND PROMOTER GROUP

As on the date of this Draft Red Herring Prospectus, our Promoters who are also the Equity Shareholders, hold, in the aggregate, 171,095,293 Equity Shares which constitutes 100.00 % of our Company's pre-Offer paid-up Equity Share capital. For details of the build-up of our Promoters' shareholding and the current shareholding in our Company, see "***Capital Structure – Build-up of Promoters Equity Share Capital***" and "***Capital Structure – Shareholding of our Promoters and Promoter Group"*** on pages 103 and 108 respectively.

### I. Details of our Promoters

**Details of our Individual Promoter**

***Ravi C. Raheja***

Ravi C. Raheja aged 46 years, is our Promoter and a Non-Executive Director of our Company.

*Residential Address*: 4th Floor, Raheja House, Auxilium Convent Road, Pali Hill, Bandra (West), Mumbai 400 050, Maharashtra, India.

*Driving license number*: MH-02-19910019774

*Voter identification number*: ROL1524487

For the complete profile of Ravi C. Raheja along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "***Our Management – Board of Directors***" on page 177.

***Neel C. Raheja***

Neel C. Raheja aged 44 years, is our Promoter and a Non-Executive Director of our Company.

*Residential Address*: 4th Floor, Raheja House, Auxilium Convent Road, Pali Hill, Bandra (West), Mumbai 400 050, Maharashtra, India.

*Driving license number*: MH-02-92-20788

*Voter identification number*: ROL1524495

For the complete profile of Neel C. Raheja along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see "***Our Management – Board of Directors***" on page 177.

We confirm that the PAN, passport number and bank account numbers of our individual Promoters will be submitted to the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus with them.

**Details of our Corporate Promoters**

**K Raheja Corp Private Limited ("K Raheja Corp")**

*Corporate Information*

K Raheja Corp was incorporated on November 8, 1979 under the Companies Act 1956 as a private limited company. K Raheja Corp is primarily engaged in the business of owning and operating hotel and business of real estate and its registered office is located at Plot No. C-30, Block 'G', Next to Bank of Baroda , Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India. Its CIN is U55100MH1979PTC021866.

There has been no change in the control or management of K Raheja Corp during the last three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, the equity shares of K Raheja Corp are not listed on any stock exchange in India or abroad.

Entities and natural persons forming part of promoter group of K Raheja Corp and who hold equity shares of K Raheja Corp are as follows:

*Shareholding Pattern*

Set forth below is the shareholding pattern of K Raheja Corp as on the date of this Draft Red Herring Prospectus.

| Name of the Shareholder | Number of Shares | % of Shareholding |
|---|---|---|
| Palm Shelter Estate Development LLP | 590,400 | 9.76 |
| Jyoti C. Raheja Jointly with Chandru L. Raheja | 590,400 | 9.76 |
| Chandru L. Raheja Jointly with Jyoti C. Raheja | 590,400 | 9.76 |
| Casa Maria Properties LLP | 590,400 | 9.76 |
| Raghukool Estate Development LLP | 590,400 | 9.76 |
| Capstan Trading LLP | 590,400 | 9.76 |
| Anbee Constructions LLP | 590,400 | 9.76 |
| Cape Trading LLP | 590,400 | 9.76 |
| Ravi C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja | 547,200 | 9.05 |
| Neel C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja | 547,199 | 9.05 |
| Mr. Chandru L. Raheja | 153,600 | 2.54 |
| Mrs. Jyoti C. Raheja | 76,800 | 1.27 |
| Neel C. Raheja Jointly with Ramesh M. Valecha | 1 | 0.0 |
| **Total** | 6,048,000 | 100.0 |

*Board of Directors*

As on the date of this Draft Red Herring Prospectus, our Promoters Ravi C. Raheja and Neel C. Raheja are the directors on the board of K Raheja Corp in addition to Ramesh Mohanlal Valecha and Vinod Nandlal Rohira.

*Financial Information*

Set forth below are the financial results of K Raheja Corp for Fiscals 2017, 2016 and 2015, derived from audited financial statements:

*(in ₹ million)*

| Particulars | As on | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2015 |
| Equity capital | 604.80 | 604.80 | 604.80 |
| Reserves and surplus (excluding revaluation reserves) | 3,902.12 | 2,698.94 | 2,968.50 |
| Total Income | 3,579.73 | 3,111.02 | 4,736.97 |
| Profit/(Loss) after tax | 1,203.18 | (269.56) | 256.90 |
| Earnings per share (₹) (Basic /Diluted) | 198.94 | (44.57) | 42.48 |
| Net asset value per share (₹) | 745.19 | 546.25 | 590.82 |

**K Raheja Private Limited ("K Raheja")**

*Corporate Information*

K Raheja was incorporated on November 17, 1973 under the Companies Act 1956 as a private limited company. K Raheja is primarily engaged in the business of real estate and building, contracting, erecting, constructing buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial or developing co-operative housing societies, developers of housing schemes, townships, holiday resorts, hotels, motels and its registered office is located at Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India. Its CIN is U45200MH1973PTC017018.

There has been no change in the control or management of K Raheja during the last three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, the equity shares of K Raheja are not listed on any stock exchange in India or abroad.

Entities and natural persons forming part of the promoter group of K Raheja and who hold equity shares of K Raheja, are as follows:

*Shareholding Pattern*

Set forth below is the shareholding pattern of K Raheja as on the date of this Draft Red Herring Prospectus.

| Name of the Shareholder | Number of Shares | % of Shareholding |
|---|---|---|
| Chandru L. Raheja Jointly with Jyoti C. Raheja | 182,885 | 9.88 |
| Jyoti C. Raheja Jointly with Chandru L. Raheja | 182,885 | 9.88 |
| Ravi C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja | 150,475 | 8.13 |
| Neel C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja | 150,475 | 8.13 |
| Casa Maria Properties LLP | 159,156 | 8.59 |
| Raghukool Estate Development LLP | 159,156 | 8.59 |
| Palm Shelter Estate Development LLP | 159,157 | 8.59 |
| Anbee Constructions LLP | 182,885 | 9.88 |
| Cape Trading LLP | 182,885 | 9.88 |
| Capstan Trading LLP | 159,156 | 8.59 |
| Mr. Chandru L. Raheja | 107,490 | 5.80 |
| Mrs. Jyoti C. Raheja | 75,395 | 4.07 |
| **Total** | 1,852,000 | 100 |

*Board of Directors*

As on the date of this Draft Red Herring Prospectus, our Promoters Ravi C. Raheja and Neel C. Raheja are the directors on the board of K Raheja, in addition to Vinod N. Rohira and Kishore L. Bhatija.

*Financial Information*

Set forth below are the financial results of K Raheja for Fiscals 2017, 2016 and 2015, derived from audited financial statements:

*(in ₹ million)*

| Particulars | As on | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2015 |
| Equity capital | 185.20 | 185.20 | 185.20 |
| Reserves and surplus (excluding revaluation reserves) | (2,116.55) | (1,672.34) | (1,238.19) |
| Total Income | 80.73 | 83.37 | 103.71 |
| Profit/(Loss) after tax | (446.95) | (436.88) | (281.60) |
| Earnings per share (₹) (Basic /Diluted) | (241.34) | (235.90) | (152.05) |
| Net asset value per share (₹) | (1,042.85) | (802.99) | (568.57) |

**Ivory Properties and Hotels Private Limited ("Ivory Properties")**

*Corporate Information*

Ivory Properties was incorporated on February 18, 1982 under the Companies Act 1956 as a private limited company. Ivory Properties is primarily engaged in the business of real estate and building, contracting, erecting, constructing buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial or developing co-operative housing societies, developers of housing schemes, townships, holiday resorts, hotels, motels and its registered office is located at Plot No. C-30, Block 'G', Next to Bank of Baroda , Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India. Its CIN is U70100MH1982PTC026374.

There has been no change in the control or management of Ivory Properties during the last three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, the equity shares of Ivory Properties are not listed on any stock exchange in India or abroad.

Entities and natural persons forming part of the promoter group of Ivory Properties and who hold equity shares of Ivory Properties, are as follows:

*Shareholding Pattern*

Set forth below is the shareholding pattern of Ivory Properties as on the date of this Draft Red Herring Prospectus.

| Name of the Shareholder | Number of Shares | % of Shareholding |
|---|---|---|
| Chandru L. Raheja Jointly with Jyoti C. Raheja | 1,915 | 8.51 |
| Ravi C. Raheja Jointly with Mr. Chandru L. Raheja Jointly with Jyoti C. Raheja | 1,350 | 6.00 |
| Neel C. Raheja Jointly with Chandru L. Raheja Jointly with Jyoti C. Raheja | 1,350 | 6.00 |
| Jyoti C. Raheja Jointly with Chandru L. Raheja | 2,025 | 9.00 |
| Raghukool Estate Development LLP | 2,278 | 10.12 |
| Casa Maria Properties LLP | 2,278 | 10.12 |
| Cape Trading LLP | 3,375 | 15.00 |
| Anbee Constructions LLP | 3,375 | 15.00 |
| Capstan Trading LLP | 2,277 | 10.12 |
| Palm Shelter Estate Development LLP | 2,277 | 10.12 |
| **Total** | 22,500 | 100.0 |

*Board of Directors*

As on the date of this Draft Red Herring Prospectus, our Promoters Ravi C. Raheja and Neel C. Raheja are the directors on the board of Ivory Properties in addition to Ramesh Mohanlal Valecha and Sunil Hingorani.

*Financial Information*

Set forth below are the financial results of Ivory Properties for Fiscals 2017, 2016 and 2015, derived from audited financial statements:

*(in ₹ million)*

| Particulars | As on | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2015 |
| Equity capital | 0.23 | 0.23 | 0.23 |
| Reserves and surplus (excluding revaluation reserves) | (826.13) | (857.81) | (668.74) |
| Total Income | 325.67 | 301.26 | 537.35 |
| Profit/(Loss) after tax | 31.68 | (189.07) | (32.55) |
| Earnings per share (₹) (Basic /Diluted) | 1,408.01 | (8,403.22) | (1,446.60) |
| Net asset value per share (₹) | (36,706.89) | (38,114.89) | (29,711.78) |

**Genext Hardware & Parks Private Limited ("Genext")**

*Corporate Information*

Genext was incorporated on March 3, 2006 under the Companies Act 1956 as a private limited company. Genext is primarily engaged in the business of building hardware parks, industrial parks, parks for IT and ITES industries and act as real estate developers, contractors, erectors, constructors of buildings, houses, apartments and structures. Genext's registered office is located at Plot No. C-30, Block 'G', Next to Bank of Baroda , Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India. Its CIN is U72100MH2006PTC160261.

There has been no change in the control or management of Genext during the last three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, the equity shares of Genext are not listed on any stock exchange in India or abroad.

Entities and natural persons forming part of the promoter group of Genext and who hold equity shares of Genext, are as follows:

*Shareholding Pattern*

Set forth below is the shareholding pattern of Genext as on the date of this Draft Red Herring Prospectus.

| Name of the Shareholder | Number of Shares | % of Shareholding |
|---|---|---|
| Ravi C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja | 3,702 | 29.47 |
| Neel C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja | 3,702 | 29.47 |
| Chandru L. Raheja Jointly with Jyoti C. Raheja* | 5,156 | 41.05 |
| **Total** | 12,560 | 100.0 |

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

*Board of Directors*

As on the date of this Draft Red Herring Prospectus, our Promoters Ravi C. Raheja and Neel C. Raheja are the directors on the board of Genext.

*Financial Information*

Set forth below are the financial results of Genext for Fiscals 2017, 2016 and 2015, derived from audited financial statements:

*(in ₹ million)*

| Particulars | As on | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2015 |
| Equity capital | 0.13 | 0.13 | 0.12 |
| Reserves and surplus (excluding revaluation reserves) | 9,867.55 | 8,155.78 | 8,021.12 |
| Total Income | 5,113.08 | 2,502.71 | 4,460.61 |
| Profit/(Loss) after tax | 929.21 | 203.22 | 720.97 |
| Earnings per share (₹) (Basic /Diluted) | 73,981.00 | 16,353.00 | 58,425.23 |
| Net asset value per share (₹) | 785,643.31 | 649,355.89 | 650,019.45 |

**Touchstone Properties and Hotels Private Limited ("Touchstone")**

*Corporate Information*

Touchstone was incorporated on October 30, 1996 under the Companies Act 1956 as a private limited company. Touchstone is primarily engaged in the business of builders, contractors, erectors, constructors of buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial or developer of co-operative housing societies, developers of housing schemes, townships, holiday resorts, hotels and motels. Its registered office is located at Plot No. C-30, Block 'G', Next to Bank of Baroda , Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India. Its CIN is U45200MH1996PTC103640.

There has been no change in the control or management of Touchstone during the last three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, the equity shares of Touchstone are not listed on any stock exchange in India or abroad.

Entities and natural persons forming part of the promoter group of Touchstone and who hold equity shares of Touchstone, are as follows:

*Shareholding Pattern*

Set forth below is the shareholding pattern of Touchstone as on the date of this Draft Red Herring Prospectus.

| Name of the Shareholder | Number of Shares | % of Shareholding |
|---|---|---|
| Chandru L. Raheja Jointly with Jyoti C. Raheja | 27,510 | 7.00 |
| Jyoti C. Raheja Jointly with Chandru L. Raheja | 37,335 | 9.50 |
| Ravi C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja | 35,370 | 9.00 |
| Neel C. Raheja jointly with Chandru L. Raheja jointly with Jyoti C. Raheja | 35,370 | 9.00 |
| Casa Maria Properties LLP | 37,335 | 9.50 |
| Raghukool Estate Development LLP | 37,335 | 9.50 |
| Palm Shelter Estate Development LLP | 37,335 | 9.50 |
| Anbee Constructions LLP | 35,370 | 9.00 |
| Cape Trading LLP | 35,370 | 9.00 |
| Capstan Trading LLP | 37,335 | 9.50 |
| Mr. Chandru L. Raheja | 27,360 | 6.96 |
| Mrs. Jyoti C. Raheja | 9,975 | 2.54 |
| **Total** | 393,000 | 100.0 |

*Board of Directors*

As on the date of this Draft Red Herring Prospectus, Ramesh Mohanlal Valecha and Sunil Hingorani are the directors on the board of Touchstone.

*Financial Information*

Set forth below are the financial results of Touchstone for Fiscals 2017, 2016 and 2015, derived from audited financial statements:

*(in ₹ million)*

| Particulars | As on | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2015 |
| Equity capital | 39.30 | 39.30 | 39.30 |
| Reserves and surplus (excluding revaluation reserves) | 7.95 | 8.17 | 8.38 |
| Total Income | 0.16 | 0.19 | 0.24 |
| Profit/(Loss) after tax | (0.22) | (0.21) | (0.15) |
| Earnings per share (₹) (Basic /Diluted) | (0.57) | (0.54) | (0.38) |
| Net asset value per share (₹) | 120.23 | 120.79 | 121.32 |

**Cape Trading LLP ("Cape Trading")**

*Corporate Information*

Cape Trading was incorporated on March 17, 2016 under the Limited Liability Partnership Act, 2008 ("**LLP Act**") subsequent to its conversion from a private limited company. Prior to its conversion, Cape Trading was registered as Cape Trading Private Limited. Cape Trading is primarily engaged in the business of builders, developers, contractors, erectors, constructors of buildings, houses, apartments, malls, hotels, resorts, IT parks, SEZs, to purchase for development, investment or for resale lands, buildings, houses, apartments, malls, hotels, resorts, to make advances upon the security of lands, houses, to purchase, sell, lease, hire, exchange or otherwise deal in land and house property, to carry on business as developers of land, buildings, immovable properties, malls, hotels, resorts, IT parks, SEZs, business centers, retail trading and all types of real estate including by constructing, reconstructing, developing, renovating, refurbishing, owning, maintaining, including through continuing / making investments in shares and other securities in any other form of any other entity(s) (company, LLP, trust, body corporate, etc.) engaged, directly or indirectly (as investors), in any of the aforesaid businesses as set out in this object and/or carry on such other or additional trade, profession or business as decided by the

Partners from time to time. Its registered office is located at Raheja Tower, Plot No. C-30, Block 'G', Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India. Its LLPIN is AAF-9676.

*Partners of Cape Trading*

The partners of Cape Trading are Chandru L. Raheja, Jyoti C. Raheja, Ravi C. Raheja and Neel C. Raheja.

*Designated Partners*

As on the date of this Draft Red Herring Prospectus, Ravi C. Raheja and Neel C. Raheja are the Designated Partners of Cape Trading.

There has been no change in the control or management of Cape Trading during the last three years preceding the date of this Draft Red Herring Prospectus.

*Financial Information*

Set forth below are the financial results of Cape Trading for Fiscals 2017, 2016 and 2015, derived from statement of accounts:

*(in ₹ million)*

| Particulars | As on | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2015* |
| Contribution Received / Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | 660.65 | 404.03 | 368.77 |
| Total Income | 355.42 | 4.70 | 11.69 |
| Profit/(Loss) after tax | 256.63 | 4.57 | (1.51) |
| Earnings per share (₹) (Basic /Diluted) | NA | NA | (1,512.74) |
| Net asset value per share (₹) | NA | NA | 368,870.00 |

***Cape Trading was a private limited company as on March 31, 2015, and earlier registered as Cape Trading Private Limited.***

**Capstan Trading LLP ("Capstan Trading")**

*Corporate Information*

Capstan Trading was incorporated on March 17, 2016 under the LLP Act subsequent to its conversion from a private limited company. Prior to its conversion, Capstan Trading was registered as Capstan Trading Private Limited. Capstan Trading is primarily engaged in the business of builders, developers, contractors, erectors, constructors of buildings, houses, apartments, malls, hotels, resorts, IT parks, SEZs, to purchase for development, investment or for resale of lands, buildings, houses, apartments, malls, hotels, resorts, to make advances upon the security of lands, houses, to purchase, sell, lease, hire, exchange or otherwise deal in land and house property, to carry on business as developers of land, buildings, immovable properties, malls, hotels, resorts, IT parks, SEZs, business centers, retail trading and all types of real estate including by constructing, reconstructing, developing, renovating, refurbishing, owning, maintaining, including through continuing / making investments in shares and other securities in any other form of any other entity(s) (company, LLP, trust, body corporate, etc.) engaged, directly or indirectly (as investors), in any of the aforesaid businesses as set out in this object and/or carry on such other or additional trade, profession or business as decided by the Partners from time to time. Its registered office is located at Raheja Tower, Plot No. C-30, Block 'G', Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India. Its LLPIN is AAF-9693.

*Partners of Capstan Trading*

The partners of Capstan Trading are Chandru L. Raheja, Jyoti C. Raheja, Ravi C. Raheja and Neel C. Raheja.

*Designated Partners*

As on the date of this Draft Red Herring Prospectus, Ravi C. Raheja and Neel C. Raheja are the Designated Partners of Capstan Trading.

There has been no change in the control or management of Capstan Trading during the last three years preceding the date of this Draft Red Herring Prospectus.

*Financial Information*

Set forth below are the financial results of Capstan Trading for Fiscals 2017, 2016 and 2015, derived from statement of accounts:

*(in ₹ million)*

| Particulars | As on | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2015* |
| Contribution Received / Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | 1,381.76 | 498.82 | 458.02 |
| Total Income | 926.38 | 6.10 | 13.91 |
| Profit/(Loss) after tax | 882.94 | 5.97 | 3.82 |
| Earnings per share (₹) (Basic /Diluted) | NA | NA | 3,818.15 |
| Net asset value per share (₹) | NA | NA | 458,120.00 |

***** *Capstan Trading was a private limited company as on March 31, 2015, and earlier registered as Capstan Trading Private Limited*

**Casa Maria Properties LLP ("Casa Maria")**

*Corporate Information*

Casa Maria was incorporated on March 17, 2016 under the LLP Act subsequent to its conversion from a private limited company. Prior to its conversion, Casa Maria was registered as Casa Maria Properties Private Limited. Casa Maria is primarily engaged in the business of builders, developers, contractors, erectors, constructors of buildings, houses, apartments, malls, hotels, resorts, IT parks, SEZs, to purchase for development, investment or for resale lands, buildings, houses, apartments, malls, hotels, resorts, to make advances upon the security of lands, houses, to purchase, sell, lease, hire, exchange or otherwise deal in land and house property, to carry on business as developers of land, buildings, immovable properties, malls, hotels, resorts, IT parks, SEZs, business centers, retail trading and all types of real estate including by constructing, reconstructing, developing, renovating, refurbishing, owning, maintaining, including through continuing / making investments in shares and other securities in any other form of any other entity(s) (company, LLP, trust, body corporate, etc.) engaged, directly or indirectly (as investors), in any of the aforesaid businesses as set out in this object and/or carry on such other or additional trade, profession or business as decided by the Partners from time to time. Its registered office is located at Raheja Tower, Plot No. C-30, Block 'G', Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India. Its LLPIN is AAF-9701.

*Partners of Casa Maria*

The partners of Casa Maria are Chandru L. Raheja, Jyoti C. Raheja, Ravi C. Raheja and Neel C. Raheja.

*Designated Partners*

As on the date of this Draft Red Herring Prospectus, Ravi C. Raheja and Neel C. Raheja are the Designated Partners of Casa Maria.

There has been no change in the control or management of Casa Maria during the last three years preceding the date of this Draft Red Herring Prospectus.

*Financial Information*

Set forth below are the financial results of Casa Maria for Fiscals 2017, 2016 and 2015, derived from statement of accounts:

*(in ₹ million)*

| Particulars | As on | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2015* |
| Contribution Received / Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | 1,371.45 | 496.27 | 459.48 |

| Particulars | As on | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2015* |
| Total Income | 919.62 | 5.93 | 18.70 |
| Profit/(Loss) after tax | 875.19 | 5.64 | 14.78 |
| Earnings per share (₹) (Basic /Diluted) | NA | NA | 14,781.00 |
| Net asset value per share (₹) | NA | NA | 459,580.00 |

***** *Casa Maria was a private limited company as on March 31, 2015, and earlier registered as Casa Maria Properties Private Limited*

**Anbee Constructions LLP ("Anbee Constructions")**

*Corporate Information*

Anbee Constructions was incorporated on March 17, 2016 under the LLP Act subsequent to its conversion from a private limited company. Prior to its conversion, Anbee Constructions was registered as Anbee Constructions Private Limited. Anbee Constructions is primarily engaged in the business of builders, developers, contractors, erectors, constructors of buildings, houses, apartments, malls, hotels, resorts, IT parks, SEZs, to purchase for development, investment or for resale lands, buildings, houses, apartments, malls, hotels, resorts, to make advances upon the security of lands, houses, to purchase, sell, lease, hire, exchange or otherwise deal in land and house property, to carry on business as developers of land, buildings, immovable properties, malls, hotels, resorts, IT parks, SEZs, business centers, retail trading and all types of real estate including by constructing, reconstructing, developing, renovating, refurbishing, owning, maintaining, including through continuing / making investments in shares and other securities in any other form of any other entity(s) (company, LLP, trust, body corporate, etc.) engaged, directly or indirectly (as investors), in any of the aforesaid businesses as set out in this object and/or carry on such other or additional trade, profession or business as decided by the Partners from time to time. Its registered office is located at Raheja Tower, Plot No. C-30, Block 'G', Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India. Its LLPIN is AAF-9712.

*Partners of Anbee Constructions*

The partners of Anbee Constructions are Chandru L. Raheja, Jyoti C. Raheja, Ravi C. Raheja and Neel C. Raheja.

*Designated Partners*

As on the date of this Draft Red Herring Prospectus, Ravi C. Raheja and Neel C. Raheja are the Designated Partners of Anbee Constructions.

There has been no change in the control or management of Anbee Constructions during the last three years preceding the date of this Draft Red Herring Prospectus.

*Financial Information*

Set forth below are the financial results of Anbee Constructions for Fiscals 2017, 2016 and 2015, derived from statement of accounts:

*(in ₹ million)*

| Particulars | As on | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2015* |
| Contribution Received / Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | 675.19 | 418.57 | 382.94 |
| Total Income | 355.42 | 4.89 | 11.88 |
| Profit/(Loss) after tax | 256.62 | 4.76 | 3.13 |
| Earnings per share (₹) (Basic /Diluted) | NA | NA | 3,130.93 |
| Net asset value per share (₹) | NA | NA | 383,040.00 |

***** *Anbee Constructions was a private limited company as on March 31, 2015, and earlier registered as Anbee Constructions Private Limited*

**Palm Shelter Estate Development LLP ("Palm Shelter")**

*Corporate Information*

Palm Shelter was incorporated on March 17, 2016 under the LLP Act subsequent to its conversion from a private limited company. Prior to its conversion, Palm Shelter was registered as Palm Shelter Estate Development Private Limited. Palm Shelter is primarily engaged in the business of builders, developers, contractors, erectors, constructors of buildings, houses, apartments, malls, hotels, resorts, IT parks, SEZs, to purchase for development, investment or for resale lands, buildings, houses, apartments, malls, hotels, resorts, to make advances upon the security of lands, houses, to purchase, sell, lease, hire, exchange or otherwise deal in land and house property, to carry on business as developers of land, buildings, immovable properties, malls, hotels, resorts, IT parks, SEZs, business centers, retail trading and all types of real estate including by constructing, reconstructing, developing, renovating, refurbishing, owning, maintaining, including through continuing / making investments in shares and other securities in any other form of any other entity(s) (company, LLP, trust, body corporate, etc.) engaged, directly or indirectly (as investors), in any of the aforesaid businesses as set out in this object and/or carry on such other or additional trade, profession or business as decided by the Partners from time to time. Its registered office is located at Raheja Tower, Plot No. C-30, Block 'G', Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India. Its LLPIN is AAF-9705.

*Partners of Palm Shelter*

The partners of Palm Shelter are Chandru L. Raheja, Jyoti C. Raheja, Ravi C. Raheja and Neel C. Raheja.

*Designated Partners*

As on the date of this Draft Red Herring Prospectus, Ravi C. Raheja and Neel C. Raheja are the Designated Partners of Palm Shelter.

There has been no change in the control or management of Palm Shelter during the last three years preceding the date of this Draft Red Herring Prospectus.

*Financial Information*

Set forth below are the financial results of Palm Shelter for Fiscals 2017, 2016 and 2015, derived from statement of accounts:

*(in ₹ million)*

| Particulars | As on | | |
|---|---|---|---|
| | **March 31, 2017** | **March 31, 2016** | **March 31, 2015*** |
| Contribution Received / Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | 627.17 | 540.58 | 490.76 |
| Total Income | 123.69 | 8.86 | 16.67 |
| Profit/(Loss) after tax | 86.59 | 8.73 | 14.82 |
| Earnings per share (₹) (Basic /Diluted) | NA | NA | 14,818.87 |
| Net asset value per share (₹) | NA | NA | 490,863.22 |

***** *Palm Shelter was a private limited company as on March 31, 2015, and earlier registered as Palm Shelter Estate Development Private Limited*

**Raghukool Estate Development LLP ("Raghukool Estate")**

*Corporate Information*

Raghukool Estate was incorporated on March 18, 2016 under the LLP Act subsequent to its conversion from a private limited company. Prior to its conversion Raghukool Estate was registered as Raghukool Estate Developement Private Limited. Raghukool Estate is primarily engaged in the business of builders, developers, contractors, erectors, constructors of buildings, houses, apartments, malls, hotels, resorts, IT parks, SEZs, to purchase for development, investment or for resale lands, buildings, houses, apartments, malls, hotels, resorts, to make advances upon the security of lands, houses, to purchase, sell, lease, hire, exchange or otherwise deal in land and house property, to carry on business as developers of land, buildings, immovable properties, malls, hotels, resorts, IT parks, SEZs, business centers, retail trading and all types of real estate including by constructing, reconstructing, developing, renovating, refurbishing, owning, maintaining, including through continuing / making investments in shares and other securities in any other form of any other entity(s) (company, LLP, trust, body corporate, etc.) engaged, directly or indirectly (as investors), in any of the aforesaid businesses as set out in this object and/or carry on such other or additional trade, profession or business as decided by the Partners from time to time. Its registered office is located at Raheja Tower, Plot No. C-30, Block 'G', Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India. Its LLPIN is AAF-9753.

*Partners of Raghukool Estate*

The partners of Raghukool Estate are Chandru L. Raheja, Jyoti C. Raheja, Ravi C. Raheja and Neel C. Raheja.

*Designated Partners*

As on the date of this Draft Red Herring Prospectus, Ravi C. Raheja and Neel C. Raheja are the Designated Partners of Raghukool Estate.

There has been no change in the control or management of Raghukool Estate during the last three years preceding the date of this Draft Red Herring Prospectus.

*Financial Information*

Set forth below are the financial results of Raghukool Estate for Fiscals 2017, 2016 and 2015, derived from statement of accounts:

*(in ₹ million)*

| **Particulars** | **As on** | | |
|---|---|---|---|
| | **March 31, 2017** | **March 31, 2016** | **March 31, 2015*** |
| Contribution Received / Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | 1,291.49 | 407.13 | 366.59 |
| Total Income | 930.19 | 6.20 | 14.00 |
| Profit/(Loss) after tax | 884.35 | 6.06 | 2.17 |
| Earnings per share (₹) (Basic /Diluted) | NA | NA | 2,166.55 |
| Net asset value per share (₹) | NA | NA | 366,690.00 |

***** *Raghukool Estate was a private limited company as on March 31, 2015, and earlier registered as Raghukool Estate Development Private Limited*

**Ivory Property Trust ("Ivory Trust")**

*Trust Information*

Ivory Trust was formed pursuant to a trust deed dated July 8, 2004, and as amended on June 15, 2018 (the "**Trust Deed**"). The principal place of business of Ivory Trust is located at Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda , Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India.

Chandru L. Raheja is the settlor of the Ivory Trust.

*Board of Trustees*

The Trustee of Ivory Trust as on the date of this Draft Red Herring Prospectus are Chandru L. Raheja, Jyoti C. Raheja, Ravi C. Raheja, Neel C. Raheja and Ivory Properties.

*Beneficiaries of Ivory Trust*

The beneficiaries of Ivory Trust include Chandru L. Raheja, Jyoti C. Raheja, Ravi C. Raheja, Neel C. Raheja, upon death of Ravi C. Raheja his wife and if his wife has pre-deceased him, then his children, upon death of Neel C. Raheja his wife and if his wife has pre-deceased him, then his children.

*Objects and Function*

The overall objective of Ivory Trust is to provide for income and capital to beneficiaries. Under the terms of the Trust Deed, the trustees of Ivory Trust have rights and obligations to manage the trust property, including, amongst others, to sell, lease and transfer the trust property; to issue debentures, promissory notes or any other negotiable instrument' open bank accounts in the name of the trust; appoint employees for management of trust property etc.

We confirm that the PAN, bank account numbers, and company registration numbers/LLP registration numbers of all our Corporate Promoters, and the address of the registrar of companies where our Corporate Promoters are registered will be submitted to the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus with them.

**Interests of our Promoters and Related Party Transactions**

Our Promoters are interested in our Company to the extent of their respective shareholding in our Company and dividend or other distributions payable, if any, by our Company in relation thereto. For further details of our Promoters' shareholding, see "***Capital Structure – Notes to Capital Structure***" on page 87.

Additionally, Ravi C. Raheja and Neel C. Raheja are also interested in our Company as Non-Executive Directors on our Board. "For details, see "***Our Management – Compensation paid to our Non-Executive and Independent Directors"*** on page 177.

Except as mentioned in this section and sections titled **"*Our Business*", "*History and Certain Corporate Matters*", "*Our Management*" and "*Related Party Transactions*"** on pages 146, 170, 177 and 237, respectively, our Promoters do not have any other interest in our Company.

Except in the normal course of business and as stated in the ***"Related Party Transactions"*** on page 237, our Company has not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested, and no payments have been made to our Promoters in respect of the contracts, agreements or arrangements which are proposed to be made with it**.**

Except as set forth below, our Promoters do not have any interest in any property acquired by our Company during the two years preceding the date of filing of this Draft Red Herring Prospectus or any property proposed to be acquired by our Company or in any transaction in the acquisition of land, construction of building or supply of machinery:

Our Company has acquired through a demerger, approximately 8.62 acres of land from Genext in Bengaluru for our Whitefield project. For details, see "***History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.***" on page 170. Our Company has also entered into a 'memorandum of understanding' that grants our Company an option to acquire leasehold rights for 0.98 acres of land from Mindspace for our proposed hotel in Airoli. Our Promoters, Ravi C. Raheja and Neel C. Raheja are shareholders and directors of Genext and shareholders of Mindspace.

Except as set forth below, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

| Trademarks used by our Company | Name of the Entity | Nature of the Contract and date |
|---|---|---|
| 'Inorbit' | Inorbit Malls (India) Private Limited<br><br>Promoters of our Company are directors and shareholders of Inorbit Malls (India) Private Limited | Name and Trademark License Agreement dated August 24, 2014 and as amended on June 11, 2018. |
| 'The Orb' | | Name and Trademark License Agreement dated June 11, 2018. |

Our Promoters are not interested as members of any firm or any company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Except as mentioned in this chapter and chapters titled "***Our Business***", "***History and Certain Corporate Matters***", "***Our Management***" and "***Related Party Transactions***" on pages 146, 170, 177 and 237 respectively, our Promoters do not have any other interest in our Company.

**Payment of benefits and guarantees**

Other than the remuneration paid to Ravi C. Raheja and Neel C. Raheja in their capacity as Non-Executive Directors of our Company, and any dividends paid on the Equity Shares held by the Promoters, no benefits or amounts have been paid to our Promoters and members of our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid. For further details, see "***Our Management – Interest of Directors***".

**Confirmations**

As on the date of this Draft Red Herring Prospectus, none of our sundry debtors are related to our Promoters.

Further, our Promoters are not related to any beneficiary of loans and advances provided by our Company other than those mentioned below.

Our Promoters, their relatives and other members of our Promoter Group have not been declared as wilful defaulters as defined under the SEBI ICDR Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters as on the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group or any person in control of our Company, have not been debarred or prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reason. Further, our Promoters were not and are not a promoter, director or persons in control of any other company that is or has been debarred or restricted from accessing capital markets under any order or direction made by SEBI or any other authority.

There has been no change in control of our Company in the five years preceding the date of filing of this Draft Red Herring Prospectus.

Except as set forth below, none of our Promoters have an outstanding unsecured loan taken from our Company, which may be recalled by the Company at any time.

| Promoter | Outstanding unsecured loan taken from Company (₹) |
|---|---|
| Ivory Properties & Hotels Private Limited | ₹ 0.50 million |
| Ivory Property Trust | ₹ 0.74 million |
| K Raheja Private Limited | ₹ 1,900.78million |

Except as set forth below, our Company does not have an outstanding unsecured loan taken from any of our Promoters, which may be recalled by them at any time.

| Promoter | Outstanding unsecured loan taken from Promoters by Company (₹) |
|---|---|
| K. Raheja Corp Private Limited | ₹ 49.49 million |

**Common Pursuits of our Promoters**

We are primarily in the hospitality and related ancillary developments business. There are no common pursuits amongst our Promoters and us in relation to the same.

There are certain of our Promoters which are engaged in the development of real estate as set out below:

1. K Raheja Corp
2. K Raheja
3. Genext
4. Ivory Property Trust
5. Ivory Properties

**Disassociation by our Promoters in the preceding three years**

Except as disclosed below, our Promoters have not disassociated themselves from any company during the preceding three years.

| S. No. | Name of the disassociated entity | Reasons for and terms of disassociation | Date of disassociation |
|---|---|---|---|
| 1. | Hypercity Retail (India) Limited | Our Promoters Palm Shelter Estate Development LLP, Anbee Construction LLP, Cape Trading LLP, Capstan Trading LLP, Casa Maria Properties LLP, Raghukool Estate Development LLP, Ravi Chandru Raheja, Neel Chandru Raheja and Genext Hardware & Parks Pvt. Ltd have sold shares to Future Retail Limited | November 30, 2017 |
| 2. | Sentinel Properties Private Limited | Our Promoters Ravi C. Raheja and Neel C. Raheja have sold shares to Pinal Infrastructure Private Limited | October 15, 2015 |

## GROUP COMPANIES

*In terms of the SEBI ICDR Regulations, for the purposes of identification of group companies for disclosure in connection with the Offer, our Company has considered companies which are included in the list of related parties in our Restated Consolidated Summary Financial Information ("**Relevant Period**") in accordance with applicable accounting standards, i.e., Indian Accounting Standard 24 notified under the Companies (Indian Accounting Standards) Rule, 2015 ("**Ind AS 24**") and such other companies considered material by our Board. Our Subsidiary and some of our Promoters are also appearing in the list of related parties in our Restated Consolidated Summary Financial Information in accordance with Ind AS 24. For further details of these promoter companies and our Subsidiary, please see "**Promoters and Promoter Group- Details of Our Corporate Promoters**" and* **"*History and Certain Corporate Matters- Subsidiaries of our Company*"** *on pages 198 and 170 respectively.*

*Pursuant to the materiality policy adopted by our Board of directors through its resolution dated June 12, 2018 ("**Materiality Policy**"), for the purpose of disclosure in this Draft Red Herring Prospectus, a company shall be considered as a material 'Group Company' by our Board, if such company is: (a) a member of the 'Promoter Group' (as defined under the SEBI ICDR Regulations); (b) has not been disclosed as related parties in accordance with the applicable accounting standards; and (c) has entered into one or more transactions with our Company during the last completed financial year (i.e., Fiscal 2018), which cumulatively in value exceeds 10 % of the total standalone revenue of our Company, as per the last restated standalone summary financial information of our Company included in this Draft Red Herring Prospectus.*

*On the basis of the Materiality Policy, other than the companies already covered under Ind AS 24 in the Restated Consolidated Summary Financial Information, no company was considered to be material by our Board for the purposes of disclosure in this Draft Red Herring Prospectus. Accordingly, we have set out below the details of our Group Companies which have also been disclosed in this Draft Red Herring Prospectus in "**Summary Financial Information**" beginning on page 240.*

*It is clarified that the companies which (a) subsequent to the Relevant Period have ceased to be related parties of our Company in terms of the Indian Accounting Standard 24, and (b) are consolidated under Indian Accounting Standard 27, shall not be considered as 'Group Companies' for the purposes of disclosure in this Draft Red Herring Prospectus. It is further clarified that in addition to the entities covered above, if companies which, subsequent to the Relevant Period, become related parties in accordance with the applicable accounting standard shall be considered as 'Group Companies' for the purposes of disclosure in this Draft Red Herring Prospectus.*

*Accordingly, in terms of the policy adopted by our Board for determining group companies, we have set out herein the details of our Group Companies. Our Board has also approved that, as on the date of the aforesaid resolution, there are no other group companies of our Company other than the companies disclosed herein:*

The following are our Group Companies:

1. Aqualine Real Estate Private Limited ("**Aqualine**")
2. Brookfields Agro & Development Private Limited ("**Brookfields**")
3. Carin Properties Private Limited ("**Carin Properties**")
4. Cavalcade Properties Private Limited ("**Cavalcade**")
5. Challenge Properties Private Limited ("**Challenge**")
6. Convex Properties Private Limited ("**Convex Properties**")
7. Feat Properties Private Limited ("**Feat**")
8. Flabbergast Properties Private Limited ("**Flabbergast**")
9. Grange Hotels & Properties Private Limited ("**Grange**")
10. Immense Properties Private Limited ("**Immense**")

11. Imperial Serviced Offices and Property Management Private Limited ("**Imperial**")

12. Inorbit Malls (India) Private Limited ("**Inorbit**")

13. Intime Properties Limited ("**Intime**")

14. K Raheja Corp Advisory Services (Cyprus) Private Limited ("**K Raheja Cyprus**")

15. K Raheja Corporate Services Private Limited ("**K Raheja Corporate**")

16. K Raheja IT Park (Hyderabad) Limited ("**K Raheja IT Park**")

17. Mindspace Business Parks Private Limited ("**Mindspace**")

18. Newfound Properties and Leasing Private Limited ("**Newfound**")

19. Novel Properties Private Limited ("**Novel**")

20. Pact Real Estate Private Limited ("**Pact**")

21. Paradigm Logistics & Distribution Private Limited ("**Paradigm**")

22. Sundew Properties Limited ("**Sundew Properties**")

23. Sundew Real Estate Private Limited ("**Sundew**")

24. Sustain Properties Private Limited ("**Sustain**")

25. Sycamore Properties Private Limited ("**Sycamore**")

26. The Residency Hotels Private Limited ("**The Residency**")

27. Trion Properties Private Limited ("**Trion**")

**Interest of our Promoters in Group Companies**

Our Promoters are interested in our Group Companies to the extent of their respective shareholdings in our Group Companies, as applicable, and dividend or other distributions payable, if any, by such Group Companies.

**Financial Information of Top Five Group Companies (based on turnover of Fiscal 2017)**

None of our Group Companies are listed on any stock exchange. The five largest Group Companies based on turnover are-

i. Mindspace;

ii. Inorbit;

iii. Sundew Properties;

iv. K Raheja IT Park; and

v. K. Raheja Corporate.

1. **Mindspace**

*Corporate Information*

Mindspace is a private limited company and was originally incorporated as Serene Properties Private Limited on December 23, 2003 under the Companies Act, 1956. Mindspace is involved in the business of builders, real estate developers, contractors, erectors, constructing of buildings, houses, apartments and structures being residential, office, industrial, institutional or commercial, developers of housing schemes, hotels, shopping mall.

*Interest of our Promoters*

Our Promoters directly hold 63.24 % of the issued, subscribed and paid up capital of Mindspace.

The financial information derived from the audited financial results of Mindspace for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Mindspace | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 240.68 | 240.56 | 240.56 |
| Reserves and surplus (excluding revaluation reserves) | 4,257.39 | 236.94 | 371.09 |
| Revenue from operations and other income | 4,110.35 | 3,721.31 | 2,584.20 |
| Profit/Loss after tax | 500.57 | (134.15) | (112.46) |
| Earnings/(loss) per share (₹) (Basic) | 8,829.81 | (2,393.01) | (2,006.04) |
| Earnings/(loss) per share (₹) (Diluted) | 8,829.81 | (2,393.01) | (2,006.04) |
| Net asset value per share (₹) | 65,871.00 | 8,517.81 | 10,910.83 |

Except as mentioned below, there are no significant notes of the auditors in relation to the aforementioned financial statements.

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
|---|---|---|
| NIL | NIL | *Emphasis of matter in Independent Auditors' Report –*<br><br>*As more fully explained in note no. 3 .39 to the standalone financial statements, the company has invested ₹711,800,000 by way of investment in equity shares advanced in its four wholly owned subsidiaries, which have cumulative accumulated losses of ₹54,319,751 as at 31 March 2017. The management of the company is in the process of commencing the process to merge these four subsidiaries with the company and hence no adjustment has been made towards the investment in equity shares. Our opinion is not modified in respect of this matter.*<br><br>*Above refered note no. 3.39 Investment in Subsidiaries*<br><br>*In the previous year, pursuant to the in-principle decision of the Board of the Directors of the company for merger of Newfound Properties And Leasing Private Limited (Newfound) and Gigaplex Estate Private Limited (Gigaplex) and demerger of Commerzone Division of K. Raheja Corp Private Limited (Commerzone Division) and demerger of Pune Undertaking of Trion Properties Private Limited (Pune Undertaking) into the company, the company had filed an application before the Competition Commission of India (CCI), seeking its approval. Subsequent to the receipt of CCI approval, the in-principle decision of merger of Newfound and Gigaplex was dropped and the company proposed lo proceed with the said demergers. During the year ended 31 March 2016, the company had acquired the entire shareholdings of Dices Realcon Private Limited, Educator Protech Private Limited, Happy Eastcon Private Limited and Sampada Eastpro Private Limited (collectively referred to as 'the Subsidiaries'), who had entered into agreements to acquire certain premises in the project of the said Commerzone Division. Given the decision by the company to proceed with the demerger of the Commerzone Division and with the view to achieve consolidation of the said premises with the Commerzone Division, the Subsidiaries cancelled the said agreements and the said premises vested beck in the Commerzone Division. The aforesaid developments had taken place around the end of the financial year 2015-2016 and the management of the company was evaluating various options relating to the Subsidiaries, including any possible merger of the Subsidiaries into the company.*<br><br>*The company had also advanced certain loans to the Subsidiaries in the earlier years, and the principal and the interest thereon was recovered during the current financial year. The company has further invested Rs.54,300,000 in equity shares of the subsidiaries during the year. During the year ended 31 March 2017, the Board of Directors of the company have resolved to consider a merger of the Subsidiaries with the Companies under the pooling of interests method specified in Accounting Standard (AS) 14. Alternatively, the company continues to explore possibilities of commencing other projects in these subsidiaries, the plans of which are in a preliminary stage as of date. Given the fulure plans of the company to merge the Subsidiaries with the company or alternatively commence new projects in the Subsidiaries, the management believes* |

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
|---|---|---|
| | | *that there is no impairment in respect of the investments made by the company in its Subsidiaries.* |

2. **Inorbit**

*Corporate Information*

Inorbit is a private limited company and was originally incorporated as K. Raheja Malls Limited on January 1, 1999 under the Companies Act, 1956. Inorbit is involved in the business of owning, constructing, taking on lease or in any other manner, any land or building and to conceptualise, plan, design, construct and market a mall (shopping centre) for the purpose of operating, franchising and licensing of retail space.

*Interest of our Promoters*

Our Promoters directly hold 99.86 % of the issued, subscribed and paid up capital of Inorbit.

The financial information derived from the audited financial results of Inorbit for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Inorbit Malls | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 875.60 | 875.60 | 875.60 |
| Reserves and surplus (excluding revaluation reserves) | 350.81 | 307.79 | 370.32 |
| Revenue from operations and other income | 3,549.28 | 3,046.04 | 2,501.73 |
| Profit/Loss after tax | 43.03 | (62.53) | 97.52 |
| Earnings/(loss) per share (₹) (Basic) | 4.91 | (7.14) | 11.14 |
| Earnings/(loss) per share (₹) (Diluted) | 4.91 | (7.14) | 11.14 |
| Net asset value per share (₹) | 140.07 | 135.15 | 142.29 |

Except as disclosed below, there are no significant notes of the auditors in relation to the aforementioned financial statements.

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
|---|---|---|
| ***NIL*** | *NIL* | *Emphasis of matter in Independent Auditors' Report –*<br><br>*We draw attention to note 3.34 to the standalone financial statement regarding the material uncertainties related to the outsocme of the lawsuits filed against the company for the lands situated at the Project mall at Malad, Project mall at Vashi, Project residential at Goa and Project residdantial at Pune. Based on the advice of legal counsel, management believes it has a strong defence and litigation should have no advese impact on the standalone financial statement. The ultimate outcome of these matters cannot presently be determined and, accordingly, no provision for any effects on the company that may result has been made in the standalone financial statement.*<br><br>*Above refered note no.* ***3.34***<br><br>***(a) Project Mall at Malad***<br><br>*The Company has vide registered Agreement executed by and between the Administrator of the estate of late E.F.Dinshaw and Ivory (Vendors) and the Company, purchased the Malad Mall constructed up to the plinth level on a demarcated portion of land and has completed construction of the building from plinth onwards on its own account and at its cost after having paid the full consideration to the Vendors as mentioned in the said Agreement. The Conveyance for the property is yet to be executed in the name of the Company.* |

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
|---|---|---|
| | | *i) A Suit has been filed in the High Court of Bombay by Nusli Neville Wadia (Plaintiff), Administrator of the estate of late E.F.Dinshaw, owner of the plot of land on which the Company's Malad Mall is situated. This suit is filed against Ivory Properties and Hotels Pvt. Ltd. (Ivory) & Others including the Company as one of the Defendants. Based on the allegations and contentions by the Plaintiff in the said suit, the main reliefs claimed by the Plaintiff against the Company are for demolition and removal of the Malad Mall. Plaintiff has also claimed ad-interim and interim reliefs for (i) appointment of a Court Receiver in respect of the Malad Mall, (ii) restraining Company from alienating, encumbering or parting with possession of the Malad Mall, (iii) restraining Company from dealing in any manner (including renewals of lease / leave & license, etc.) or creating any leases / licenses in respect of the Malad Mall and (iv) restraining it from receiving or recovering any real / license fee / compensation in respect of such leases / licenses, depositing all the rents in the Court, etc. The Company has filed its reply in the pending proceedings denying the allegations and contending, inter alia, that the Plaintiff is estopped from raising any dispute with regard to the Malad Mall ad admittedly, the Plaintiff was aware of the transaction between the Company and Ivory in respect of the Malad Mall and stating that the suit is barred by limitation. The Court has not granted any relief to the Plaintiff in the pending proceedings. Pursuant to the Plaintiff's application for expedited hearing of the case, the Hon'ble High Court Bombay, vide an Order dated 19/9/2013 framed the issue of limitation under Section 9(a) of Code of Civil Procedure to be tried as to jurisdiction for the maintainability of the suit and directed the Plaintiff to file an affidavit dated 20/09/2013 stated that the issue of limitation is an issue of jurisdiction and can be tried by the Hon'ble High Court under Section 9A of Code of Civil Procedure.*<br><br>*ii) Pursuant to the Plaintiff's SLP in the Supreme Court, challenging the Orders of the Hon'ble High Court dated 19/09/2013 and 20/09/2013, the Hon'ble Supreme Court, vide its Order dated 08/10/2013 stayed the operation of the aforesaid Orders and further proceedings in the High Court Suit No. 414 of 2008. Subsequently, the Supreme Court has by its Order dated 25/08/2015, referred the said SLP to a three-Judge Bench, to be posted along with SLP © No. 22438 of 2015. The said SLP is pending the hearing in the Supreme Court. In the management's view, considering the matter and facts, no provision for any loss, impairment, liability etc. is presently required to be made.*<br><br>***(b) Project Residential at Goa***<br><br>*Two civil suits have been filed in respect of land purchased by the Company at Goa vide Special Civil Suit No. 14/2008/A and Special Suit No. 20/2008/A, wherein the Plaintiffs have sought the sale deed in favour of the Company (Defendant) be declared null and void and injunction be granted against all Defendants from creating third party rights etc. Both the matters are currently pending before the Civil Judge Senior Division at Panaji, Goa. The Hon'ble Court vide its order dated 18/07/2013 dismissed the application, seeking temporary injunction in respect of Special Civil Suit No. 14/2008/A and has not granted any interim relief to the Plaintiffs in Civil Suit No. 14/2008/A, interim application praying for amendment of plaint is being heard by the court. Both suits are pending hearing. In the management's view, considering the matter and facts, no provision for any loss, impairment, liability etc. is presently required to be made.*<br><br>***(c) Project Mall at Vashi***<br><br>*The Company has, vide registered Agreements executed by and between K.Raheja Corp Pvt. Ltd. (Vendor) and the Company, purchased constructed units together with proportionate undivided interest in the leasehold land and proportionate undivided interest in the common areas and facilities for its mall at Vashi, Navi Mumbai. The Company has been informed by the Vendor that :-*<br><br>*i)Two Public Interest Litigations (PIL) bearing No. 131 of 2003 and PIL No. 48 of 2004 had been filed against the State of Maharashtra & Ors., inter alia challenging the allotment of the land by City & Industrial Development Corporation of Maharashtra Ltd. (CIDCO) in favour of the Vendor and by Order dated 20/21 November, 2014, the Hon'ble Bombay High Court has cancelled the allotment of the leasehold land to the Vendor. The Vendor has filed an SLP in the Supreme Court against the aforesaid Order and the Hon'ble Supreme court has by its Order dated 22/01/2015 directed that "status quo as it exists today, shall be maintained".*<br><br>*ii) The Vendor filed an Interim Application in the SLP in August 2015 as CIDCO refused to accept the annual lease rent of Rs. 30,622/- (for the period 16/12/2004 to 15/12/2015) payable* |

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
|---|---|---|
| | | *under the Agreement to Lease dated 16/12/2003. The matter was heard on 27/11/2015 and the Supreme Court by its order of even date, disposed off the application on CIDCO making a statement that non-deposit of the lease amount shall no be put against the applicant/petitioner. Further, the Vendor has in response dated 23/04/2015 to the Show Cause Notice dated 11/11/2014 of CIDCO, applied to the State Government for regularization of the allotment of land without prejudice to its pending SC Appeal and vide its further letter dated 05/12/2016 made further submissions regarding the without prejudice proposal for regularization. The State Government has appointed a committee for the purpose and the hearing of the Committee is in progress, with the last hearing being conducted on 28/02/2017.*<br>*iii) The Vendor filed a Writ Petition being Writ Petition No. 2489 of 2013 before the Hon'ble Bombay High Court inter alia challenging the Order dated 22/01/2013 passed by CIDCO directing the Vendor to vacate the land under open space being used as Entry & Exit points inter alia to the mall.*<br>*iv) A Public Interest Litigation being PIL No. 6 of 2013 was also filed by one Mr. Sandeep Thakur before the Hon'ble Bombay High Court against Navi Mumbai Municipal Corporation (NMMC) & Ors. Including the Vendor, inter alia seeking an injunction restraining the Vendor or any person claiming through the Vendor from using the aforesaid open space for any purpose, including for entry and exit inter alia to the mall.*<br>*v) The Writ Petition No. 2489 of 2013 and PIL No. 6 of 2013 were clubbed for hearing and Hon'ble Bombay High Court in view of CIDCO agreeing to withdraw its Order dated 22/01/2014 and give fresh hearing to the Vendor, Hon'ble High Court by its Order dated 16/04/2014 disposed of both the petitions. Accordingly, CIDCO issued notice for fresh hearing and pursuant to a hearing, by its Order dated 01/12/2014 directed the Vendor to vacate the land under open space being used as Entry & Exit points inter alia to the mall.*<br>*vi) The Vendor has filed Writ Petition being Writ Petitition No.368 of 2015 before the Hon'ble Bombay Hih Court inter alia challenging the Order dated 01/12/2014 passed by CIDCO, wherein by an order dated 16/01/2015 (as extended by subsequent orders) the parties have been directed to maintain status quo.*<br>*vii) Writ Petition No.11632 of 2016 was filed by KRC as NMMC had erroneously demanded arrears of Property Taxes vide Final Notice dated 7$^{th}$ June, 2016 in respect of the Shopping Mall for the period up to March, 2016. The Hon'ble High Court, Bombay, by its Order dated 24$^{th}$ November 2016 recorded that NMMC would consider the Petitioner's representation in the form of the High Court Writ Petition. By the said order, the Hon'ble High Court has stayed the final demand Notice dated 7$^{th}$ June 2016 issued by NMMC till the Petitioner's representation is decided and further ordered that NMMC will not act upon the Order that may be passed by the Municipal Commissioner and 2 weeks thereafter from the date the same is communicated to the Petitioner. However, till date, the Dy.Municipal Commissioner of NMMC has not passed any Order in the matter. Petitioner has made personal representations at NMMC. Accordingly, the stay granted by the Hon'ble High Court of Bombay continues to operate in respect of the Impugned Demand Notice dated 7$^{th}$ June 2016. Therefore, as on today, there is no outstanding Property Tax payable by the Shopping Mall in view of the said High Court Order dated 24$^{th}$ November, 2016.*<br><br>*In the management's view as per advice, considering the matter and the facts, no provision for any loss, impairment, liability etc. is presently required to be made.*<br><br>***d) Project Residential at Pune***<br><br>*i)Special Civil Suit No.475 of 1998 in respect of land bearing Survey No. 27/4 situated at Village Mohammadwadi, Pune in the Court of Civil Judge Senior Division, Pune has been filed by one Mr. S.A.Inamdar ("the Plaintiff") against Shri Satish Murlidhar Ghatge and others for Specific Performance, Injunction and Compensation. The suit is pending as on date and no decree has been passed in the matter.*<br><br>***Brief Note :***<br><br>*The Property bearing S.No.27 Hissa No.4 changed hands several times from 1995 since the Defendant No.5 in the aforesaid suit Mr. Balasaheb Badade who was the then owner of the said property sold the same to subsequent third parties and presently, the said property vests in Inorbit Malls (India) Pvt. Ltd. by virtue of the Conveyance Deed dated 28.02.2012 duly registered at Sr.No.1757/2012 at the office of the Sub-registrar Haveli No.13, Pune. The said property has already been amalgamated with the adjoining lands. The property is in possession of Inorbit Malls (India) Pvt. Ltd. and construction of several buildings on the said property in terms of plans sanctioned by the Pune Municipal Corporation under Commencement Certificate No. CC/3891/10 dated 14/02/2011, further revised sanction* |

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
|---|---|---|
| | | *obtained under CC//2845/12 dated 29/12/2012 and further revised sanction obtained under CC/0079/16 dated 13/04/2016 is in progress. Inorbit Malls (India) Pvt. Ltd. filed an application to be joined and was impleaded as Defendant No.6 in the matter on 03.03.2015. Inorbit Malls (India) Pvt. Ltd. filed its written statement on 29.04.2015 and thereafter amended written statement along with list of documents relied upon by Inorbit Malls (India) Pvt. Ltd. was filed on 19.04.2016. On 06.08.2016, the Plaintiff filed affidavit for examination in Chief through his constituted attorney along with the list of documents. Also, Shri Balasaheb Badade (Defendant No.5) filed an Application stating that the Defendant No.1 Shri Satish Ghatge had expired in the year 2007 and his legal heirs be brought on record. Further, the Plaintiff filed an Application for condonation of delay in bringing the legal heirs on record. An Application was filed by Defendant No.6 for abatement of suit. The Hon'ble Court was pleased to allow the Application for condonation of delay filed by the Plaintiff and condone the delay for bringing the legal heirs of Defendant No.1 on record within 14 days and reject the Application filed by the Defendant No.6 in view of the Application for condonation of delay being allowed by the Hon'ble Court.*<br>*The plaintiff carried out the amendment and brought the legal heirs of Defendant No.1 on record. Defendant No.6 filed review Applications against the orders passed, rejecting the Application for abatement of suit and allowing the Application for condonation of delay filed by the Plaintiff. The review Applications were rejected on 3rd March, 2017.*<br><br>*On 22nd April 2017, Defendant No.6 filed an application, seeking an adjournment on the grounds of filing appropriate proceedings before the Hon'ble Bombay High Court against the order dated 29th March 2017, rejecting the review applications. The Hon'ble Court granted the adjournment subject to filing of the copy of the petition on the next date with the Court. The matter has now been listed on June 17, 2017 for filing before the Court copy of the petition filed before the Hon'ble Bombay High Court by the Defendant No. 6.*<br>*In the management's view, considering the matter and the facts, no provision for any loss / liability is presently required to be made.*<br>*ii) The General Body of the Municipal Corporation of the City of Pune, vide Resolution No. 772 dated 21/01/2016, Meeting No.95, Subject No.690 on reconsideration of Urban Improvement committee Resolution No.146, dated 22/11/2013, approved the proposal to acquire a strip of land passing through the Company's land at Survey Nos. 25, 27 and 28 of Village Mohammedwadi till village road of Undri for the purposes of 12.00 meter wide road under section 205 of the Maharashtra Municipal corporations Act (Previously known as the Bombay Provincial Municipal Corporation Act, 1949). The proposed road if carved out, would run east west, cutting through the said land rendering it into north and south part and would require revision of the plans. The Company has, by its letter dated 16/02/2016 raised strong objections against said action on various grounds. The Company has also filed a Writ petition in the High Court of Judicature at Bombay, bearing Writ petition No.5647 of 2016 against the Municipal corporation of Pune and others, inter alia for quashing of its actions taken under Sec.205 of Maharashtra Municipal Corporation Act. It is informed by the Advocates of the company that notice has been issued against the Municipal Corporation of Pune and would be listed as per the CMIS of the Bombay High Court. Liberty has been granted to seek production in case of urgency. The acquisition of the proposed strip passing inter alia through the said Land has not yet taken place. In the management's view, considering the matter and the facts, no provision for any loss / liability is presently required to be made.* |

3. **Sundew Properties**

*Corporate Information*

Sundew Properties was incorporated as a private limited company on August 11, 2006 under the Companies Act, 1956. Sundew Properties is engaged in the business of building, contracting, erecting, leasing, constructing of buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial, hotels and shopping malls.

*Interest of our Promoters*

Our Promoters directly hold 60.34 % of the issued, subscribed and paid up capital of Sundew Properties.

The financial information derived from the audited financial results of Sundew Properties for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Sundew Properties | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 281.71 | 11.27 | 11.27 |
| Reserves and surplus (excluding revaluation reserves) | 1150.29 | 790.18 | 380.65 |
| Revenue from operations and other income | 3049.16 | 2024.45 | 1,517.48 |
| Profit/Loss after tax | 630.54 | 409.53 | (52.15) |
| Earnings/(loss) per share (₹) (Basic) | 22.38 | 14.54 | (46.28) |
| Earnings/(loss) per share (₹) (Diluted) | 22.38 | 14.54 | (46.28) |
| Net asset value per share (₹) | 50.83 | 711.24 | 347.81 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

4. **K Raheja IT Park**

*Corporate Information*

K Raheja IT Park was incorporated as a private limited company on June 2, 2003 under the Companies Act, 1956. K Raheja IT Park is engaged in the business of building, real estate development, contracting, erecting, leasing, constructing of buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial.

*Interest of our Promoters*

Our Promoters directly hold 68.00 % of the issued, subscribed and paid up capital of K Raheja IT Park.

The financial information derived from the audited financial results of K. Raheja IT Park for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| K Raheja IT Park | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 200.00 | 200.00 | 200.00 |
| Reserves and surplus (excluding revaluation reserves) | 4,837.80 | 3,804.36 | 3,168.21 |
| Revenue from operations and other income | 2,100.88 | 2,056.88 | 2,015.23 |
| Profit/Loss after tax | 1,033.45 | 876.86 | 890.30 |
| Earnings/(loss) per share (₹) (Basic) | 51.67 | 43.84 | 44.51 |
| Earnings/(loss) per share (₹) (Diluted) | 51.67 | 43.84 | 44.51 |
| Net asset value per share (₹) | 251.89 | 200.22 | 168.41 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

5. **K Raheja Corporate**

*Corporate Information*

K Raheja Corporate was originally incorporated as Naman BKC Constructions Private Limited on May 21, 2004 under the Companies Act, 1956. K Raheja Corporate is involved in the business of construction.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of K Raheja Corporate.

The financial information derived from the audited financial results of K. Raheja Corporate for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| K. Raheja Corporate | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 1.00 | 1.00 | 1.00 |
| Reserves and surplus (excluding revaluation reserves) | (4,291.76) | (3,576.38) | (2,752.51) |
| Revenue from operations and other income | 1,810.84 | 1,366.30 | 1,279.31 |
| Profit/Loss after tax | (715.37) | (823.87) | (658.78) |
| Earnings/(loss) per share (₹) (Basic) | (7,154.00) | (8,239.00) | (6,588.00) |
| Earnings/(loss) per share (₹) (Diluted) | (7,154.00) | (8,239.00) | (6,588.00) |
| Net asset value per share (₹) | (42,907.60) | (35,753.80) | (27,515.10) |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

**Group Companies with negative net worth**

The following Group Companies had negative networth in Fiscal Year 2017-

i. K. Raheja Corporate;

ii. Paradigm;

iii. Pact;

iv. Cavalcade;

v. Novel;

vi. Brookfields;

vii. Feat;

viii. Grange;

ix. Immense;

x. Sycamore;

xi. Flabbergast;

xii. Aqualine; and

xiii. Convex.

For the financial information derived from the audited financial results of K. Raheja Corporate, please see "***Group Companies - Financial Information of Top Five Group Companies***" on page 212 of the DRHP.

1. **Paradigm**

*Corporate Information*

Paradigm is a private limited company and was incorporated on September 21, 2005 under the Companies Act, 1956. Paradigm is involved in the business of warehousing, logistic, supply chain, packers, distribution, clearing and forwarding agents, customs house agents, cargo movers, cargo agents, freight brokers, freight contractors, carrier of goods, multimodal transport operators, freight forwarding transporters, containerization.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Paradigm.

The financial information derived from the audited financial results of Paradigm for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Paradigm | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 5.30 | 5.30 | 5.30 |
| Reserves and surplus (excluding revaluation reserves) | (1,473.43) | (1,257.70) | (909.59) |
| Revenue from operations and other income | 118.65 | 149.37 | 68.14 |
| Profit/Loss after tax | (215.73) | (348.11) | (297.72) |
| Earnings/(loss) per share (₹) (Basic) | (21,573.06) | (34,811.19) | (29,771.69) |
| Earnings/(loss) per share (₹) (Diluted) | (21,573.06) | (34,811.19) | (29,771.69) |
| Net asset value per share (₹) | (146,813.00) | (125,240.00) | (90,429.00) |

Except as disclosed below, there are no significant notes of the auditors in relation to the aforementioned financial statements.

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
|---|---|---|
| *Emphasis of matter in Independent Auditors' Report –*<br>*Without qualifying our opinion, we draw your attention to note 4.12 to the financial statement relating to the circumstances which have been considered for capitalisation of borrowing cost.*<br><br>*Above refered note 4.12 The activity undertaken by the Company is relating to development of plot of land located at Hyderabad and Goa. Since all the expenditure incurred (excluding corporate expenses), including borrowing costs amounting to Rs.163,697,447/- (PY: Rs. 202,604,320/-), is towards this activity only, the same have been considered for capitalization and added to Inventories and Capital Work In Progress.*<br><br>*Considering the market scenario and especially drop in demand, development works, in case of certain projects have been slowed down. In certain cases, the management is considering significant changes in the existing plans. In addition, development works, in certain projects, are taken up in a phased manner and only certain portions of plots are taken up for development. Delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project are capitalized.*<br><br>*The management is of the opinion that, having considered various factors relating to development including* | *Emphasis of matter in Independent Auditors' Report –*<br>*Without qualifying our opinion, we draw your attention to note 4.13 to the financial statement relating to the circumstances which have been considered for capitalisation of borrowing cost.*<br><br>*Above refered note 4.13 The activity undertaken by the Company is relating to development of plot of land located at Hyderabad and Goa. Since all the expenditure incurred (excluding corporate expenses), including borrowing costs amounting to Rs.176,362,718/- (PY: Rs. 202,604,320/-), is towards this activity only, the same have been considered for capitalization and added to Inventories and Capital Work In Progress.*<br><br>*Considering the market scenario and especially drop in demand, development works, in case of certain projects have been slowed down. In certain cases, the management is considering significant changes in the existing plans. In addition, development works, in certain projects, are taken up in a phased manner and only certain portions of plots are taken up for development. Delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project are capitalized.*<br><br>*The management is of the opinion that, having considered various factors relating to development including* | *Emphasis of matter in Independent Auditors' Report –*<br>*Without qualifying our opinion, we draw your attention to note 4.16 to the financial statement relating to the circumstances which have been considered for capitalisation of borrowing cost.*<br><br>*Above refered note 4.16 The activity undertaken by the Company is relating to development of plot of land located at Hyderabad and Goa. Since all the expenditure incurred (excluding corporate expenses), including borrowing costs amounting to Rs 181,821,100/- (PY: Rs. 176,362,718/-), is towards this activity only, the same have been considered for capitalization and added to Inventories and Capital Work In Progress.*<br><br>*Considering the market scenario and especially drop in demand, development works, in case of certain projects have been slowed down. In certain cases, the management is considering significant changes in the existing plans. In addition, development works, in certain projects, are taken up in a phased manner and only certain portions of plots are taken up for development. Delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project are capitalized.*<br><br>*The management is of the opinion that, having considered various factors relating to development including* |

| | | |
|---|---|---|
| *preparatory work carried out for intended development and market value of property / underlying rights in the property, net realizable value in case of projects undertaken for development would be higher than its book value. The auditors have relied on managements' opinion.* | *preparatory work carried out for intended development and market value of property / underlying rights in the property, net realizable value in case of projects undertaken for development would be higher than its book value. The auditors have relied on managements' opinion.* | *preparatory work carried out for intended development and market value of property / underlying rights in the property, net realizable value in case of projects undertaken for development would be higher than its book value. The auditors have relied on managements' opinion.* |

2. **Pact**

*Corporate Information*

Pact is a private limited company and was incorporated on March 10, 2007 under the Companies Act, 1956. Pact is involved in the business of real estate development and constructing, building, developing, redecorating and furnishing, buildings houses, apartments and structures being residential, office, industrial, institutional or commercial, hotel, shopping mall and any immovable property.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Pact.

The financial information derived from the audited financial results of Pact for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Pact | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | (1,245.78) | (655.58) | (131.52) |
| Revenue from operations and other income | 64.47 | 0.07 | 0.25 |
| Profit/Loss after tax | (590.20) | (524.05) | (40.60) |
| Earnings/(loss) per share (₹) (Basic) | (59,020.28) | (52,405.43) | (4,059.82) |
| Earnings/(loss) per share (₹) (Diluted) | (59,020.28) | (52,405.43) | (4,059.82) |
| Net asset value per share (₹) | (124,568.00) | (65,548.00) | (13,142.00) |

Except as disclosed below, there are no significant notes of the auditors in relation to the aforementioned financial statements.

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
|---|---|---|
| *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.25 to the financials on Project at pirangut, pune relating to capitalisation of borrowing cost. Our opinion is not qualified in this matter.* | *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.25 to the financials on Project at pirangut, pune relating to capitalisation of borrowing cost. Our opinion is not qualified in this matter.* | *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.27 to the financials on Project at pirangut, pune relating to capitalisation of borrowing cost and carrying value of the project. Our opinion is not modified in respect of this matter.* |
| *Above referred note no. 2.25 The sole activity undertaken by the Company is relating to development of plot of land located at Pirangut, Pune. Considering the market scenario, the management is considering significant changes in the existing plans and development work is taken up in a phased manner and only portion of plots are taken up for development. Delay caused on account of the same* | *Above referred note no. 2.25 The sole activity undertaken by the Company is relating to development of plot of land located at Pirangut, Pune. Considering the market scenario, the management is considering significant changes in the existing plans and development work is taken up in a phased manner and only portion of plots are taken up for development. Delay caused on account of the same* | *Above referred note no. 2.27 The sole activity undertaken by the Company is relating to development of plot of land located at Pirangut, Pune. Considering the market scenario, the management is considering significant changes in the existing plans and development work is taken up in a phased manner and only portion of plots are taken up for development. Delay caused on account of the same* |

| | | |
|---|---|---|
| *are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project is capitalized.*<br><br>*The management is of the opinion that, having considered various factors relating to development including preparatory work carried out for intended development & market value of property / underlying rights in the property, net realizable value in case of projects would be higher than its book value. The auditors have relied on management's opinion.* | *are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project is capitalized. During the year, Company has ceased capitalization of borrowing cost w.e.f. 01.04.2015.*<br><br>*The management is of the opinion that, having considered various factors relating to development including preparatory work carried out for intended development & market value of property / underlying rights in the property, net realizable value in case of projects would be higher than its book value. The auditors have relied on management's opinion.* | *are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project is capitalized. During the year, Company has ceased capitalization of borrowing cost w.e.f. 01.04.2015.*<br><br>*The management is of the opinion that, having considered various factors relating to development including preparatory work carried out for intended development & market value of property / underlying rights in the property, net realizable value in case of projects would be higher than its book value. The auditors have relied on management's opinion.* |

3. **Cavalcade**

*Corporate Information*

Cavalcade is a private limited company and was incorporated on June 28, 2005 under the Companies Act, 1956. Cavalcade is involved in the business of real estate development and constructing, developing, decorating and furnishing, buildings, houses, apartments and structures being residential, office, industrial, institutional or commercial, hotel, shopping mall and any immovable property.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Cavalcade.

The financial information derived from the audited financial results of Cavalcade for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Cavalcade | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | (914.04) | (696.52) | (491.72) |
| Revenue from operations and other income | 47.64 | 19.07 | 876.67 |
| Profit/Loss after tax | (217.52) | (204.81) | (415.67) |
| Earnings/(loss) per share (₹) (Basic) | (21,751.86) | (20,480.52) | (41,566.70) |
| Earnings/(loss) per share (₹) (Diluted) | (21,751.86) | (20,480.52) | (41,566.70) |
| Net asset value per share (₹) | (91,394.00) | (69,642.00) | (49,161.84) |

Except as disclosed below, there are no significant notes of the auditors in relation to the aforementioned financial statements.

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
|---|---|---|
| *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.20 to the financials on Project at Bhosari, pune relating to capitalisation of borrowing cost and carrying value of the project. Our opinion is not qualified in respect of this matter.*<br><br>***Above referred note no. 2.20 Project at Bhosari, Pune*** | *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.19 to the financials on Project at Bhosari, pune relating to capitalisation of borrowing cost and carrying value of the project. Our opinion is not qualified in respect of this matter.*<br><br>***Above referred note no. 2.19 Project at Bhosari, Pune*** | *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.19 to the financials on Project at Bhosari, pune relating to capitalisation of borrowing cost and carrying value of the project. Our opinion is not modified in respect of this matter.*<br><br>***Above referred note no. 2.19 Project at Bhosari, Pune*** |

| | | |
|---|---|---|
| *Considering the market scenario and especially drop in demand, the construction has been slowed down. Delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project is capitalized. Since all the expenditure incurred (excluding corporate expenses), including borrowing costs amounting to Rs. 10,351,316 (P.Y. Rs.322,351,962) at Bhosari, Pune is towards this activity only, the same have been considered for capitalization and added to Inventories. During the year Company has ceased capitalization of borrowing cost w.e.f. 01/04/2014.*<br><br>*The Company had sold during the year, Part of inventory at Bhosari, Pune, at a price lower than its book value (which includes borrowing cost). The consideration stated in the said agreement has not been considered in determining the net realizable value for the purpose of valuation of closing inventory. Net realizable value is determined by the management by considering various factors such as market value, preparatory work done for intended development, development work carried out etc. and relied upon by the auditors.* | *Considering the market scenario and especially drop in demand, the construction has been slowed down. Delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project is capitalized. Since all the expenditure incurred (excluding corporate expenses), including borrowing costs amounting to Rs. 3,692,321 (P.Y. Rs.10,351,316) at Bhosari, Pune is towards this activity only, the same have been considered for capitalization and added to Inventories. The Company has ceased capitalization of borrowing cost w.e.f. 01/04/2014.*<br><br>*The Company had sold during the previous year, Part of inventory at Bhosari, Pune, at a price lower than its book value (which includes borrowing cost). The consideration stated in the said agreement has not been considered in determining the net realizable value for the purpose of valuation of closing inventory. Net realizable value is determined by the management by considering various factors such as market value, preparatory work done for intended development, development work carried out etc. and relied upon by the auditors.* | *Considering the market scenario and especially drop in demand, the construction has been slowed down. Delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project is capitalized. Since all the expenditure incurred (excluding corporate expenses), including borrowing costs amounting to Rs. 4,383,875 (P.Y. Rs.3,692,321) at Bhosari, Pune is towards this activity only, the same have been considered for capitalization and added to Inventories. The Company has ceased capitalization of borrowing cost w.e.f. 01/04/2014.*<br><br>*The Company has sold during the year, Part of inventory at Bhosari, Pune, at a price lower than its book value (which includes borrowing cost). The consideration stated in the said agreement has not been considered in determining the net realizable value for the purpose of valuation of closing inventory. Net realizable value is determined by the management by considering various factors such as market value, preparatory work done for intended development, development work carried out etc. and relied upon by the auditors.* |

4. **Novel**

*Corporate Information*

Novel is a private limited company and was incorporated on January 22, 2007 under the Companies Act, 1956. Novel is involved in the business of real estate development and constructing, building, developing, decorating and furnishing, building houses, apartments and structures being residential, office, industrial, institutional or commercial, hotel, shopping mall and any immovable property.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Novel.

The financial information derived from the audited financial results of Novel for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Novel | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | (488.18) | (419.77) | (344.74) |
| Revenue from operations and other income | 36.01 | 36.15 | 35.63 |
| Profit/Loss after tax | (68.41) | (75.04) | (66.30) |

| Novel | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Earnings/(loss) per share (₹) (Basic) | (6,840.54) | (7,503.73) | (6,629.72) |
| Earnings/(loss) per share (₹) (Diluted) | (6,840.54) | (7,503.73) | (6,629.72) |
| Net asset value per share (₹) | (48,808.00) | (41,967.00) | (34,464.00) |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

5. **Brookfields**

*Corporate Information*

Brookfields is a private limited company and was incorporated on November 15, 2007 under the Companies Act, 1956. Brookfields is involved in the business of developing land, including agricultural land, which may be converted to non-agricultural use, buildings, all kinds of immovable properties and of real estates, including development of townships, IT parks and special economic zones.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Brookfields.

The financial information derived from the audited financial results of Brookfields for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Brookfields | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | (176.39) | (150.16) | (125.27) |
| Revenue from operations and other income | 0.00 | 0.00 | 0.02 |
| Profit/Loss after tax | (26.24) | (24.89) | (25.83) |
| Earnings/(loss) per share (₹) (Basic) | (2,624.00) | (2,489.00) | (2,583.00) |
| Earnings/(loss) per share (₹) (Diluted) | (2,624.00) | (2,489.00) | (2,583.00) |
| Net asset value per share (₹) | (17,629.34) | (15,005.75) | (12,517.00) |

Except as mentioned below, there are no significant notes of the auditors in relation to the aforementioned financial statements.

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
|---|---|---|
| *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.14 of the financial statements regarding realisable value of inventories and advances of properties. Our opinion is not qualified in respect of said matter.*<br><br>*Above referred note no. 2.14. The sole activity undertaken by the Company is relating to development of land located at Village Lonikand, Pune and Village Jambe, Pune. Considering the market scenario & especially drop in demand, works have been slowed down. The delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector.* | *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.14 of the financial statements regarding realisable value of inventories and advances of properties. Our opinion is not qualified in respect of said matter.*<br><br>*Above referred note no. 2.14. The sole activity undertaken by the Company is relating to development of land located at Village Lonikand, Pune and Village Jambe, Pune. Considering the market scenario & especially drop in demand, works have been slowed down. The delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector.* | *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.13 to the financial statements regarding realisable value of inventories and advances of properties. Our opinion is not modified in respect of said matter.*<br><br>*Above referred note no. 2.13. The sole activity undertaken by the Company is relating to development of land located at Village Lonikand, Pune and Village Jambe, Pune. Considering the market scenario & especially drop in demand, works have been slowed down. The delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector.* |

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
|---|---|---|
| *The Company has ceased capitalization of borrowing cost w.e.f. April 16, 2011 due to the Company's decision to cancel the existing land purchase agreements / sale of land as a result of delay in development process. Further, due to above, the Company had written off expenses and interest capitalized in earlier years to loans & advances and had diminished its value of inventories in earlier years.*<br><br>*Considering various factors and market value, the management is of the opinion that net realizable value of inventory is more than Rs. 2,01,91,501/- (P.Y. Rs.2,47,41,501/-). Further, advance for properties of Rs. 5,55,91,110/- (P.Y. Rs. 5,78,83,610/-) have a realizable value in the ordinary course not less than the amount at which they are stated in the Balance Sheet and provision for all known liabilities and doubtful assets have been made. The auditors have relied on management's opinion.* | *The Company has ceased capitalization of borrowing cost w.e.f. April 16, 2011 due to the Company's decision to cancel the existing land purchase agreements / sale of land as a result of delay in development process. Further, due to above, the Company had written off expenses and interest capitalized in earlier years to loans & advances and had diminished its value of inventories in earlier years.*<br><br>*Considering various factors and market value, the management is of the opinion that net realizable value of inventory is more than Rs. 2,01,91,501/- (P.Y. Rs.2,01,91,501/-). Further, advance for properties of Rs. 5,55,91,110/- (P.Y. Rs. 5,55,91,110/-) have a realizable value in the ordinary course not less than the amount at which they are stated in the Balance Sheet and provision for all known liabilities and doubtful assets have been made. The auditors have relied on management's opinion.* | *The Company has ceased capitalization of borrowing cost w.e.f. April 16, 2011 due to the Company's decision to cancel the existing land purchase agreements / sale of land as a result of delay in development process. Further, due to above, the Company had written off expenses and interest capitalized in earlier years to loans & advances and had diminished its value of inventories in earlier years.*<br><br>*Considering various factors and market value, the management is of the opinion that net realizable value of inventory is more than Rs. 2,01,91,501/- (P.Y. Rs.2,01,91,501/-). Further, advance for properties of Rs. 5,55,91,110/- (P.Y. Rs. 5,55,91,110/-) have a realizable value in the ordinary course not less than the amount at which they are stated in the Balance Sheet and provision for all known liabilities and doubtful assets have been made. The auditors have relied on management's opinion.* |

6. **Feat**

*Corporate Information*

Feat is a private limited company and was incorporated on April 19, 2007 under the Companies Act, 1956. Feat is involved in the business of real estate development and constructing, building, developing, decorating and furnishing, buildings houses, apartments and structures being residential, office, industrial, institutional or commercial, hotel, shopping mall and any immovable property.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Feat.

The financial information derived from the audited financial results of Feat for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Feat | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | (75.54) | (11.48) | (4.37) |
| Revenue from operations and other income | 0.00 | 0.00 | 0.09 |
| Profit/Loss after tax | (64.06) | (7.11) | (0.53) |
| Earnings/(loss) per share (₹) (Basic) | (6,405.57) | (710.82) | (53.36) |
| Earnings/(loss) per share (₹) (Diluted) | (6,405.57) | (710.82) | (53.36) |
| Net asset value per share (₹) | (7,544.00) | (1,138.00) | (427.00) |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

7. **Grange**

*Corporate Information*

Grange is is a private limited company and was incorporated on May 4, 2005 under the Companies Act, 1956. Grange is involved in the business of constructing and owning restaurants, cafes, refreshment rooms, clubs and casinos and buying, selling, constructing, renovating, repairing, taking on lease, exchanging or acquiring immovable property.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Grange.

The financial information derived from the audited financial results of Grange for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Grange | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | (21.53) | (10.08) | 0.52 |
| Revenue from operations and other income | 0.00 | 0.00 | 0.00 |
| Profit/Loss after tax | (11.45) | (10.60) | (9.54) |
| Earnings/(loss) per share (₹) (Basic) | (1,145.20) | (1,060.00) | (953.58) |
| Earnings/(loss) per share (₹) (Diluted) | (1,145.20) | (1,060.00) | (953.58) |
| Net asset value per share (₹) | (2,143.00) | (998.00) | 62.00 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

8. **Immense**

*Corporate Information*

Immense is a private limited company and was incorporated on March 5, 2007 under the Companies Act, 1956. Immense is involved in the business of real estate development and constructing, building, developing, decorating and furnishing, building houses, apartments and structures being residential, office, industrial, institutional or commercial, hotel, shopping mall and any immovable property.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Immense.

The financial information derived from the audited financial results of Immense for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Immense | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | (12.17) | (10.13) | (8.16) |
| Revenue from operations and other income | 0.00 | 0.00 | 0.00 |
| Profit/Loss after tax | (2.03) | (1.97) | (1.74) |
| Earnings/(loss) per share (₹) (Basic) | (203.45) | (197.43) | (173.85) |
| Earnings/(loss) per share (₹) (Diluted) | (203.45) | (197.43) | (173.85) |
| Net asset value per share (₹) | (1,207.00) | (1,003.00) | (806.00) |

Except as disclosed below, there are no significant notes of the auditors in relation to the aforementioned financial statements.

| Fiscal 2015 | Fiscal 2016 | Fiscal 2017 |
| --- | --- | --- |
| *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.14 of the financial statements relating to circumstances which have been considered for determining the period for capitalisation of borrowing costs.*<br><br>*Above referred note no. 2.14. The sole activity undertaken by the Company is relating to development of land located at Village Dena, District Vadodara, Gujarat. Considering the market scenario and especially drop in demand, work has been slowed down. The management is exploring the various options for development. The delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project, including advance for properties is capitalized.* | *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.14 of the financial statements relating to circumstances which have been considered for determining the period for capitalisation of borrowing costs.*<br><br>*Above referred note no. 2.14. The sole activity undertaken by the Company is relating to development of land located at Village Dena, District Vadodara, Gujarat. Considering the market scenario and especially drop in demand, work has been slowed down. The management is exploring the various options for development. The delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project, including advance for properties is capitalized.* | *Emphasis of matter in Independent Auditors' Report –*<br>*We draw attention to note no. 2.14 of the financial statements relating to circumstances which have been considered for determining the period for capitalisation of borrowing costs.*<br><br>*Above referred note no.2.14. The sole activity undertaken by the Company is relating to development of land located at Village Dena, District Vadodara, Gujarat. Considering the market scenario and especially drop in demand, work has been slowed down. The management is exploring the various options for development. The delay caused on account of the same are considered as part of operating cycle in view of overall development in the real estate sector and accordingly, borrowing cost incurred during such period on entire project, including advance for properties is capitalized.* |

9. **Sycamore**

*Corporate Information*

Sycamore is a private limited company and was incorporated on December 12, 2005 under the Companies Act, 1956. Sycamore is involved in the business of building, contracting, erecting, constructing of buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial hotels and shopping mall.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Sycamore.

The financial information derived from the audited financial results of Sycamore for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Sycamore | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
| --- | --- | --- | --- |
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | (9.82) | (8.25) | (7.67) |
| Revenue from operations and other income | 5.48 | 2.31 | 0.00 |
| Profit/Loss after tax | (1.57) | (0.58) | (0.04) |
| Earnings/(loss) per share (₹) (Basic) | (156.82) | (57.83) | (4.36) |
| Earnings/(loss) per share (₹) (Diluted) | (156.82) | (57.83) | (4.36) |
| Net asset value per share (₹) | (972.00) | (815.00) | (757.00) |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

10. **Flabbergast**

*Corporate Information*

Flabbergast is a private limited company and was incorporated on April 19, 2007 under the Companies Act, 1956. Flabbergast is involved in the business of real estate development and constructing, building, developing, redecorating and furnishing, buildings, houses, apartments and structures being residential, office, industrial, institutional or commercial, hotel, shopping mall and any immovable property.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Flabbergast.

The financial information derived from the audited financial results of Flabbergast for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Flabbergast | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | (6.34) | (5.31) | (4.33) |
| Revenue from operations and other income | 0.00 | 0.00 | 0.00 |
| Profit/Loss after tax | (1.03) | (0.97) | (0.86) |
| Earnings/(loss) per share (₹) (Basic) | (102.96) | (97.11) | (85.76) |
| Earnings/(loss) per share (₹) (Diluted) | (102.96) | (97.11) | (85.76) |
| Net asset value per share (₹) | (624.00) | (521.00) | (423.00) |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

11. **Aqualine**

*Corporate Information*

Aqualine is a private limited company and was incorporated on December 3, 2007 as Opulence Warehousing And Logistics Private Limited under the Companies Act, 1956. Aqualine is involved in the business of constructing, developing, redecorating and furnishing, buildings houses, apartments and structures being residential, office, industrial, institutional or commercial, hotel, shopping malls and any immovable property.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Aqualine.

The financial information derived from the audited financial results of Aqualine for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Aqualine | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 9.00 | 9.00 | 9.00 |
| Reserves and surplus (excluding revaluation reserves) | (10.19) | (9.17) | (8.98) |
| Revenue from operations and other income | 0.00 | 0.01 | 0.01 |
| Profit/Loss after tax | (1.02) | (0.19) | (1.26) |
| Earnings/(loss) per share (₹) (Basic) | (1.13) | (0.21) | (1.40) |
| Earnings/(loss) per share (₹) (Diluted) | (1.13) | (0.21) | (1.40) |
| Net asset value per share (₹) | (1.32) | (0.19) | 0.02 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

12. **Convex Properties**

*Corporate Information*

Convex Properties is a private limited company and was incorporated on July 14, 2006 under the Companies Act, 1956. Convex Properties is involved in the business of building, real estate developing, contracting, erecting, constructing of buildings, houses, apartments, structures or residential, office, industrial, institutional and commercial hotel or shopping mall.

*Interest of our Promoters*

Our Promoters directly hold 99.00% of the issued, subscribed and paid up capital of Convex Properties.

The financial information derived from the audited financial results of Convex for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Convex | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | (157.25) | (117.30) | (78.64) |
| Revenue from operations and other income | 21.32 | 18.82 | 17.72 |
| Profit/Loss after tax | (39.96) | (38.66) | (37.15) |
| Earnings/(loss) per share (₹) (Basic) | (3,995.54) | (3,866.09) | (3,714.81) |
| Earnings/(loss) per share (₹) (Diluted) | (3,995.54) | (3,866.09) | (3,714.81) |
| Net asset value per share (₹) | (15,715.00) | (11,720.00) | (7,854.00) |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

**Details of loss-making Group Companies**

Except the Group Companies mentioned below, none of our Group Companies has incurred a loss in the preceding year

i. K. Raheja Corporate;

ii. Pact;

iii. Cavalcade;

iv. Paradigm;

v. Newfound;

vi. Novel;

vii. Feat;

viii. Convex;

ix. Brookfields;

x. Grange;

xi. Immense;

xii. Sycamore;

xiii. Aqualine;

xiv. Flabbergast;

xv. Sustain;

xvi. Sundew;

xvii. Challenge; and

xviii. K Raheja Cyprus

For the financial information derived from the audited financial results of K. Raheja Corporate for the Fiscal Years ended 2017, 2016 and 2015, please see "***Group Companies - Financial Information of Top Five Group Companies***" on page 212 of this DRHP and for financial information derived from the audited financial results of Paradigm, Pact, Cavalcade, Novel, Feat, Brookfields, Grange, Immense, Sycamore, Aqualine, Convex and Flabbergast for the Fiscal Years ended 2017, 2016 and 2015, please see "***Group Companies* - Group Companies with negative net worth**" on page 220 of this DRHP.

1. **Newfound**

*Corporate Information*

Newfound is a private limited company and was incorporated on May 12, 2004 under the Companies Act, 1956. Newfound is involved in the business of building, contracting, erecting, leasing, constructing of buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial or developing of co-operative housing societies, developers of townships, holiday resorts and hotels.

*Interest of our Promoters*

Our Promoters directly hold 85.00 % of the issued, subscribed and paid up capital of Newfound.

The financial information derived from the audited financial results of Newfound for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Newfound | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 606.01 | 0.11 | 0.11 |
| Reserves and surplus (excluding revaluation reserves) | 606.25 | 1.44 | 64.17 |
| Revenue from operations and other income | 201.08 | 0.00 | 0.00 |
| Profit/Loss after tax | (167.50) | (62.72) | (17.88) |
| Earnings/(loss) per share (₹) (Basic) | (15,479.83) | (5,805.16) | (1,655.23) |
| Earnings/(loss) per share (₹) (Diluted) | (15,479.83) | (5,805.16) | (1,655.23) |
| Net asset value per share (₹) | 57,211.76 | 143.45 | 5,949.10 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

2. **Sustain**

*Corporate Information*

Sustain is a private limited company and was incorporated on November 1, 2007 under the Companies Act, 1956. Sustain is involved in the business of building, contracting, erecting, constructing of buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial, hotels and shopping mall.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Sustain.

The financial information derived from the audited financial results of Sustain for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Sustain | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | 8.21 | 9.05 | 8.57 |
| Revenue from operations and other income | 0.07 | 1.03 | 148.93 |
| Profit/Loss after tax | (0.85) | 0.48 | 27.91 |
| Earnings/(loss) per share (₹) (Basic) | (84.59) | 48.35 | 2,791.15 |
| Earnings/(loss) per share (₹) (Diluted) | (84.59) | 48.35 | 2,791.15 |
| Net asset value per share (₹) | 831.00 | 915.00 | 867.00 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

3. **Sundew**

*Corporate Information*

Sundew was incorporated as Matrix Property Management Private Limited on July 28, 2006 under the Companies Act, 1956. Sundew is involved in the business of real estate development and constructing, building, developing, redecorating and furnishing land, building houses, apartments and structures being residential, office, industrial, institutional or commercial, hotel, shopping mall and any immovable property.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Sundew.

The financial information derived from the audited financial results of Sundew for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Sundew | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.10 | 0.10 | 0.10 |
| Reserves and surplus (excluding revaluation reserves) | 0.55 | 1.10 | 1.53 |
| Revenue from operations and other income | 0.00 | 0.01 | 0.09 |
| Profit/Loss after tax | (0.55) | (0.43) | (2.13) |
| Earnings/(loss) per share (₹) (Basic) | (55.46) | (42.74) | (213.31) |
| Earnings/(loss) per share (₹) (Diluted) | (55.46) | (42.74) | (213.31) |
| Net asset value per share (₹) | 64.61 | 120.07 | 162.80 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

4. **Challenge**

*Corporate Information*

Challenge is a private limited company and was incorporated on November 2, 2007 under the Companies Act, 1956. Challenge is involved in the business of building, contracting, erecting, leasing, constructing of buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial, holiday resorts, hotels, and motels.

*Interest of our Promoters*

Our Promoters directly hold 47.50 % of the issued, subscribed and paid up capital of Challenge.

The financial information derived from the audited financial results of Challenge for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in ₹ million, except otherwise stated)*

| Challenge | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.20 | 0.20 | 0.20 |
| Reserves and surplus (excluding revaluation reserves) | 13.30 | 13.68 | 14.06 |
| Revenue from operations and other income | 0.00 | 0.01 | 0.01 |
| Profit/Loss after tax | (0.38) | (0.38) | (0.38) |
| Earnings/(loss) per share (₹) (Basic) | (18.98) | (19.15) | (19.06) |
| Earnings/(loss) per share (₹) (Diluted) | (18.98) | (19.15) | (19.06) |
| Net asset value per share (₹) | 675.00 | 694.00 | 713.00 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

5. **K Raheja Cyprus**

*Corporate Information*

K Raheja Cyprus was incorporated as a limited liability company under the Companies Law, Cap 113 with the Registrar of Companies, Cyprus on August 10, 2006. Subsequently, the company was redomiciled and registered by continuation as a company limited by shares under the Companies Law, DIFC Law No. 2 of 2009 with the Registrar of Companies of the Dubai International Finance Center. K Raheja Cyprus is engaged in the business of acting as a holding company, and making propriatery investments in commercial enterprises and management.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of K Raheja Cyprus**.**

The financial information derived from the audited financial results of K Raheja Cyprus for the Fiscal Years ended 2017, 2016 and 2015 are set forth below:

*(in £ GBP, except otherwise stated)*

| K Raheja Cyprus | Fiscal Year 2017 | Fiscal Year 2016 | Fiscal Year 2015 |
|---|---|---|---|
| Equity capital | 0.05 | 0.05 | 0.00 |
| Reserves and surplus (excluding revaluation reserves) | 3.72 | 3.72 | 3.81 |
| Revenue from operations and other income | 0.01 | 0.00 | 0.06 |
| Profit/Loss after tax | (0.00) | (0.03) | 0.02 |
| Earnings/(loss) per share (£) (Basic) | (0.10) | (0.85) | 4.05 |
| Earnings/(loss) per share (£) (Diluted) | (0.10) | (0.85) | 4.05 |
| Net asset value per share (£) | 94.25 | 94.36 | 761.64 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

There are no adverse factors related to our Group Companies in relation to losses incurred by them in the immediately preceding three years prior to the date of this Draft Red Herring Prospectus.

**Details of other Group Companies**

1. **Carin Properties**

*Corporate Information*

Carin Properties was incorporated as Carin Hotels Limited on September 7, 1999 under the Companies Act, 1956. Carin Properties is involved in the business of owning, purchasing, erecting, acquiring, operating, managing any other manner dealing in hotels, lodging, houses, resorts, motels & dwelling units of every kind.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Carin Properties.

2. **Trion**

*Corporate Information*

Trion is a private limited company and was incorporated on November 17, 2005 under the Companies Act, 1956. Trion is involved in the business of building, contracting, erecting, constructing of buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial, hotels and shopping mall.

*Interest of our Promoters*

Our Promoters directly hold 0.04 % of the issued, subscribed and paid up capital of Trion.

3. **The Residency**

*Corporate Information*

The Residency is a private limited company and was incorporated on June 24, 1985 under the Companies Act, 1956. The Residency is involved in the business of purchasing, erecting, acquiring, operating, managing and the running of hotels and lodging houses, management consultancy, technical advisory and other consultancy services to hotels, restaurants, clubs and such institutions.

*Interest of our Promoters*

Our Promoters do not hold any of the issued, subscribed and paid up capital of The Residency.

4. **Intime**

*Corporate Information*

Intime was originally incorporated as a private limited company on August 22, 2006 under the Companies Act, 1956 and was later converted into a public limited company. Intime is involved in the business of building, real estate developing, contracting, erecting, constructing of buildings, houses, apartments, structures or residential, office, industrial, institutional or commercial, hotels and shopping malls.

*Interest of our Promoters*

Our Promoters directly hold 46.16 % of the issued, subscribed and paid up capital of Intime.

5. **Imperial**

*Corporate Information*

Imperial was incorporated as Imperial Serviced Offices Private Limited on December 19, 2006 under the Companies Act, 1956. Imperial is engaged in the business of providing on lease business centres, office services, executive suites, virtual office or office space and or to provide well equipped and convenient venue for conducting business, conferences, conventions, meetings.

*Interest of our Promoters*

Our Promoters directly hold 100.00 % of the issued, subscribed and paid up capital of Imperial.

**Details of Group Companies under winding up**

As on the date of this Draft Red Herring Prospectus, none of our Group Companies is under winding up. Further, as on the date of this Draft Red Herring Prospectus, no winding up or revocation proceedings or actions have been initiated against any of our Group Companies.

**Sick or Defunct Group Companies**

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have become sick or defunct within the meaning of the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, and Companies Act, respectively and no application has been made to the RoC for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Draft Red Herring Prospectus.

Further, none of our Group Companies have been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016 and there are no insolvency or bankruptcy proceedings initiated against any of our Group Companies.

**Nature and extent of interests of our Group Companies**

As on the date of this Draft Red Herring Prospectus:

a) None of our Group Companies has any interest in the promotion or formation of our Company.

b) Except as disclosed below, none of our Group Companies has any interest in any property acquired by our Company within the two years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it, or any interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery, etc:

   Our Company has acquired through a demerger, approximately 8.62 acres of land from Genext in Bengaluru for our Whitefield project. For details, see "***History and Certain Corporate Matters – Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, etc.***" on page 170. Our Company has also entered into a 'memorandum of understanding' that grants our Company an option to acquire leasehold rights for 0.98 acres of land from Mindspace for our proposed hotel in Airoli. Our Promoters, Ravi C. Raheja and Neel C. Raheja are shareholders and directors of Genext and Mindspace.

c) None of our Group Companies have any business or other interest in our Company, except to the extent of any Equity Shares held by the Group Companies and any benefits arising out of such shareholding or out of any related party transactions as mentioned in "***Restated Consolidated Summary Financial Information - Annexure VI - Related Party Transactions***".

d) None of the securities of our Group Companies are listed on any stock exchange or failed to list on any recognised stock exchange in India or abroad or incurred any penalty imposed by any recognised stock exchange in India or abroad.

e) None of our Group Companies have made any public or rights issue of securities in the preceding 10 years.

f) Except as set forth below, none of our Group Companies have an outstanding unsecured loan taken from our Company, which may be recalled by the lender at any time:

| Group Company | Outstanding unsecured loan taken from Company (₹) |
|---|---:|
| Immense Properties Private Limited | ₹ 0.10 million |
| Imperial Serviced Offices and Property Management Private Limited | ₹ 40.00 million |

g) Except as set forth below, our Company also does not have an outstanding unsecured loan taken from any of our Group Companies, which may be recalled by them at any time:

| Group Company | Outstanding unsecured loan taken from Group Company (₹) |
|---|---|
| Newfound Properties & Leasing Private Limited | ₹ 628.00 million |

h) Further, except as set forth in "***Summary Financial Information***" on page 240, our Company does not have any sales or purchase transactions with our Group Companies exceeding, in the aggregate, 10% of the total sales or purchases of our Company. For more information on business transactions with our Group Companies and their significance on our financial performance, see "***Summary Financial Information***" on page 240.

**Common pursuits of our Group Companies**

Our Company is primarily in the hospitality and related ancillary developments business. There are no common pursuits amongst our Group Companies and us in relation to the same.

There are certain Group Companies which are engaged in the development of real estate as set out below:

1. Cavalcade: Real Estate Development
2. Inorbit: Retail/Mall development, leasing and operational management
3. Intime: Commercial Real Estate Development
4. K Raheja Corporate: Real Estate Development
5. K Raheja IT Park: Commercial Real Estate Development
6. Mindspace: Commercial Real Estate Development
7. Newfound: Commercial Real Estate Development
8. Pact: Residential Development
9. Sundew Properties: Commercial Real Estate Development
10. Trion: Retail/Mall development, leasing and operational management

**Related Party Transactions**

Except as set forth in "***Restated Consolidated Summary Financial Information - Annexure VI - Related Party Transactions***" and "***Restated Standalone Summary Financial Information – Annexure VI - Related Party Transactions***" on page 498 and 275 respectively, no related party transactions have been entered into between our Group Companies and our Company, as on the date of the Restated Summary Financial Information included in this Draft Red Herring Prospectus.

**Confirmations**

No portion of the Fresh Issue proceeds is proposed to be paid to our Group Companies.

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have been declared as a wilful defaulter, as defined under the SEBI ICDR Regulations and there are no violations of securities laws committed by any of them in the past and no proceedings for violation of securities laws are pending against them.

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have been prohibited by the SEBI or any other regulatory or governmental authorities from accessing the capital markets for any reasons.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions during Fiscals 2018, 2017, 2016, 2015 and 2014, as per the requirements under Ind AS 24 "Related Party Disclosures", see "***Summary Financial Information – Annexure VI - Notes to restated standalone summary financial information.***" on page 275 and "***Summary Financial Information – Annexure VI - Notes to restated consolidated summary financial information.***" on page 490.

## DIVIDEND POLICY

The SEBI LODR Regulations requires listed companies to formulate a dividend distribution policy. Our Company has framed this policy to comply with the aforesaid requirements which has been approved by the Board. This policy shall be effective and applicable for dividend, if any, declared for Fiscal 2019 onwards. Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the AGM, out of the profits of our Company for the current year or out of profits of our Company for any previous financial years or out of both, as may be permitted by the Companies Act 2013. 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 our 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 Companies Act 2013 and rules framed thereunder. The Board may also declare interim dividends as may be permitted by the Companies Act 2013. Subject to the provisions of the applicable laws, our 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:

***Internal Factors***: Cash flow position of our 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 and past dividend pay-out ratio / trends.

***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.

***Circumstances under which the shareholders of the Company may or may not expect dividend***: The shareholders of our Company may not expect dividend in the following circumstances, subject to discretion of the Board: a) proposed expansion plans, renovations and up-gradations requiring higher capital allocation, b) decision to undertake any acquisitions, amalgamations, merger, joint ventures, new launches etc. which requires significant capital outflow, c) requirement of higher working capital for the purpose of business of the Company, d) debt obligations, e) proposal for buy-back of securities and f) in the event of loss or inadequacy of profit.

***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 our Company shall be based on the following factors: a) market expansion plans, b) organic and / or inorganic growth, c) diversification of business, d) long term strategic plans for growth, e) replacement of capital assets and f) such other criteria's as the Board may deem fit from time to time.

***Objective of the dividend policy***: The Board our Company has considered the above, and also taken into account the following objectives of the dividend distribution policy:

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

- The hospitality industry is a capital intensive industry and the hotels of our Company are owned by our 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 our 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.

- Our Company believes that driving growth creates maximum shareholder value. Thus, our 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 our Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend amounts, if any, in the future and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "***Risk Factors***" on page 17.

In addition, our ability to pay dividends may be impacted by restrictive covenants under the loan or financing arrangements which our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "***Financial Indebtedness***" on page 566.

Our Company has not paid any dividend on the Equity Shares or Preference Shares issued by our Company in the last five financial years.

## SECTION V – FINANCIAL INFORMATION

### SUMMARY FINANCIAL INFORMATION



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**Private and confidential**

The Board of Directors
**Chalet Hotels Limited**
(*formerly known as Chalet Hotels Private Limited*)
Raheja Tower, Plot No. C-30, Block 'G'
Next to Bank of Baroda, Bandra Kurla Complex
Bandra East
MUMBAI 400 051

Dear Sirs,

1) We have examined, as appropriate (refer paragraph 5 below), the attached Restated Standalone Summary Financial Information of Chalet Hotels Limited *(formerly known as Chalet Hotels Private Limited)* (the "Company"), which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Standalone Summary Statement of Changes in Equity and the Restated Standalone Summary Statement of Cash Flows for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the summary of significant accounting policies, read together with the annexures and notes thereto and other restated financial information explained in paragraph 7 below (collectively, the 'Restated Standalone Summary Financial Information"), for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed initial public offer of Equity shares by way of fresh issue and an offer for sale by the existing shareholders ('the proposed issue'). The Restated Standalone Summary Financial Information has been approved by the Board of Directors of the Company prepared in terms of the requirements of:

    (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

    (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of the Securities and Exchange Board of India Act, 1992 ("SEBI ICDR Regulations"); and

    (c) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").

2) The preparation of the Restated Standalone Summary Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 11 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Summary Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

3) We have examined such Restated Standalone Summary Financial Information after taking into consideration:

    (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 15 May 2018 in connection with the proposed issue of equity shares of the Company; and

(b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI') ("The Guidance Note").

4) This Restated Standalone Summary Financial Information has been compiled by the management as follows:

(a) As at and for the year ended 31 March 2018: From the audited standalone Ind AS financial statements of the Company as at and for the year ended 31 March 2018, prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their Board meeting held on 12 June 2018;

(b) As at and for the year ended 31 March 2017: From the comparative period (i.e. as at and for the year ended 31 March 2017) for the audited standalone Ind AS financial statements as at and for the year ended 31 March 2018 prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their Board meeting held on 12 June 2018. The comparative period as at and for the year ended 31 March 2017 has been restated based on the audited standalone financial statements of the Company for the year ended 31 March 2017 prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the other relevant provisions of the Act, which had been approved by the Board of Directors at their Board meeting held on 27 July 2017. These audited standalone financial statements of the Company as at and for the year ended 31 March 2017 have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements of the Company for the year ended 31 March 2018 and form the comparative period of the said first Ind AS financial statements of the Company; and

(c) As at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014: From the audited standalone financial statements of the Company as at and for the years ended 31 March 2016 and 31 March 2015, prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the other relevant provisions of the Act, which had been approved by the Board of Directors at their Board meetings held on 3 August 2016 and 14 July 2015 respectively. From the audited standalone financials statements of the Company as at and for the year ended 31 March 2014, prepared in accordance with the Accounting standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006 and which have been approved by the Board of Directors at their Board meeting held on 5 September 2014. These audited standalone financial statements of the Company as at and for each of the years ended 31 March 2016, 31 March 2015 and 31 March 2014 have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements of the Company for the year ended 31 March 2018. These Restated Standalone Summary Financial Information as at and for each of the years ended 31 March 2016, 31 March 2015 and 31 March 2014 is referred to as "the Proforma Restated Standalone Summary Financial Information".

5) The audit of the Company's standalone financial statements as at and for the year ended 31 March 2017 was conducted by the previous auditors, Deloitte Haskins & Sells LLP, and accordingly reliance has been placed on the audited standalone financial statements of the Company as at and for the year ended 31 March 2017.

   The audit of the Company's standalone financial statements as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 was conducted by the previous auditors, Deloitte Haskins & Sells LLP, and accordingly reliance has been placed on the Restated Standalone Summary Financial Information examined by them as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014. The examination report included for these years ended 31 March 2016, 31 March 2015 and 31 March 2014 is based solely on the report dated 12 June 2018 submitted by Deloitte Haskins & Sells LLP.

   Deloitte Haskins & Sells LLP have also confirmed that the restated standalone financial information as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014:

   (a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

   (b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

   (c) do not contain any extra-ordinary items that need to be disclosed separately, other than those presented in the Restated Standalone Summary Financial Information and do not contain any qualifications requiring adjustments.

6) Based on our examination and in accordance with the requirements of the Act, the SEBI ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, read together with paragraph 4 above and for reliance placed on the reports of the previous auditors as referred to in paragraph 5 above, we report that:

   (a) The Restated Standalone Summary Statement of Assets and Liabilities of the Company, as at 31 March 2016, 31 March 2015 and 31 March 2014 examined and reported upon by the previous auditors, Deloitte Haskins & Sells LLP, on which reliance has been placed by us, and as at 31 March 2018 and 31 March 2017 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in the Statement of Adjustments to Audited Financial Statements appearing in Annexure VII of the Restated Standalone Summary Financial Information.

   (b) The Restated Standalone Summary Statement of Profit and Loss of the Company, for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 examined and reported upon by the previous auditors, Deloitte Haskins & Sells LLP, on which reliance has been placed by us, and for the years ended 31 March 2018 and 31 March 2017 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Financial Statements appearing in Annexure VII of the Restated Standalone Summary Financial Information.

(c) The Restated Standalone Summary Statement of Changes in Equity of the Company, for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 examined and reported upon by the previous auditors, Deloitte Haskins & Sells LLP, on which reliance has been placed by us, and for the years ended 31 March 2018 and 31 March 2017 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Financial Statements appearing in Annexure VII of the Restated Standalone Summary Financial Information.

(d) The Restated Standalone Summary Statement of Cash Flows of the Company, for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 examined and reported upon by the previous auditors, Deloitte Haskins & Sells LLP, on which reliance has been placed by us, and for the years ended 31 March 2018 and 31 March 2017 examined by us, as set out in Annexure IV to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to Audited Financial Statements appearing in Annexure VII of the Restated Standalone Summary Financial Information.

(e) Based on the above and according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors Deloitte Haskins & Sells LLP for the respective years, we further report that the Restated Standalone Summary Financial Information:

i. have been made after incorporating adjustments for change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

iii. do not contain any exceptional items that need to be disclosed separately other than those presented in the Restated Standalone Summary Financial Information in the respective financial years and do not contain any qualifications requiring adjustments; and

iv. do not have any qualifications and other remarks / comments in the Companies (Auditor's Report) Order, 2003 issued by Central Government of India under sub-section (4A) of Section 227 of Companies Act 1956 / Companies (Auditor's Report) Order, 2015 / Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act (together referred to as 'CARO') which require any corrective adjustment in the Restated Standalone Summary Financial Information.

7) We have also examined the following Restated Standalone Summary Financial Information of the Company as set out in the Annexures prepared by the management of the Company and approved by the Board of Directors, on 12 June 2018 for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 (in respect of the years ended 31 March 2016, 31 March 2015 and 31 March 2014, this information has been included based upon the examination reports submitted by the previous auditors, Deloitte Haskins & Sells LLP, and relied upon by us):

(i) Basis of preparation and significant accounting policies as enclosed in Annexure V;

(ii) Notes to the Restated Standalone Summary Financial Information as enclosed in Annexure VI;

(iii) Statement of Adjustments to Audited Financial Statements as enclosed in Annexure VII;

(iv) Restated Standalone Summary Statement of Other Income, as enclosed in Annexure VIII;

(v) Restated Standalone Summary Statement of Accounting ratios, as enclosed in Annexure IX;

(vi) Restated Standalone Summary Statement of Capitalisation, as enclosed in Annexure X;

(vii) Restated Standalone Summary Statement of Tax Shelter, as enclosed in Annexure XI; and

(viii) Restated Standalone Summary Statement of Dividend, as enclosed in Annexure XII.

***8) Emphasis of Matter***

We draw attention to the following matters in the Notes to the Restated Standalone Summary Financial Information:

**As at and for the year ended 31 March 2018:**

A. Note 42 (b) in respect of the Scheme of Arrangement (‘the Scheme’) between Genext Hardware & Parks Private Limited (‘Genext’) and the Company for demerger of the Hotel undertaking and Retail undertaking (‘demerged undertaking’) of Genext which has been approved by the National Company Law Tribunal (‘NCLT’) at Mumbai and Bengaluru and other regulatory authorities on 11 September 2017, with effect from the Appointed date specified in the Scheme i.e. 1 November 2016. The Scheme has been accounted in the manner prescribed by the NCLT order i.e. the book values of the assets, liabilities and reserves of the demerged undertaking of Genext as of 1 November 2016 have been recorded by the Company and the identity of the reserves have been maintained. The excess of the book value of the net assets and reserves of the demerged undertaking of Genext acquired over the face value of the shares issued by the Company amounting to Rs 189.53 million has been debited to Goodwill in accordance with the Scheme. This accounting treatment is different from that prescribed under Ind AS 103 on Business Combination.

**As at and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016:**

B. Note 43 (c) in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited (‘CIDCO’) to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the Restated Standalone Summary Financial Information as at and for the year ended 31 March 2018 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to Rs 506 million, Rs 535 million and Rs 574 million as at 31 March 2018, 31 March 2017 and 31 March 2016 respectively.

**8) *Emphasis of Matter (Continued)***

**As at and for the years ended 31 March 2017 and 31 March 2016:**

C. Note 37 regarding suspension of construction activity and sale of flats at the Company's Bengaluru Residential Project. At 31 March 2017 and 31 March 2016 amounts related to the project carried under inventories was Rs 2,659.87 million and Rs 2,533.02 million and under trade receivables was Rs 9.12 million and Rs 6.77 million respectively. No provision against these amount was considered necessary by the Company at that stage.

**As at and for the year ended 31 March 2014:**

D. Note 37, wherein pursuant to an interim order passed by the High Court of Karnataka following an objection raised by Hindustan Aeronautical Limited, during the year the Company had to stop construction activity at the Bengaluru project and sale of further flats for all wings, above 40 meters.

Pending the outcome of proceedings and a final closure of the matter, the Company had not recognized profits during the year on flats sold above 40 meters and had derecognized profits on sales of previous years that had been cancelled during the year. The Company had also recompensed flat owners, in accordance with a litigation plan framed by the Company for customers, with payments on account of the delay in completion of the project as a result of the above matter. Additionally provision for estimated loss on account of cancellation in the subsequent year had been made in the accounts.

Our report is not qualified in respect of these matters.

9) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11) Our report is intended solely for use of the management and for inclusion in the offer document to be filed with Securities and Exchange Board of India, and stock exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed issue of Equity Shares of the Company by way of fresh issue and an offer for sale by the existing shareholders. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**
*Partner*
Membership No: 105149
Mumbai
12 June 2018

## Annexure I-Restated Standalone Summary Statement of Assets and Liabilities

(Rs. in million)

| | Notes to Annexure VI | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | *2* | **21,210.47** | 21,803.82 | 19,411.89 | 19,478.98 | 11,228.25 |
| Capital work-in-progress | *3* | **219.15** | 223.59 | 316.11 | 487.62 | 5,720.16 |
| Investment property | *4* | **6,736.65** | 6,424.19 | 4,525.03 | 3,502.95 | 1,596.36 |
| Goodwill | *5* | **226.11** | 226.11 | 36.58 | 36.58 | 36.58 |
| Other intangible assets | *6* | **18.53** | 29.78 | 37.92 | 40.94 | 6.25 |
| Financial assets | | | | | | |
| (i) Investment in subsidiaries | *7* | **-** | 0.10 | 0.10 | 0.29 | 0.29 |
| (ii) Other Investments | *8* | **43.17** | 3.08 | 474.24 | 128.41 | 115.41 |
| (iii) Loans | *9* | **110.65** | 105.48 | 117.17 | 110.81 | 71.53 |
| (iv) Others | *10* | **50.00** | 14.02 | - | - | - |
| Deferred tax assets (net) | *24* | **947.77** | 977.23 | 829.61 | 444.08 | 402.72 |
| Other non-current assets | *11* | **71.96** | 91.99 | 96.66 | 234.80 | 276.79 |
| Non-current tax assets (net) | | **461.79** | 337.80 | 212.42 | 163.31 | 79.29 |
| **Total non current assets** | | **30,096.25** | **30,237.19** | **26,057.73** | **24,628.77** | **19,533.63** |
| **Current assets** | | | | | | |
| Inventories | *12* | **3,115.80** | 3,190.85 | 3,257.56 | 3,250.11 | 2,980.96 |
| Financial assets | | | | | | |
| (i) Trade receivables | *13* | **551.70** | 296.21 | 181.38 | 100.82 | 156.98 |
| (ii) Cash and cash equivalents | *14a* | **294.27** | 224.26 | 210.02 | 174.19 | 926.46 |
| (iii) Bank balances other than above | *14b* | **21.50** | 103.44 | 131.82 | 138.73 | 96.64 |
| (iv) Loans | *15* | **2,364.90** | 1,793.47 | 1,378.12 | 1,074.74 | 1,923.47 |
| (v) Others | *16* | **402.56** | 173.49 | 145.55 | 130.89 | 300.95 |
| Other current assets | *17* | **322.73** | 311.32 | 269.25 | 235.81 | 195.65 |
| **Total current assets** | | **7,073.46** | **6,093.04** | **5,573.70** | **5,105.29** | **6,581.11** |
| **Assets classified as held for sale** | *18* | **-** | - | 2,870.27 | 3,763.93 | 4,346.15 |
| **TOTAL ASSETS** | | **37,169.71** | **36,330.23** | **34,501.70** | **33,497.99** | **30,460.89** |
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity** | | | | | | |
| Equity share capital | *19* | **1,710.95** | 1,521.42 | 1,521.42 | 1,521.42 | 1,521.42 |
| Other equity | *20* | **3,512.05** | 3,496.82 | 3,970.17 | 5,125.99 | 5,310.14 |
| **Total equity** | | **5,223.00** | **5,018.24** | **5,491.59** | **6,647.41** | **6,831.56** |
| **Non current liabilities** | | | | | | |
| Financial liabilities | | | | | | |
| (i) Borrowings | *21* | **22,151.53** | 20,505.76 | 19,022.83 | 15,386.92 | 14,205.70 |
| (ii) Others | *22* | **151.77** | 32.46 | 53.03 | 26.62 | 20.20 |
| Provisions | *23* | **38.11** | 57.62 | 55.74 | 51.19 | 36.80 |
| Deferred tax liabilities (net) | *24* | **636.01** | 703.09 | 1,082.56 | 1,205.54 | 1,022.13 |
| Other non-current liabilities | *25* | **28.08** | 21.15 | - | - | - |
| **Total non current liabilities** | | **23,005.50** | **21,320.08** | **20,214.16** | **16,670.27** | **15,284.83** |
| **Current liabilities** | | | | | | |
| Financial liabilities | | | | | | |
| (i) Borrowings | *26* | **1,377.77** | 3,005.67 | 2,388.29 | 1,731.42 | 1,337.05 |
| (ii) Trade payables | *27* | **859.00** | 846.70 | 651.89 | 596.63 | 589.31 |
| (iii) Other financial liabilities | *28* | **3,761.57** | 3,124.62 | 2,318.74 | 4,304.31 | 2,389.06 |
| Other current liabilities | *29* | **1,984.25** | 1,866.39 | 2,217.74 | 2,376.78 | 2,838.22 |
| Provisions | *30* | **958.62** | 1,148.53 | 1,219.29 | 1,171.17 | 1,190.86 |
| **Total current liabilities** | | **8,941.21** | **9,991.91** | **8,795.95** | **10,180.31** | **8,344.50** |
| **TOTAL EQUITY AND LIABILITIES** | | **37,169.71** | **36,330.23** | **34,501.70** | **33,497.99** | **30,460.89** |

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

As per our examination 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. U55101MH1986PLC038538)

**Aniruddha Godbole**
*Partner*
Membership No: 105149

**Sanjay Sethi**
*Managing Director & CEO*
*(DIN 00641243)*

**Rajeev Newar**
*Executive Director & CFO*
*(DIN 00468125)*

**Christabelle Baptisa**
*Company Secretary*
Membership No: A17817

Mumbai
June 12, 2018

Mumbai
June 12, 2018

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure II: Restated Standalone Summary Statement of Profit and Loss

**(Rs. in million)**

| | Notes to Annexure VI | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| Revenue from operations | 31 | **8,938.16** | 7,373.53 | 5,824.57 | 4,414.53 | 5,011.31 |
| Other income | 32 | **247.11** | 1,871.75 | 140.22 | 269.15 | 334.46 |
| **Total Income (A)** | | **9,185.27** | **9,245.28** | **5,964.79** | **4,683.68** | **5,345.77** |
| **Expenses** | | | | | | |
| Real estate development costs | 33(a) | **194.80** | 207.99 | 251.53 | 349.97 | 1,088.33 |
| Food and beverages consumed | 33(b) | **822.20** | 667.35 | 604.45 | 426.81 | 409.02 |
| Operating supplies consumed | 33(c) | **256.17** | 218.40 | 189.98 | 306.04 | 122.04 |
| Employee benefits expense | 34 | **1,295.59** | 1,188.25 | 1,067.19 | 861.80 | 679.74 |
| Other expenses | 36 | **3,208.91** | 2,653.89 | 2,300.33 | 1,749.98 | 1,712.69 |
| **Total Expenses (B)** | | **5,777.67** | **4,935.88** | **4,413.48** | **3,694.60** | **4,011.82** |
| **Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items (C) (A - B)** | | **3,407.60** | **4,309.40** | **1,551.31** | **989.08** | **1,333.95** |
| Depreciation and amortisation expenses | 2,4,6 | **1,116.33** | 1,269.80 | 988.12 | 617.72 | 595.95 |
| Finance Costs | 35 | **2,092.60** | 2,153.61 | 2,157.26 | 1,596.55 | 1,368.20 |
| **Profit/(Loss) before exceptional items and tax (D)** | | **198.67** | **885.99** | **(1,594.07)** | **(1,225.19)** | **(630.20)** |
| **Exceptional items (E)** | 37 | **(54.08)** | (67.81) | (72.20) | (82.59) | (770.59) |
| **Profit/(Loss) before tax (F) (D+E)** | | **144.59** | **818.18** | **(1,666.27)** | **(1,307.78)** | **(1,400.79)** |
| **Tax expense (G):** | | | | | | |
| 1. Current tax | 24 | - | - | - | - | 65.00 |
| 2. Deferred tax credit | 24 | **(59.82)** | (483.22) | (535.16) | (144.27) | (385.64) |
| **Profit/(Loss) for the year (H) (F-G)** | | **204.41** | **1,301.40** | **(1,131.11)** | **(1,163.51)** | **(1,080.15)** |
| **Other comprehensive income/(expense) for the year, net of tax** | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | |
| Remeasurements of the defined benefit plans | | **22.54** | 0.20 | 1.93 | (3.98) | (4.73) |
| Income tax on above | | **(7.88)** | (0.07) | (0.67) | 1.38 | 1.61 |
| **Other comprehensive income/(expense) for the year, net of tax** | | **14.66** | 0.13 | 1.26 | (2.60) | (3.12) |
| **Total comprehensive income/(expense) for the year** | | **219.07** | **1,301.53** | **(1,129.85)** | **(1,166.11)** | **(1,083.27)** |
| **Earnings per equity share** | | | | | | |
| Basic and diluted earnings per share | 38 | **1.19** | **8.14** | **(7.43)** | **(7.65)** | **(7.10)** |

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

As per our examination 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. U55101MH1986PLC038538)

**Aniruddha Godbole**
*Partner*
Membership No: 105149

**Sanjay Sethi**
*Managing Director & CEO*
*(DIN 00641243)*

**Rajeev Newar**
*Executive Director & CFO*
*(DIN 00468125)*

**Christabelle Baptisa**
*Company Secretary*
Membership No: A17817

Mumbai
June 12, 2018

Mumbai
June 12, 2018

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure III: Restated Standalone Summary Statement of Changes in Equity

**(a) Equity share capital** **(Rs. in million)**

| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Balance at the beginning of the reporting period | **1,521.42** | 1,521.42 | 1,521.42 | 1,521.42 | 1,521.42 |
| Changes in equity share capital during the year | **189.53** | - | - | - | - |
| **Balance at the end of the reporting period** | **1,710.95** | **1,521.42** | **1,521.42** | **1,521.42** | **1,521.42** |

**(Rs. in million)**

**(b) Other equity**

| | Attributable to the owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | **Shares pending allotment** | **Capital Reserve** | **Securities Premium** | **General reserve** | **Retained earnings *** | **Total** |
| **Balance at March 31, 2017** | **189.53** | **0.05** | **1,418.13** | **35.78** | **1,853.33** | **3,496.82** |
| **Total comprehensive income for the year** | | | | | | |
| Profit for the year | - | - | - | - | 204.41 | **204.41** |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | 14.66 | **14.66** |
| **Total comprehensive income for the year** | - | - | - | - | **219.07** | **219.07** |
| ***Others*** | | | | | | |
| Shares issued during the year | (189.53) | - | - | - | - | (189.53) |
| Impact of change in tax rate on fair valuation of land | - | - | - | - | (14.32) | (14.32) |
| **Balance at March 31, 2018** | - | **0.05** | **1,418.13** | **35.78** | **2,058.08** | **3,512.04** |
| | | | | | | |
| **Balance at March 31, 2016** | - | **0.05** | **992.60** | - | **2,977.52** | **3,970.17** |
| **Total comprehensive income for the year** | | | | | | |
| Profit for the year | - | - | - | - | 1,301.40 | **1,301.40** |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | 0.13 | **0.13** |
| **Total comprehensive income for the year** | - | - | - | - | **1,301.53** | **1,301.53** |
| ***Others*** | | | | | | |
| Acquired in business combination (refer note 42) | - | - | 425.53 | 35.78 | (2,425.72) | (1,964.41) |
| Share pending allotment | 189.53 | - | - | - | - | 189.53 |
| **Balance at March 31, 2017** | **189.53** | **0.05** | **1,418.13** | **35.78** | **1,853.33** | **3,496.82** |
| | | | | | | |
| **Balance at March 31, 2015 - Proforma** | - | **0.05** | **992.60** | - | **4,133.34** | **5,125.99** |
| **Total comprehensive income for the year** | | | | | | |
| (Loss) for the year | - | - | - | - | (1,131.11) | **(1,131.11)** |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | 1.26 | **1.26** |
| **Total comprehensive income for the year** | - | - | - | - | **(1,129.85)** | **(1,129.85)** |
| ***Others*** | | | | | | |
| Impact of change in tax rate on fair valuation of land | - | - | - | - | (25.97) | **(25.97)** |
| **Balance at March 31, 2016 - Proforma** | - | **0.05** | **992.60** | - | **2,977.52** | **3,970.17** |
| | | | | | | |
| **Balance at March 31, 2014 - Proforma** | - | **0.05** | **992.60** | - | **4,317.49** | **5,310.14** |
| **Total comprehensive income for the year** | | | | | | |
| (Loss) for the year | - | - | - | - | (1,163.51) | **(1,163.51)** |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | (2.60) | **(2.60)** |
| **Total comprehensive income for the year** | - | - | - | - | **(1,166.11)** | **(1,166.11)** |
| ***Others*** | | | | | | |
| Fair valuation of land (net of tax) | - | - | - | - | 981.96 | **981.96** |
| **Balance at March 31, 2015 - Proforma** | - | **0.05** | **992.60** | - | **4,133.34** | **5,125.99** |
| | | | | | | |
| **Balance at April 1, 2013 - Proforma** | - | **0.05** | **992.60** | - | **5,225.35** | **6,218.00** |
| **Total comprehensive income for the year** | | | | | | |
| (Loss) for the year | - | - | - | - | (1,080.15) | **(1,080.15)** |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | (3.12) | **(3.12)** |
| **Total comprehensive income for the year** | - | - | - | - | **(1,083.27)** | **(1,083.27)** |
| ***Others*** | | | | | | |
| Fair valuation of land (net of tax) | - | - | - | - | 134.23 | **134.23** |
| Impact of change in tax rate on fair valuation of land | | | | | 50.41 | **50.41** |
| Add: Amalgamation impact of magna | - | - | - | - | (9.23) | **(9.23)** |
| **Balance at March 31, 2014 - Proforma** | - | **0.05** | **992.60** | - | **4,317.49** | **5,310.14** |

* Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact): Rs. 3,710.05 million (March 31 2017: Rs. 3,724.37 million, March 31 2016: Rs. 3,724.37 million, March 31 2015: Rs. 3,750.36 million and March 31 2014: Rs. 2,868.51 million)

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

As per our examination 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. U55101MH1986PLC038538)

**Aniruddha Godbole**
*Partner*
Membership No: 105149

**Sanjay Sethi**
*Managing Director & CEO*
*(DIN 00641243)*

**Rajeev Newar**
*Executive Director & CFO*
*(DIN 00468125)*

**Christabelle Baptisa**
*Company Secretary*
Membership No: A17817

Mumbai
June 12, 2018

Mumbai
June 12, 2018

## Annexure IV: Restated Standalone Summary Statement of Cash Flows

(Rs. in million)

| | | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES :** | | | | | |
| | **Profit/(loss) before Tax** | **144.59** | **818.18** | **(1,666.27)** | **(1,307.78)** | **(1,400.79)** |
| | Adjustments for : | | | | | |
| | Interest income | **(197.63)** | (245.99) | (87.86) | (247.50) | (314.50) |
| | Depreciation and amortisation | **1,116.33** | 1,269.80 | 988.12 | 617.72 | 595.95 |
| | Finance costs | **2,092.60** | 2,153.61 | 2,157.26 | 1,596.55 | 1,368.20 |
| | Provision for estimated / actual cancellations and cost of alteration | **54.08** | 67.81 | 72.20 | 82.59 | 770.59 |
| | Profit on sale of fixed assets (net) | **(1.23)** | (3.85) | (0.03) | (1.80) | (12.02) |
| | Profit on sale of investments | **(4.63)** | (1,301.24) | - | - | - |
| | Dividend received | **(0.00)** | - | (7.90) | (1.32) | - |
| | Provision for doubtful debts | **7.85** | 1.38 | 1.55 | - | 3.23 |
| | Fixed assets written off | **-** | 29.96 | 0.52 | 1.12 | - |
| | Bad debts written off (net) | **0.52** | 0.48 | 0.86 | 0.28 | - |
| | Export benefits and entitlements | **(10.00)** | (314.74) | (95.14) | (8.90) | (256.05) |
| | Provision for impairment on export benefits and entitlements | **-** | 0.96 | - | - | - |
| | Loss on sale of investment | **-** | - | 5.78 | 6.19 | 4.60 |
| | Provision for mark to market on derivative contract | **(72.39)** | (11.31) | 46.66 | 60.49 | - |
| | Unrealised exchange (gain) / loss | **16.33** | (129.59) | 1.63 | 6.01 | 84.92 |
| | Fair value change on instruments measured at FVTPL | **-** | - | 9.60 | - | - |
| | Others | **13.15** | (4.31) | (12.29) | (5.82) | 23.94 |
| | **Total** | **3,014.98** | **1,512.97** | **3,080.96** | **2,105.61** | **2,268.86** |
| | **Adjustments:** | | | | | |
| | (Increase) / decrease in trade receivables and loans and advances | **(490.57)** | (75.91) | (178.13) | 32.62 | (38.98) |
| | Decrease / (increase) in inventories : hospitality | **13.49** | 7.45 | (15.99) | (2.40) | (20.11) |
| | Decrease in inventories : property developments | **61.56** | 211.39 | 106.73 | 231.68 | 358.39 |
| | Increase / (decrease) in liabilities and provisions | **261.28** | (23.81) | 227.00 | (177.72) | 123.73 |
| | Decrease in advances received from customers : towards sale of residential flats | **(374.48)** | (353.99) | (320.84) | (1,032.78) | (331.35) |
| | **Total** | **(528.72)** | **(234.87)** | **(181.23)** | **(948.60)** | **91.68** |
| | Direct taxes paid (net) | **(123.99)** | (67.11) | (49.11) | (84.73) | (26.82) |
| | **NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)** | **2,506.86** | **2,029.17** | **1,184.35** | **(235.50)** | **932.93** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES :** | | | | | |
| | Purchase of fixed assets (including capital work in progress, capital creditors and capital advances) | **(420.70)** | (1,144.73) | (1,880.99) | (3,412.48) | (2,705.14) |
| | Proceeds from sale of fixed assets | **17.97** | 6.91 | 19.23 | 6.70 | 12.85 |
| | Purchase of investments | **(477.39)** | (89.72) | (4.36) | (4.14) | (5,011.35) |
| | Proceeds from sale of investments | **4.63** | 4,675.40 | 543.37 | 582.22 | 433.34 |
| | Dividend received | **0.00** | - | 7.90 | 1.32 | - |
| | Loans given | **(7,170.20)** | (8,373.10) | (2,633.60) | (2,534.36) | (3,194.16) |
| | Loans repaid | **6,602.03** | 7,997.36 | 2,250.20 | 3,468.95 | 6,099.81 |
| | Inter corporate deposit placed repaid / ( placed) | **-** | - | - | - | 500.00 |
| | Interest income received | **197.63** | 141.70 | 236.51 | 237.05 | 852.69 |
| | Fixed deposits (placed) / matured | **(35.98)** | 6.61 | - | - | - |
| | Margin money received / (placed) (net) | **81.94** | 76.49 | 5.90 | (42.09) | (19.48) |
| | **NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES (B)** | **(1,200.06)** | **3,296.92** | **(1,455.83)** | **(1,696.83)** | **(3,031.44)** |

## Annexure IV: Restated Standalone Summary Statement of Cash Flows

(Rs. in million)

| | | | | | | |
|---|---|---|---|---|---|---|
| C. | **CASH FLOW FROM FINANCING ACTIVITIES :** | | | | | |
| | Proceeds from long-term borrowings | **5,200.00** | 2,557.66 | 9,100.00 | 4,722.24 | 4,194.53 |
| | Repayment of long-term borrowings | **(2,725.19)** | (4,410.32) | (7,276.30) | (2,183.91) | (1,634.01) |
| | Short term borrowings (net) | **(1,960.05)** | (609.44) | 120.99 | 466.15 | 1.84 |
| | Interest and finance charges paid | **(2,076.27)** | (2,235.37) | (2,073.91) | (1,604.86) | (1,428.06) |
| | **NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)** | **(1,561.52)** | **(4,697.47)** | **(129.22)** | **1,399.62** | **1,134.30** |
| | **NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + ( C)** | **(254.72)** | **628.62** | **(400.70)** | **(532.71)** | **(964.21)** |
| | **CASH AND CASH EQUIVALENTS - OPENING BALANCE** | **115.78** | **(553.22)** | **(152.52)** | **380.19** | **1,344.40** |
| | **On account of merger (refer note 42)** | - | 40.37 | - | - | - |
| | **CASH AND CASH EQUIVALENTS - CLOSING BALANCE** | **(138.94)** | **115.78** | **(553.22)** | **(152.52)** | **380.19** |

**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.

| | | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| 2 | Reconciliation of cash and cash equivalent with the balance sheet | | | | | |
| | Cash and cash equivalents (refer note 14a) | **294.27** | 224.26 | 210.02 | 174.19 | 926.46 |
| | Less: Cash credit / over draft accounts from banks (refer note 26) | **433.19** | 108.48 | 763.24 | 326.71 | 546.27 |
| | Cash and cash equivalent as per restated summary statement of cash flows above | **(138.92)** | 115.78 | (553.22) | (152.52) | 380.19 |

3 The movement of borrowings as per Ind AS 7 is as follows:

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Opening borrowings | **23,111.28** | 20,923.22 | 18,907.69 | 16,177.88 | 13,323.64 |
| Proceeds from long-term borrowings | **5,200.00** | 2,557.66 | 9,100.00 | 4,722.24 | 4,194.53 |
| Repayment of long-term borrowings | **(2,725.19)** | (4,410.32) | (7,276.30) | (2,183.91) | (1,634.01) |
| Non-cash adjustments | **32.84** | (24.21) | 191.83 | 191.48 | 373.72 |
| Adjustment on account of mergers (refer note 42) | - | 4,064.93 | - | - | (80.00) |
| | **25,618.93** | **23,111.28** | **20,923.22** | **18,907.69** | **16,177.88** |

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

**For and on behalf of the Board of Directors of**
**Chalet Hotels Limited**
**(formerly known as Chalet Hotels Private Limited)**
(CIN No. U55101MH1986PLC038538)

**For B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**
*Partner*
Membership No: 105149

**Sanjay Sethi**
*Managing Director & CEO*
*(Din No.00641243)*

**Rajeev Newar**
*Executive Director & CFO*
*(DIN 00468125)*

**Christabelle Baptisa**
*Company Secretary*
*Membership No: A17817*

Mumbai
June 12, 2018

Mumbai
June 12, 2018

## Annexure V: Basis of preparation and Significant Accounting Policies

### 1. Reporting entity

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

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

### 2. Basis of preparation and presentation

The Restated Standalone Summary Statement of Assets and Liabilities of Chalet Hotels Limited as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, the Restated Standalone Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Standalone Summary Statement of Changes in Equity and the Restated Standalone Summary Statement of Cash Flows for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and Restated Other Standalone Financial Information (together referred as 'Restated Standalone Summary Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable. The Restated Standalone Summary Financial Information have been compiled by the Company from:

1 The Audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 ('Audited Standalone Financial Statements') prepared under previous generally accepted accounting principles followed in India ('Previous GAAP' or 'Indian GAAP').

  The Restated Standalone Financial Information for these years along with respective underlying schedules and notes are "Proforma Restated Standalone Ind AS Financial Information", and in accordance with the requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and the Guidance note on Reports in Company Prospectuses (revised 2016) ("Guidance Note"), issued by Institute of Chartered Accountants of India ('the ICAI'); and

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 2. Basis of preparation and presentation (continued)

The Audited Financial Statements of the Company as at and for the years ended March 31, 2018, and March 31, 2017 prepared under Ind AS (as at and for the year ended March 31, 2017, it is in accordance with Ind AS being comparative period for year ended March 31, 2018).

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of Restated Standalone Summary Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP” or “Indian GAAP”) to Ind AS for Restated Standalone Shareholders’ equity as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and April 1, 2013 and of the Restated Standalone Summary Statement of profit and loss for the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (Refer Note 54 to Annexure VI).

The Restated Standalone Summary Financial Information has been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an offer for sale, to be filed by the Company with the Securities and Exchange Board of India, Registrar of Companies, Mumbai and the concerned Stock Exchange in accordance with the requirements of:

a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Act;

b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the “SEBI regulations”); and

c) Guidance Note on reports in Company Prospectuses (revised 2016) issued by the Institute of Chartered Accountants of India.

These Restated Standalone Summary Financial Information have been compiled by the Company from the Audited Standalone Financial Statements and:

- there were no changes in accounting policies under Previous GAAP during the years of these financial statements,
- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited standalone financial statements of the Company as at and for the year ended March 31, 2018 prepared under Ind AS and the requirements of the SEBI Regulations, and the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

### A. Basis of measurement

The Restated Standalone Summary Financial Information 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);

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 2. Basis of preparation and presentation (continued)

### A. Basis of measurement (continued)

- assets held for sale – measured at lower of cost or fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value less present value of defined benefit obligation; and
- land at fair value on transition date

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

### B. Functional and presentation currency

The Restated Standalone Summary Financial Information 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.

### C. Use of estimates and judgements

While preparing the Restated Standalone Summary Financial Information 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 restated standalone summary statement of assets and liabilities date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

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

Judgement, estimates and assumptions are required in particular for:

- **Evaluation of percentage completion for the purpose of revenue recognition**
  Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the restated standalone summary financial information for the period in which such changes are determined.

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

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 2. Basis of preparation and presentation (continued)

### C. Use of estimates and judgements (continued)

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

- **Recognition of deferred tax assets**
  Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

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

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

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

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

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 2. Basis of preparation and presentation (continued)

### C. Use of estimates and judgements (continued)

- **Fair value of financial instruments**

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

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

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

### D. Measurement of fair values

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

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

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

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

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

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

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

**Annexure V: Basis of preparation and Significant Accounting Policies (continued)**

## 2. Basis of preparation and presentation (continued)

### D. Measurement of fair values (continued)

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

## 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.

## 4. Standards issued but not yet effective

Ind AS 115 - Revenue from Contracts with Customer (the new revenue recognition standard) has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and will be effective from April 01, 2018. Hence, from April 1, 2018, revenue recognition of the Company shall be driven by this standard. IND AS 115 provides guidance on how the entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the

## 4. Standards issued but not yet effective (continued)

consideration to which the entity expects to be entitled in exchange for those goods or services. This accounting change will bring about significant changes in the way companies recognise, present and disclose their revenue. The Company is currently evaluating the effect of this standard.

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

## 5. Significant accounting policies

### A. Business combination

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

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

Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognised in the restated standalone summary 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 the customers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 5. Significant accounting policies (continued)

### B. Revenue (continued)

#### *i. Real estate development and sale (continued)*

Revenue from real estate development activity where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, is recognised on the 'Percentage of Completion Method'. Revenue is recognised in relation to the sold areas, on the basis of percentage of actual cost incurred, including land, development and construction costs as against the total estimated cost of project. The Company recognizes revenue in accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the institute of Chartered Accountants of India.

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

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

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

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

Further, in accordance with the said Guidance Note, revenues will be recognised from these real estate projects only when:
- All critical approvals necessary for commencement of the project have been obtained;
- the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost);
- when at least 10% of the sales consideration is realised; and
- Where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

#### *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.

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 5. Significant accounting policies (continued)

### B. Revenue (continued)

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.

***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 restated 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 restated standalone summary statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the restated standalone summary 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.

**Annexure V: Basis of preparation and Significant Accounting Policies (continued)**

## 5. Significant accounting policies (continued)

### C. Foreign currency

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 Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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

***ii. Post-employment benefits***

*Defined contribution plans*

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

*Defined benefit plans*

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

- Gratuity Fund

  The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus the Companies 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 Restated Standalone Summary Statement of changes in equity and in the Restated Standalone Summary Statement of Assets and Liabilities.

**Annexure V: Basis of preparation and Significant Accounting Policies (continued)**

## 5. Significant accounting policies (continued)

### D. Employee benefits (continued)

***iii. Terminal Benefits:***

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

### E. Income-tax

Income-tax expense comprises current and deferred tax. It is recognised in net profit in the restated 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 Restated Standalone Summary Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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

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

**ii. Deferred tax**

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

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

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

### 5. Significant accounting policies (continued)

**E. Income-tax (continued)**

**ii. Deferred tax (continued)**

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 Restated Standalone Summary 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 Restated Standalone Summary 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 Restated Standalone Summary Statement of Profit and Loss proportionate to area sold and the balance cost is carried over under inventories as part of property under development.

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 5. Significant accounting policies (continued)

### F. Inventories (continued)

**Real Estate Development (Residential Flats)**

Cost of construction material (including unutilised project materials) at site is computed by the weighted moving average method and carried at lower of cost and Net 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 Restated Standalone Summary 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 Companies accounting policy. Such properties are classified to the appropriate categories of Property, Plant & Equipment when completed and are ready for intended use. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

#### ii. Subsequent expenditure

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

#### iii. Transition to Ind AS

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

## 5. Significant accounting policies (continued)

### G. Property, plant and equipment (continued)

#### iv. Depreciation

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

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

| Asset Type | Useful Life | | | |
|---|---|---|---|---|
| | **FY 2014** | **FY 2015-2017** | **F.Y. 2018** | **Schedule II** |
| Buildings (Interior and Accessories) | 10 Years | 10 Years | 14 Years | NA |
| Plant and Machinery | | | | |
| - Food and beverages and Kitchen equipment | 5 Years | 8 Years | 8 Years | 15 Years |
| - Audio video equipment | 7 Years | 5 Years | 5 Years | |
| - Laundry equipment | 7 Years | 5 Years | 15 Years | |
| - Others | 10 Years | 10 Years | 14 Years | |
| Electrical installations | 10 Years | 10 Years | 14 Years | 10 Years |
| Office Equipments | | | | |
| - Mobile phones | 2 Years | 2 Years | 2 Years | 4 Years |
| - Others | 4 Years | 4 Years | 4 Years | |
| Data Processing Equipments | 4 Years | 3 Years | 3 Years | 3 Years |
| Vehicles | 5 Years | 5 Years | 5 Years | 6 Years |
| Furniture and Fixtures | 7 Years | 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 Rs. 5,000/- or less are depreciated at 100% in the year of capitalization.

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. The fair value of such freehold land has been pushed back to the earliest of reporting period in the restated standalone financial statements in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2016).

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

### 5. Significant accounting policies (continued)

#### 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 separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 Operating Segments has been given in the consolidated financial statements..

#### 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.

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

**Amortisation**
Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the Restated 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.

**Annexure V: Basis of preparation and Significant Accounting Policies (continued)**

## 5. Significant accounting policies (continued)

### J. Intangible assets (continued)

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 Restated standalone summary 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 Restated standalone summary statement of profit and loss, to the extent the amount was previously charged to the Restated standalone summary 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 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.

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 5. Significant accounting policies (continued)

### K. Investment property and investment property under construction (continued)

#### (a) Recognition and measurement (continued)

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

#### (b) Depreciation

Depreciation on investment property has been provided pro rata for the period of use by the Straight Line Method. The useful lives of Investment Property is estimated by management and the same is as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life of these assets differs from Schedule II.

Any gain or loss on disposal of an investment property is recognised in Restated standalone summary 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 | FY 2014-17 | FY 2018 | Schedule II |
|---|---|---|---|
| Building -Interior and Accessories<br>Building | 10 Years<br>60 Years | 14 Years<br>60 Years | NA<br>60 Years |
| Plant and Machinery- General | 10 Years | 14 Years | 15 Years |
| Plant and Machinery- Others | 15 Years | 15 Years | |
| Electrical Installations | 10 Years | 14 Years | 10 Years |
| Office Equipments- Others | 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. Assets held for sale

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

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

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 5. Significant accounting policies (continued)

### L. Assets held for sale

After the disposal takes place, the Company accounts for any retained interest in the associate in accordance with Ind AS 109 unless the retained interest continues to be an associate, in which case the Company uses the equity method.

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

### M. Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Restated standalone summary statement of profit and loss.

### N. Financial Instruments

#### 1. Financial assets

***(a) Recognition and initial measurement***

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

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

***(b) Classification and subsequent measurement***

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

(i) *Financial assets measured at amortised costs*

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

After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of

**Annexure V: Basis of preparation and Significant Accounting Policies (continued)**

## 5. Significant accounting policies (continued)

***(b) Classification and subsequent measurement (continued)***

the EIR. The amortisation of such interests forms part of finance income in the restated standalone summary statement of profit and loss. Any impairment loss arising from these assets are recognised in the restated standalone summary 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 restated 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 exchange gains and losses and impairment are recognised in Restated standalone summary 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 Restated standalone summary statement of profit and loss.

- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in Restated standalone summary 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 Restated standalone summary statement of profit and loss.

***(c) Derecognition***

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

***(d) Impairment of financial assets***

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables- The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

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

**2. Financial liabilities**

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

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments.

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

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

***(b) Financial guarantee contracts***

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

***(c) Derecognition***

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

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

Financial assets and liabilities are offset and the net amount presented in the restated standalone summary statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 5. Significant accounting policies (continued)

### N. Financial Instruments (continued)

#### 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 Restated standalone summary 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.

### O. 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.

### P. 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 Restated standalone summary 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 restated standalone summary statement of assets and liabilities. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 5. Significant accounting policies (continued)

P. **Leases (continued)**

***ii.*** ***Lease assets*** **(continued)**

Assets held under other leases are classified as operating leases and are not recognised in the Company's restated standalone statement of financial position.

**Q. Cash and cash equivalents**

Cash and cash equivalent in the Restated standalone summary statement of assets and liabilities 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.

**R. 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 Restated standalone summary 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 restated standalone summary statement of assets and liabilities and transferred to Restated standalone summary statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

**S. 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.

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

The Company presents EBITDA in the restated standalone summary statement of profit and loss; this is not specifically required by Ind AS 1. The terms EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Company's financial position or performance or

## Annexure V: Basis of preparation and Significant Accounting Policies (continued)

## 5. Significant accounting policies (continued)

### T. Earnings before interest and depreciation and amortisation ("EBITDA") (continued)

to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

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

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to Restated Standalone Summary Financial Information

**(Rs in million)**

### Note 1
### Reporting entity

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

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

### Note 2
### Property, plant and equipment

**Reconciliation of carrying amount**

**Year ended March 31, 2018**

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2017 | Additions | Deductions | Closing balance as at March 31, 2018 | Opening balance as at April 1, 2017 | For the year | Deductions | Closing balance as at March 31, 2018 | As At March 31, 2018 |
| **Tangible assets** | | | | | | | | | |
| Freehold land | 7,782.13 | 176.63 | - | 7,958.76 | - | - | - | - | 7,958.76 |
| Buildings | 12,411.57 | 96.36 | - | 12,507.93 | 2,375.98 | 389.45 | - | 2,765.43 | 9,742.50 |
| Leasehold improvements | 6.92 | - | - | 6.92 | 6.92 | - | - | 6.92 | - |
| Plant and machinery | 4,144.44 | 50.33 | 2.59 | 4,192.18 | 1,963.59 | 272.12 | 2.22 | 2,233.49 | 1,958.69 |
| Data processing equipments | 185.95 | 18.42 | 3.04 | 201.33 | 148.58 | 28.69 | 3.04 | 174.23 | 27.10 |
| 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 | 1,982.99 | 32.30 | 6.85 | 2,008.44 | 1,091.66 | 154.13 | 5.97 | 1,239.82 | 768.62 |
| Vehicles | 311.64 | - | 34.43 | 277.21 | 195.62 | 44.34 | 25.61 | 214.35 | 62.86 |
| 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** | **47.33** | **28,841.14** | **6,691.63** | **976.29** | **37.25** | **7,630.67** | **21,210.47** |

**Year ended March 31, 2017**

| Particulars | Gross block | | | | | Accumulated depreciation | | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2016 | On account of merger (refer note 42) | Additions / transfer in from investment property | Deductions | Closing balance as at March 31, 2017 | Opening balance as at April 1, 2016 | On account of merger (refer note 42) / transfer in from investment property | For the year | Deductions | Closing balance as at March 31, 2017 | As At March 31, 2017 |
| **Tangible Assets** | | | | | | | | | | | |
| Freehold land | 7,495.49 | 286.64 | (0.00) | - | 7,782.13 | - | - | - | - | - | 7,782.13 |
| Buildings | 10,025.55 | 1,963.46 | 563.09 | 140.52 | 12,411.58 | 1,611.18 | 390.58 | 514.75 | 140.53 | 2,375.98 | 10,035.60 |
| Leasehold improvements | 6.92 | - | - | - | 6.92 | 6.92 | - | - | - | 6.92 | - |
| Plant and machinery | 3,225.34 | 687.21 | 262.02 | 30.15 | 4,144.42 | 1,454.84 | 258.31 | 279.45 | 29.01 | 1,963.59 | 2,180.83 |
| Data processing equipments | 172.04 | 23.82 | 5.35 | 15.25 | 185.96 | 113.83 | 21.21 | 28.78 | 15.24 | 148.58 | 37.38 |
| Electrical installations | 1,271.16 | 245.71 | 60.96 | 0.49 | 1,577.34 | 567.19 | 122.92 | 136.44 | 0.42 | 826.13 | 751.21 |
| Furniture and fixtures | 1,699.49 | 178.91 | 130.17 | 25.59 | 1,982.98 | 889.39 | 80.47 | 144.82 | 23.02 | 1,091.66 | 891.32 |
| Vehicles | 268.50 | 41.65 | 3.24 | 1.75 | 311.64 | 124.15 | 27.58 | 45.65 | 1.76 | 195.62 | 116.02 |
| Office equipments | 79.32 | 7.59 | 7.93 | 2.36 | 92.48 | 64.42 | 6.85 | 14.08 | 2.20 | 83.15 | 9.33 |
| **Total** | **24,243.81** | **3,434.99** | **1,032.76** | **216.11** | **28,495.45** | **4,831.92** | **907.92** | **1,163.97** | **212.18** | **6,691.63** | **21,803.82** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to Restated Standalone Summary Financial Information

(Rs in million)

### Note 2
### Property, plant and equipment (Continued)

**Reconciliation of carrying amount**

**Year ended March 31, 2016 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2015 | Additions | Deductions | Closing balance as at March 31, 2016 | Opening balance as at April 1, 2015 | For the year | Deductions | Closing balance as at March 31, 2016 | As At March 31, 2016 |
| **Tangible Assets** | | | | | | | | | |
| Freehold land | 7,495.49 | - | - | 7,495.49 | - | - | - | - | 7,495.49 |
| Buildings | 9,629.00 | 403.99 | 7.44 | 10,025.55 | 1,186.32 | 428.15 | 3.29 | 1,611.18 | 8,414.37 |
| Leasehold improvements | 6.92 | - | - | 6.92 | 6.92 | - | - | 6.92 | - |
| Plant and machinery | 3,111.24 | 139.90 | 25.80 | 3,225.34 | 1,246.17 | 224.70 | 16.03 | 1,454.84 | 1,770.50 |
| Data processing equipments | 146.72 | 26.65 | 1.33 | 172.04 | 91.60 | 23.54 | 1.31 | 113.83 | 58.21 |
| Electrical installations | 1,216.07 | 56.02 | 0.93 | 1,271.16 | 453.33 | 114.79 | 0.93 | 567.19 | 703.97 |
| Furniture and fixtures | 1,425.88 | 282.39 | 8.78 | 1,699.49 | 768.95 | 128.11 | 7.67 | 889.39 | 810.10 |
| Vehicles | 269.39 | 3.10 | 3.99 | 268.50 | 82.28 | 42.48 | 0.61 | 124.15 | 144.35 |
| Office equipments | 70.75 | 8.61 | 0.04 | 79.32 | 56.91 | 7.55 | 0.04 | 64.42 | 14.90 |
| **Total** | **23,371.46** | **920.66** | **48.31** | **24,243.81** | **3,892.48** | **969.32** | **29.88** | **4,831.92** | **19,411.89** |

**Year ended March 31, 2015 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2014 | Additions | Deductions | Closing balance as at March 31, 2015 | Opening balance as at April 1, 2014 | For the year * | Deductions | Closing balance as at March 31, 2015 | As At March 31, 2015 |
| **Tangible Assets** | | | | | | | | | |
| Freehold land | 5,858.97 | 1,636.52 | - | 7,495.49 | - | - | - | - | 7,495.49 |
| Buildings | 4,961.26 | 4,704.31 | 36.57 | 9,629.00 | 972.35 | 250.54 | 36.57 | 1,186.32 | 8,442.68 |
| Leasehold improvements | 6.92 | - | - | 6.92 | 6.92 | - | - | 6.92 | - |
| Plant and machinery | 1,824.30 | 1,302.67 | 15.73 | 3,111.24 | 1,091.50 | 165.30 | 10.63 | 1,246.17 | 1,865.07 |
| Data processing equipments | 90.07 | 57.18 | 0.53 | 146.72 | 82.69 | 9.45 | 0.54 | 91.60 | 55.12 |
| Electrical installations | 664.95 | 555.77 | 4.65 | 1,216.07 | 395.30 | 62.68 | 4.65 | 453.33 | 762.74 |
| Furniture and fixtures | 1,032.44 | 401.07 | 7.63 | 1,425.88 | 682.55 | 93.24 | 6.84 | 768.95 | 656.93 |
| Vehicles | 82.07 | 191.81 | 4.49 | 269.39 | 66.33 | 20.53 | 4.58 | 82.28 | 187.11 |
| Office equipments | 55.68 | 15.66 | 0.59 | 70.75 | 50.77 | 6.62 | 0.48 | 56.91 | 13.84 |
| **Total** | **14,576.66** | **8,864.99** | **70.19** | **23,371.46** | **3,348.41** | **608.36** | **64.29** | **3,892.48** | **19,478.98** |

*** Refer note 2 below**

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to Restated Standalone Summary Financial Information

**(Rs in million)**

### Note 2
### Property, plant and equipment (Continued)

**Reconciliation of carrying amount**

**Year ended March 31, 2014 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2013 | Additions | Deductions | Closing balance as at March 31, 2014 | Opening balance as at April 1, 2013 | For the year | Deductions | Closing balance as at March 31, 2014 | As At March 31, 2014 |
| **Tangible Assets** | | | | | | | | | |
| Freehold land | 5,649.01 | 209.96 | - | 5,858.97 | - | - | - | - | 5,858.97 |
| Buildings | 4,934.58 | 36.63 | 9.93 | 4,961.28 | 769.60 | 212.69 | 9.94 | 972.35 | 3,988.93 |
| Leasehold improvements | 6.92 | - | - | 6.92 | 6.92 | - | - | 6.92 | - |
| Plant and machinery | 1,745.87 | 81.46 | 3.03 | 1,824.30 | 906.98 | 186.98 | 2.46 | 1,091.50 | 732.80 |
| Data processing equipments | 88.23 | 2.41 | 0.57 | 90.07 | 78.26 | 4.99 | 0.57 | 82.68 | 7.39 |
| Electrical installations | 658.31 | 9.02 | 2.39 | 664.94 | 349.85 | 47.84 | 2.39 | 395.30 | 269.64 |
| Furniture and fixtures | 1,010.78 | 24.21 | 2.56 | 1,032.43 | 559.10 | 125.98 | 2.53 | 682.55 | 349.88 |
| Vehicles | 125.54 | 6.23 | 49.70 | 82.07 | 109.85 | 6.00 | 49.51 | 66.34 | 15.73 |
| Office equipments | 53.71 | 1.97 | - | 55.68 | 45.09 | 5.68 | - | 50.77 | 4.91 |
| **Total** | **14,272.95** | **371.89** | **68.18** | **14,576.66** | **2,825.65** | **590.16** | **67.40** | **3,348.41** | **11,228.25** |

**Notes**

1) The Company has considered fair value for freehold land as of April 1, 2016 with impact of Rs. 5,887.72 million (related tax: Rs. 2163.35) based on the deemed cost exemption available under Ind AS 101 with the resultant impact being accounted for in the reserves. Further, the fair value of such freehold land has been pushed back to the earliest of reporting period in the restated standalone financial statements in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2016). Refer note 54 of Annexure VI for details.

2) The Company has reviewed and revised the estimated economic useful lives of its property, plant and equipment in accordance with the useful lives specified in Schedule II of the Companies Act, 2013 in accordance with an internal evaluation which is more representative of the useful lives of its property, plant and equipment during the year March 31, 2015. Consequently, the depreciation expense during the year ended March 31, 2015 is lower by Rs. 89.32 million. Further, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful lives of the assets was determined to be Nil as on April 1, 2014 applying the revised lives and has consequently included Rs. 4.8 million under depreciation in the Statement of Profit and Loss for the year ending March 31, 2015 . The change in estimated useful lives has effect of reduction in depreciation charge in future periods.

3) 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 and in accordance with an internal evaluation which is more representative of the useful lives of its investment property for the year ended March 31, 2018. Consequently, the depreciation expense for the year ended March 31, 2018 is lower by Rs. 295.10 million. The change in estimated useful lives has effect of reduction in depreciation charge in future periods.

4) Refer note 21 and 26 of Annexure VI for information on Property, plant and equipment pledged as security by the Company.

5) Refer Note 43 of Annexure VI for contractual commitments with respect to property plant and equipment.

6) 'In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected in the schedule above). The Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on January 22, 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Restated Standalone financial information. The carrying value of property, plant and equipment as at March 31, 2018 is Rs. 449.27 million (March 31, 2017: Rs. 474.47 million, March 31, 2016: Rs. 510.23 million, March 31, 2015: Rs. 562.92 million).

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 3
### Capital work in progress

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Opening Balance | 223.59 | 316.11 | 487.62 | 5,720.16 | 3,246.90 |
| Add: Additions | 388.57 | 940.24 | 749.13 | 3,632.45 | 2,845.15 |
| Less: Capitalised | (393.01) | (1,032.76) | (920.64) | (8,864.99) | (371.89) |
| Capital work in progress | **219.15** | **223.59** | **316.11** | **487.62** | **5,720.16** |

**Notes:**
Expenses (net) capitalised to capital work in progress, during the year(s).

| Particulars | For the year ended 31st March 2018 | For the year ended 31st March 2017 | For the year ended 31st March 2016 Proforma | For the year ended 31st March 2015 Proforma | For the year ended 31st March 2014 Proforma |
|---|---|---|---|---|---|
| Legal and professional charges | 12.02 | 3.12 | 19.55 | 51.05 | 71.45 |
| Employee costs | 72.52 | 49.35 | 9.09 | 47.05 | 47.11 |
| Rates, taxes and license fees | 6.75 | 0.41 | 0.77 | 154.28 | 131.54 |
| Repairs and maintenance | 0.21 | - | 0.08 | 12.06 | 0.04 |
| Interest and other finance cost | - | 3.08 | 27.38 | 326.50 | 607.62 |
| Miscellaneous expenses | 4.31 | 0.99 | 3.07 | 16.99 | 10.16 |
| Interest income on surplus funds | - | - | - | (20.60) | (223.09) |
| Other income / sale of scrap | (1.13) | (0.11) | (2.22) | (4.27) | 3.20 |
| **Total** | **94.68** | **56.85** | **57.73** | **583.04** | **648.02** |

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**Note 4**
**Investment Property**

(Rs. in million)

**A. Reconciliation of carrying amount**

**Year ended March 31, 2018**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2017 | Additions | Deductions / transfer out | Closing balance as at March 31, 2018 | Opening balance as at April 1, 2017 | For the year | Deductions | Closing balance as at March 31, 2018 | As At March 31, 2018 |
| **Investment Property** | | | | | | | | | |
| 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 | - | 0.51 | 14.76 |
| 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** | | | | | | | | | |
| Retail block, Sahar, Mumbai | | | | | | | | | 30.01 |
| Business centers & offices at Sahar, Mumbai | | | | | | | | | 3,124.74 |
| Commercial complex, Bengaluru - II | | | | | | | | | 311.20 |
| Total (B) | | | | | | | | | **3,465.95** |
| **Total (A+B)** | | | | | | | | | **6,736.65** |

**Year ended March 31, 2017**

| Particulars | Gross block | | | | | Accumulated depreciation / amortisation | | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2016 | On account of merger (refer note 42) | Additions | Deductions / Transfer out | Closing balance as at March 31, 2017 | Opening balance as at April 1, 2016 | On account of merger (refer note 42) | For the year | Deductions | Closing balance as at March 31, 2017 | As At March 31, 2017 |
| **Investment Property** | | | | | | | | | | | |
| Commercial complex, Bengaluru - I | 53.85 | - | 1,116.30 | 272.23 | 897.92 | - | - | 30.95 | 3.00 | 27.95 | 869.97 |
| Retail block, Sahar, Mumbai | - | - | 1,090.55 | - | 1,090.55 | - | - | 14.86 | - | 14.86 | 1,075.69 |
| Retail block, Bengaluru | - | 1,776.87 | - | - | 1,776.87 | - | 343.32 | 43.64 | 0.07 | 386.89 | 1,389.98 |
| Hyderabad flats | 15.27 | - | - | - | 15.27 | - | - | 0.26 | - | 0.26 | 15.01 |
| **Total (A)** | **69.12** | **1,776.87** | **2,206.85** | **272.23** | **3,780.61** | **-** | **343.32** | **89.71** | **3.07** | **429.96** | **3,350.65** |
| **Investment Property under Construction** | | | | | | | | | | | |
| Business centers & offices at Sahar, Mumbai | ` | | | | | | | | | | 2,768.37 |
| Commercial complex, Bengaluru - II | | | | | | | | | | | 305.17 |
| **Total (B)** | | | | | | | | | | | **3,073.54** |
| **Total (A+B)** | | | | | | | | | | | **6,424.19** |

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**Note 4**

**Investment Property**

**(Rs. in million)**

**Year ended March 31, 2016 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2015 | Additions | Deductions | Closing balance as at March 31, 2016 | Opening balance as at April 1, 2015 | For the year | Deductions | Closing balance as at March 31, 2016 | As At March 31, 2016 |
| **Investment Property** | | | | | | | | | |
| Commercial complex, Bengaluru - I | 62.17 | - | - | 62.17 | 4.22 | 4.10 | - | 8.32 | 53.85 |
| Hyderabad flats | 16.05 | - | - | 16.05 | 0.52 | 0.26 | - | 0.78 | 15.27 |
| **Total (A)** | **78.22** | **-** | **-** | **78.22** | **4.74** | **4.36** | **-** | **9.10** | **69.12** |
| **Investment Property under Construction** | | | | | | | | | |
| Retail block, Sahar, Mumbai | | | | | | | | | 1,027.76 |
| Business centers & offices at Sahar, Mumbai | ` | | | | | | | | 2,359.71 |
| Commercial complex, Bengaluru - I | | | | | | | | | 1,068.44 |
| **Total (B)** | | | | | | | | | **4,455.91** |
| **Total (A+B)** | | | | | | | | | **4,525.03** |

**Year ended March 31, 2015 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2014 | Additions | Deductions | Closing balance as at March 31, 2015 | Opening balance as at April 1, 2014 | For the year * | Deductions | Closing balance as at March 31, 2015 | As At March 31, 2015 |
| **Investment Property** | | | | | | | | | |
| Commercial complex, Bengaluru - I | 18.43 | 43.74 | - | 62.17 | 0.40 | 3.82 | - | 4.22 | 57.95 |
| Hyderabad flats | 16.05 | - | - | 16.05 | 0.26 | 0.26 | - | 0.52 | 15.53 |
| **Total (A)** | **34.48** | **43.74** | **-** | **78.22** | **0.66** | **4.08** | **-** | **4.74** | **73.48** |
| **Investment Property under Construction** | | | | | | | | | |
| Retail block, Sahar, Mumbai | | | | | | | | | 814.74 |
| Business centers & offices at Sahar, Mumbai | ` | | | | | | | | 1,724.32 |
| Commercial complex, Bengaluru - I | | | | | | | | | 890.41 |
| **Total (B)** | | | | | | | | | **3,429.47** |
| **Total (A+B)** | | | | | | | | | **3,502.95** |

*** Refer note 1 below**

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

### Note 4
### Investment Property

**(Rs. in million)**

**(Rs. in million)**

**Year ended March 31, 2014 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2013 | Additions | Deductions | Closing balance as at March 31, 2014 | Opening balance as at April 1, 2013 | For the year | Deductions | Closing balance as at March 31, 2014 | As At March 31, 2014 |
| **Investment Property** | | | | | | | | | |
| Commercial complex, Bengaluru - I | 18.43 | - | - | 18.43 | - | 0.40 | - | 0.40 | 18.03 |
| Hyderabad flats | 16.05 | - | - | 16.05 | - | 0.26 | - | 0.26 | 15.79 |
| **Total (A)** | **34.48** | **-** | **-** | **34.48** | **-** | **0.66** | **-** | **0.66** | **33.82** |
| **Investment Property under Construction** | | | | | | | | | |
| Retail block, Sahar, Mumbai | | | | | | | | | 343.85 |
| Business centers & offices at Sahar, Mumbai | ` | | | | | | | | 626.07 |
| Commercial complex, Bengaluru - I | | | | | | | | | 592.62 |
| **Total (B)** | | | | | | | | | **1,562.54** |
| **Total (A+B)** | | | | | | | | | **1,596.36** |

**Deemed cost exemption**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the investment properties. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. April 1, 2016 while preparing Restated Standalone schedule for the years ended March 31, 2015, March 31, 2014 and March 31, 2013.

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

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

**Deemed cost as on April 1, 2013 - Proforma**

| | Gross Block as on April 1, 2013 | Accumulated amortisation till April 1, 2013 | Net Block treated as Deemed cost upon transition |
|---|---|---|---|
| Commercial complex, Bengaluru - I | 18.58 | 0.15 | 18.43 |
| Hyderabad flats | 16.05 | - | 16.05 |
| **Total** | **34.63** | **0.15** | **34.48** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

### Note 4
### Investment Property

**(Rs. in million)**

**Notes:**

1. Pursuant to the Companies Act, 2013 being effective from April 1, 2014, the Company has revised the depreciation rates on investment property based on the management estimate of the useful lives of the assets, which are lower than or in accordance with Part 'C' of Schedule II of the Act. Consequently, depreciation charged for the period April 1, 2014 to March 31, 2015 is higher by Rs 9.04 million due to change in estimated useful life of certain assets wherein the opening carrying value as at April 1, 2014 is depreciated over the balance useful life.

2. 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 and in accordance with an internal evaluation which is more representative of the useful lives of its fixed assets during the year ended March 31, 2018. Consequently, the depreciation expense for the year ended March 31, 2018 is lower by Rs. 52.14 million. The change in estimated useful lives has effect of reduction in depreciation charge in future periods.

3. Borrowing cost aggregating to Rs. 221.41 million (March 31, 2017: 266.57 million, March 31, 2016: Rs 224.52 million, March 31, 2015 : Rs. 193.21 million, March 31, 2014 : Rs. 17.93 million) are capitalised under investment property under construction

4. Refer note 21 and 26 of Annexure VI for information on investment property pledged as security by the Company.

5. Details of investment property under construction

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Opening Balance | 3,073.54 | 4,455.90 | 3,429.47 | 1,562.54 | 402.43 |
| Add: Additions | 444.12 | 2,601.36 | 1,026.43 | 1,910.67 | 1,160.11 |
| Less: Capitalised | (51.71) | (3,983.72) | - | (43.74) | - |
| **Closing Balance** | **3465.95** | **3073.54** | **4455.9** | **3429.47** | **1562.54** |

6. Expenses (net) capitalized to cost of investment property under construction, during the year(s).

| **Particulars** | For the year ended | | | | |
|---|---|---|---|---|---|
| | **31st March 2018** | **31st March 2017** | **31st March 2016 Proforma** | **31st March 2015 Proforma** | **31st March 2014 Proforma** |
| Legal and professional charges | 7.41 | 2.35 | 7.14 | 2.28 | 2.44 |
| Employee costs | 1.25 | 19.99 | 36.93 | - | - |
| Rates, taxes and license fees | 3.89 | - | 3.03 | 0.41 | - |
| Repairs and maintenance | 0.96 | - | 0.84 | 3.13 | - |
| Interest and other finance cost | 221.41 | 266.57 | 224.52 | 193.21 | 171.93 |
| Miscellaneous expenses | 3.92 | 10.93 | 1.29 | 1.11 | - |
| Interest income on surplus funds | - | - | - | (2.29) | (5.62) |
| Other income / sale of scrap | (0.10) | (2.55) | (1.73) | (0.02) | (0.07) |
| **Total** | **238.74** | **297.30** | **272.02** | **197.82** | **168.68** |

**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.

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

### Note 4
### Investment Property

**(Rs. in million)**

| Investment Properties | Fair Value as on | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
| | | | Proforma | Proforma | Proforma |
| Commercial complex, Bengaluru - I | 905.00 | 870.00 | - | - | - |
| Retail block, Sahar, Mumbai | 2,688.00 | 2,394.00 | - | - | - |
| Retail block, Bengaluru | 1,554.00 | 1,414.00 | - | - | - |
| Hyderabad flats | 23.00 | 23.00 | 22.00 | 22.00 | 22.00 |

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

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

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

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

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Rental income derived from investment properties | 166.37 | 114.23 | 7.73 | 7.08 | - |
| Direct operating expenditure (including repairs and maintenance) generating rental income | 54.14 | 28.30 | - | - | - |
| Direct operating expenditure that did not generate rental income | - | - | - | - | - |
| **Profit arising from investment properties before depreciation and indirect expenses** | **112.23** | **85.93** | **7.73** | **7.08** | **-** |
| Depreciation | 124.82 | 89.71 | 4.36 | 4.08 | 0.66 |
| **Profit/ (loss) arising from investment properties before indirect expenses** | **(12.59)** | **(3.78)** | **3.37** | **3.00** | **(0.66)** |

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

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs in million)**

**Note 4**
**Investment Property (continued)**

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

**Year ended March 31, 2018**

| Particulars | Gross block: Opening balance as at April 1, 2017 | Gross block: Additions | Gross block: Deductions / transfer | Gross block: Closing balance as at March 31, 2018 | Accumulated depreciation / amortisation: Opening balance as at April 1, 2017 | Accumulated depreciation / amortisation: For the year | Accumulated depreciation / amortisation: Deductions | Accumulated depreciation / amortisation: Closing balance as at March 31, 2018 | Net block: As At March 31, 2018 |
|---|---|---|---|---|---|---|---|---|---|
| **Tangible assets** | | | | | | | | | |
| Freehold land | 367.70 | 43.86 | - | 411.56 | - | - | - | - | 411.56 |
| Buildings | 2,499.60 | 1.62 | - | 2,501.22 | 218.17 | 63.58 | - | 281.75 | 2,219.47 |
| Plant and machinery | 594.69 | 3.56 | 7.67 | 590.58 | 117.11 | 36.55 | 1.67 | 151.99 | 438.59 |
| Computers | 2.15 | 0.28 | 1.02 | 1.41 | 1.42 | 0.22 | 0.75 | 0.89 | 0.52 |
| Electrical installations | 247.50 | 1.27 | - | 248.77 | 65.43 | 14.50 | - | 79.93 | 168.84 |
| Furniture and fixtures | 68.08 | 0.76 | 0.79 | 68.05 | 27.11 | 9.68 | 0.22 | 36.57 | 31.48 |
| Office equipments | 0.58 | 0.13 | - | 0.71 | 0.43 | 0.06 | - | 0.49 | 0.22 |
| | 3,780.30 | 51.48 | 9.48 | 3,822.30 | 429.67 | 124.59 | 2.64 | 551.62 | 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** | **51.71** | **9.48** | **3,822.84** | **429.96** | **124.82** | **2.64** | **552.14** | **3,270.70** |

**Year ended March 31, 2017**

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

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs in million)**

### Note 4
### Investment Property (continued)

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

**Year ended March 31, 2016 - Proforma**

| Particulars | Gross block: Opening balance as at April 1, 2015 | Gross block: Additions | Gross block: Deductions | Gross block: Closing balance as at March 31, 2016 | Accumulated depreciation / amortisation: Opening balance as at April 1, 2015 | Accumulated depreciation / amortisation: For the year | Accumulated depreciation / amortisation: Deductions | Accumulated depreciation / amortisation: Closing balance as at March 31, 2016 | Net block: As At March 31, 2016 |
|---|---|---|---|---|---|---|---|---|---|
| **Tangible assets** | | | | | | | | | |
| Buildings | 62.41 | - | - | 62.41 | 3.35 | 2.84 | - | 6.19 | 56.22 |
| Plant and machinery | 9.97 | - | - | 9.97 | 0.73 | 0.80 | - | 1.53 | 8.44 |
| Computers | 1.02 | - | - | 1.02 | 0.24 | 0.26 | - | 0.50 | 0.52 |
| Electrical installations | 2.43 | - | - | 2.43 | 0.21 | 0.23 | - | 0.44 | 1.99 |
| Furniture and fixtures | 2.34 | - | - | 2.34 | 0.20 | 0.22 | - | 0.42 | 1.92 |
| | 78.17 | - | - | 78.17 | 4.73 | 4.35 | - | 9.08 | 69.09 |
| **Intangible assets** | | | | | | | | | |
| Software | 0.05 | - | - | 0.05 | 0.01 | 0.01 | - | 0.02 | 0.03 |
| | 0.05 | - | - | 0.05 | 0.01 | 0.01 | - | 0.02 | 0.03 |
| **Total** | **78.22** | **-** | **-** | **78.22** | **4.74** | **4.36** | **-** | **9.10** | **69.12** |

**Year ended March 31, 2015 - Proforma**

| Particulars | Gross block: Opening balance as at April 1, 2014 | Gross block: Additions | Gross block: Deductions | Gross block: Closing balance as at March 31, 2015 | Accumulated depreciation / amortisation: Opening balance as at April 1, 2014 | Accumulated depreciation / amortisation: For the year | Accumulated depreciation / amortisation: Deductions | Accumulated depreciation / amortisation: Closing balance as at March 31, 2015 | Net block: As At March 31, 2015 |
|---|---|---|---|---|---|---|---|---|---|
| **Tangible assets** | | | | | | | | | |
| Buildings | 34.48 | 27.93 | - | 62.41 | 0.66 | 2.69 | - | 3.35 | 59.06 |
| Plant and machinery | - | 9.97 | - | 9.97 | - | 0.73 | - | 0.73 | 9.24 |
| Computers | - | 1.02 | - | 1.02 | - | 0.24 | - | 0.24 | 0.78 |
| Electrical installations | - | 2.43 | - | 2.43 | - | 0.21 | - | 0.21 | 2.22 |
| Furniture and fixtures | - | 2.34 | - | 2.34 | - | 0.20 | - | 0.20 | 2.14 |
| | 34.48 | 43.69 | - | 78.17 | 0.66 | 4.07 | - | 4.73 | 73.44 |
| **Intangible assets** | | | | | | | | | |
| Software | - | 0.05 | - | 0.05 | - | 0.01 | - | 0.01 | 0.04 |
| | - | 0.05 | - | 0.05 | - | 0.01 | - | 0.01 | 0.04 |
| **Total** | **34.48** | **43.74** | **-** | **78.22** | **0.66** | **4.08** | **-** | **4.74** | **73.48** |

**Year ended March 31, 2014 - Proforma** **(Rs. in million)**

| Particulars | Gross block: Opening balance as at April 1, 2013 | Gross block: Additions | Gross block: Deductions | Gross block: Closing balance as at March 31, 2014 | Accumulated depreciation / amortisation: Opening balance as at April 1, 2013 | Accumulated depreciation / amortisation: For the year | Accumulated depreciation / amortisation: Deductions | Accumulated depreciation / amortisation: Closing balance as at March 31, 2014 | Net block: As At March 31, 2014 |
|---|---|---|---|---|---|---|---|---|---|
| **Tangible assets** | | | | | | | | | |
| Buildings | 34.48 | - | - | 34.48 | - | 0.66 | - | 0.66 | 33.82 |
| **Total** | **34.48** | **-** | **-** | **34.48** | **-** | **0.66** | **-** | **0.66** | **33.82** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 5
### Goodwill

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

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

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Hotel | **164.04** | 164.04 | - | - | - |
| Retail | **25.49** | 25.49 | - | - | - |
| Commercial complex at Bengaluru | **36.58** | 36.58 | 36.58 | 36.58 | 36.58 |
| | **226.11** | **226.11** | **36.58** | **36.58** | **36.58** |

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 %) | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Discount rate | **9.59%** | 9.13% | - | - | - |
| Terminal value growth rate | **6.50%** | 6.50% | - | - | - |

**B. Retail**

| Particulars (in %) | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Discount rate | **9.59%** | 9.13% | - | - | - |
| Terminal value growth rate | **8.50%** | 8.50% | - | - | - |

**C. Commercial complex at Bengaluru**

| Particulars (in %) | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Discount rate | **9.59%** | 9.13% | 9.55% | 9.83% | 10.82% |
| Terminal value growth rate | **8.50%** | 8.50% | 8.50% | 8.50% | 8.50% |

***Discount rate***

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

***Terminal value growth rate***

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

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

Based on the above assumptions and analysis, no impairment was identified for any of the CGU as at March 31, 2018, March 31, 2017 , March 31, 2016, March 31, 2015 and March 31, 2014 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.

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

**Note 6**
**Other Intangible assets**

**Reconciliation of carrying amount**

**Year ended March 31, 2018**

| Particulars | Gross block | | | | Accumulated amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2017 | Additions | Deductions | Closing balance as at March 31, 2018 | Opening balance as at April 1, 2017 | For the year | Deductions | Closing balance as at March 31, 2018 | As At March 31, 2018 |
| Trade marks | - | - | - | - | - | - | - | - | - |
| Computer software | 63.08 | 3.97 | - | 67.05 | 33.30 | 15.22 | - | 48.52 | 18.53 |
| **Total** | **63.08** | **3.97** | **-** | **67.05** | **33.30** | **15.22** | **-** | **48.52** | **18.53** |

**Year ended March 31, 2017**

| Particulars | Gross Block | | | | | Accumulated Amortisation | | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2016 | On account of merger (refer note 42) | Additions | Deductions | Closing balance as at March 31, 2017 | Opening balance as at April 1, 2016 | On account of merger (refer note 42) | For the year | Deductions | Closing balance as at March 31, 2017 | As At March 31, 2017 |
| Trade marks | - | - | - | - | - | - | - | - | - | - | - |
| Computer software | 37.92 | 19.74 | 5.60 | 0.18 | 63.08 | - | 17.36 | 16.12 | 0.18 | 33.30 | 29.78 |
| **Total** | **37.92** | **19.74** | **5.60** | **0.18** | **63.08** | **-** | **17.36** | **16.12** | **0.18** | **33.30** | **29.78** |

**Year ended March 31, 2016 - Proforma**

| Particulars | Gross Block | | | | Accumulated Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2015 | Additions | Deductions | Closing balance as at March 31, 2016 | Opening balance as at April 1, 2015 | For the year | Deductions | Closing balance as at March 31, 2016 | As At March 31, 2016 |
| Trade marks | - | - | - | - | - | - | - | - | - |
| Computer software | 51.35 | 12.73 | 1.36 | 62.72 | 10.41 | 14.44 | 0.05 | 24.80 | 37.92 |
| **Total** | **51.35** | **12.73** | **1.36** | **62.72** | **10.41** | **14.44** | **0.05** | **24.80** | **37.92** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

**Note 6**
**Other Intangible assets**

**Year ended March 31, 2015 - Proforma**

| Particulars | Gross Block | | | | Accumulated Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2014 | Additions | Deductions | Closing balance as at March 31, 2015 | Opening balance as at April 1, 2014 | For the year | Deductions | Closing balance as at March 31, 2015 | As At March 31, 2015 |
| Trade marks | - | - | - | - | - | - | - | - | - |
| Computer software | 11.38 | 39.97 | - | 51.35 | 5.13 | 5.28 | - | 10.41 | 40.94 |
| **Total** | **11.38** | **39.97** | **-** | **51.35** | **5.13** | **5.28** | **-** | **10.41** | **40.94** |

**Year ended March 31, 2014 - Proforma**

| Particulars | Gross Block | | | | Accumulated Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2013 | Additions | Deductions | Closing balance as at March 31, 2014 | Opening balance as at April 1, 2013 | For the year | Deductions | Closing balance as at March 31, 2014 | As At March 31, 2014 |
| Trade marks | - | - | - | - | - | - | - | - | - |
| Computer software | 9.53 | 1.97 | 0.12 | 11.38 | - | 5.13 | - | 5.13 | 6.25 |
| **Total** | **9.53** | **1.97** | **0.12** | **11.38** | **-** | **5.13** | **-** | **5.13** | **6.25** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 6
### Other Intangible assets

**Deemed cost exemption**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible asset recognised as at April 1, 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the intangible assets. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. April 1, 2016 while preparing Proforma Restated Standalone schedule for the years ended March 31, 2015, March 31, 2014 and March 31, 2013.

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

| Particulars | Gross Block as on April 1, 2016 | Accumulated amortisation till April 1, 2016 | Net Block treated as Deemed cost upon transition |
|---|---|---|---|
| Trade marks | 0.04 | 0.04 | - |
| Computer software | 122.29 | 84.38 | 37.92 |
| **Total** | **122.34** | **84.42** | **37.92** |

**Deemed cost as on April 1, 2013 - Proforma**

| Particulars | Gross Block as on April 1, 2013 | Accumulated amortisation till April 1, 2013 | Net Block treated as Deemed cost upon transition |
|---|---|---|---|
| Trade marks | 0.04 | 0.04 | - |
| Computer software | 69.09 | 59.56 | 9.53 |
| **Total** | **69.13** | **59.60** | **9.53** |

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 7** | | | | | |
| **Investment in subsidiaries** | | | | | |
| **Investments in equity shares (non-trade, unquoted)** | | | | | |
| **In subsidiary companies (equity shares of Rs.10/- each fully paid)** | | | | | |
| Nil (March 31, 2017: 10,000, March 31, 2016: 10,000, March 31, 2015: 10,000, March 31, 2014: 10,000) shares of Grandwell Properties and Leasing Private Limited | **-** | 0.10 | 0.10 | 0.10 | 0.10 |
| 9,000 (March 31, 2017: 9,000, March 31, 2016: 9,000, March 31, 2015: 9,000, March 31, 2014: 9,000) shares of Chalet Hotels and Properties (Kerala) Private Limited | **0.09** | 0.09 | 0.09 | 0.09 | 0.09 |
| Less: Provision for impairment | **(0.09)** | (0.09) | (0.09) | - | - |
| Nil (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: 10,000, March 31, 2014: 10,000) shares of Sycamore Properties Private Limited | **-** | - | - | 0.10 | 0.10 |
| | **-** | **0.10** | **0.10** | **0.29** | **0.29** |
| Aggregate amount of unquoted securities | **0.09** | **0.10** | **0.10** | **0.29** | **0.29** |
| Aggregate amount of quoted securities | **-** | - | - | - | - |
| Market value of quoted securities | **-** | - | - | - | - |
| Aggregate amount of impairment in the value of investments | **0.09** | 0.09 | 0.09 | - | - |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 8** | | | | | |
| **Other investments** | | | | | |
| **Measured at fair value through profit and loss** | | | | | |
| **(a) Investments in equity shares (non-trade, unquoted)** | | | | | |
| **In other companies (equity shares of Rs.10/- each fully paid)** | | | | | |
| 1,000 (March 31, 2017: 1,000, March 31, 2016: 1,000, March 31, 2015: 1,000, March 31, 2014: 1,000) shares of Stargaze Properties Private Limited | **0.01** | 0.01 | 0.01 | 0.01 | 0.01 |
| 423 (March 31, 2017: 423, March 31, 2016: 203,181, March 31, 2015: Nil, March 31, 2014: Nil) Shares of Intime Properties Limited (Refer Note 18) | **1.94** | 1.94 | 331.39 | - | - |
| 428,285 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) shares of Krishna Valley Power Private Limited | **8.64** | - | - | - | - |
| 1,044,500 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) shares of Sahyadri Renewable Energy Private Limited | **31.45** | - | - | - | - |
| 10,000 (March 31, 2017: 10,000, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) shares of Renew Wind Power Energy (AP) Limited | **1.00** | 1.00 | - | - | - |
| **Measured at amortised cost** | | | | | |
| **(a) Investments in preference shares (non-trade, unquoted)** | | | | | |
| **In associate company (0.001% non-cumulative redeemable preference shares of Rs.100,000/- each fully paid)** | | | | | |
| Nil (March 31, 2017: Nil, March 31, 2016: 1,600, March 31, 2015: 1,600, March 31, 2014: 1,600) shares of Genext Hardware & Parks Private Limited | **-** | - | 142.71 | 128.27 | 115.33 |
| **(b) Other investments** | | | | | |
| National Saving Certificates | **0.13** | 0.13 | 0.13 | 0.13 | 0.07 |
| | **43.17** | **3.08** | **474.24** | **128.41** | **115.41** |
| Aggregate amount of unquoted securities | **43.17** | **3.08** | **474.24** | **128.41** | **115.41** |
| Aggregate amount of quoted securities | - | - | - | - | - |
| Market value of quoted securities | - | - | - | - | - |
| Aggregate amount of impairment in the value of investments | - | - | - | - | - |

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 9** | | | | | |
| **Loans** | | | | | |
| ***(Unsecured, considered good)*** | | | | | |
| Security deposit | | | | | |
| - Related parties | **26.98** | 26.98 | 26.98 | 26.38 | 16.34 |
| - Others | **78.67** | 73.50 | 90.19 | 74.43 | 55.19 |
| Option deposit others | **5.00** | 5.00 | - | - | - |
| Loans to related parties (refer foot note below) | - | - | - | 10.00 | - |
| | **110.65** | **105.48** | **117.17** | **110.81** | **71.53** |

Loan to related parties include amounts due from a Director Rs.Nil (March 31, 2017: Rs.Nil, March 31, 2016: Rs. Nil, March 31, 2015: Rs. 10.00 million, March 31, 2014: Rs. Nil ) in which directors of the Company are directors.

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 10** | | | | | |
| **Other non-current financial assets** | | | | | |
| Deposits with banks with more than 12 months maturity | **50.00** | 14.02 | - | - | - |
| | **50.00** | 14.02 | - | - | - |

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 11** | | | | | |
| **Other non-current assets** | | | | | |
| ***(Unsecured)*** | | | | | |
| Prepayment (refer footnote) | **70.02** | 74.10 | 61.61 | 62.58 | 58.72 |
| Capital advances | **1.94** | 17.89 | 25.59 | 156.80 | 152.34 |
| Capital advances (secured, considered good) | **-** | - | 9.46 | 15.21 | 65.03 |
| Others | **-** | - | - | 0.21 | 0.70 |
| | **71.96** | **91.99** | **96.66** | **234.80** | **276.79** |

In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected under prepayment and others above). The Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on January 22, 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Restated financial information. The balance of prepaid lease rental in relation to such leasehold land as of March 31, 2018 is Rs. 54.52 million. (March 31, 2017: Rs. 55.71 million, March 31, 2016: Rs.56.91 million, March 31, 2015: Rs.58.11 million, March 31, 2014: Rs 59.30 million).

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 12** | | | | | |
| **Inventories (valued at lower of cost and net realisable value)** | | | | | |
| **Hospitality :** | | | | | |
| Food, beverages and smokes | **105.43** | 112.46 | 97.14 | 71.86 | 67.63 |
| Operating supplies | **-** | - | 3.28 | 13.05 | 20.43 |
| Stores and spares | **2.78** | 9.24 | 8.14 | 7.51 | - |
| **Real estate :** | | | | | |
| Developed property | **247.25** | 312.47 | 388.96 | 434.50 | 504.22 |
| Building materials, components and spares | **-** | 6.70 | 2.17 | 2.32 | 4.28 |
| Property under development (Refer Note 53) | **3,031.94** | 3,020.34 | 3,026.65 | 2,988.18 | 2,657.78 |
| Less: Provision for impairment | **(376.65)** | (376.65) | (376.65) | (376.65) | (376.65) |
| Property under development, (net) | **2,655.29** | 2,643.69 | 2,650.00 | 2,611.53 | 2,281.13 |
| Materials at site | **100.60** | 106.29 | 107.87 | 109.34 | 103.27 |
| **Retail and commercial:** | | | | | |
| Materials at site | **4.45** | - | - | - | - |
| | **3,115.80** | **3,190.85** | **3,257.56** | **3,250.11** | **2,980.96** |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 13** | | | | | |
| **Trade receivables** | | | | | |
| ***(Unsecured, considered good, unless otherwise stated)*** | | | | | |
| Considered good | **551.70** | 296.20 | 181.38 | 100.82 | 156.98 |
| Considered doubtful | **3.82** | 9.22 | 6.29 | 4.74 | 6.02 |
| | **555.52** | 305.43 | 187.67 | 105.56 | 163.00 |
| Less : Provision for impairment | **(3.82)** | (9.22) | (6.29) | (4.74) | (6.02) |
| | **551.70** | **296.21** | **181.38** | **100.82** | **156.98** |

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 14a** | | | | | |
| **Cash and cash equivalents** | | | | | |
| Balance with banks | | | | | |
| - Current accounts | **289.30** | 214.66 | 204.93 | 169.34 | 199.26 |
| Cheques on hand | **0.08** | 1.08 | 0.30 | 0.48 | 3.98 |
| Cash on hand | **4.89** | 8.52 | 4.79 | 4.37 | 3.12 |
| | **294.27** | **224.26** | **210.02** | **174.19** | **926.46** |

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.

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 14b** | | | | | |
| **Other bank balances** | | | | | |
| In term deposit accounts (balances held as margin money) | **21.50** | 103.44 | 131.82 | 138.73 | 96.64 |
| | **21.50** | **103.44** | **131.82** | **138.73** | **96.64** |

Includes accrued interest Rs. 0.93 million (March 31, 2017 : Rs. 2.38 million, March 31, 2016: Rs. 4.77 million, March 31, 2015: Rs. 5.78 million, March 31, 2014: Rs. 6.18 million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 15** | | | | | |
| **Loans** | | | | | |
| Deposits (unsecured, considered good) | | | | | |
| Security deposits - others | **22.74** | 14.31 | 9.77 | - | 21.96 |
| Loans to related parties (refer footnote and note 51) | **2,342.16** | 1,779.16 | 1,368.35 | 1,089.46 | 1,916.23 |
| Less: Provision for diminution in value of loan | **-** | - | - | (14.72) | (14.72) |
| | **2,364.90** | **1,793.47** | **1,378.12** | **1,074.74** | **1,923.47** |

Loan to related parties include amounts due from a Director is Rs.1.42 million (March 31, 2017: Rs.7.50 million, March 31, 2016: Rs. 10.00 million, March 31, 2015: Rs. 10.00 million, March 31, 2014: Rs. Nil ) and due from private limited companies aggregating to Rs. 2,340.74 million (March 31, 2017: Rs.1,771.66 million, March 31, 2016: Rs.1,358.35 million, March 31, 2015: Rs. 1,089.46 million, March 31, 2014: Rs. 1,916.23 million) in which directors of the Company are directors.
The interest rate applicable to the amounts due from private limited companies in which directors of the Company are directors are 11.00% (March 31, 2017: 12.00%, March 31, 2016: 12.50%, March 31, 2015: 14.00%, March 31, 2014: 14.00%). These amounts are unsecured and repayable on demand.

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 16** | | | | | |
| **Other current financial assets** | | | | | |
| ***(Unsecured, considered good)*** | | | | | |
| Unbilled revenue | **195.33** | 134.70 | 145.55 | 119.23 | 112.22 |
| Others * | **192.85** | 30.07 | - | 11.66 | 188.73 |
| Mark to market derivative contracts | **14.38** | 8.72 | - | - | - |
| | **402.56** | **173.49** | **145.55** | **130.89** | **300.95** |

* Includes export benefits and entitlements of Rs. 192.85 million (March 31, 2017 : Rs. 26.96 million (net of related provision of Rs. 0.96 million), March 31, 2016: Rs. Nil, March 31, 2015: Rs. Nil, March 31, 2014: Rs. Nil)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 17** | | | | | |
| **Other current assets** | | | | | |
| ***Unsecured, considered good*** | | | | | |
| Indirect tax balances/receivable credits | **192.45** | 161.44 | 159.16 | 89.17 | 72.53 |
| Receivable from tax authorities | **-** | 5.15 | - | 26.43 | - |
| Prepayment and others | **77.54** | 83.10 | 70.08 | 66.07 | 42.80 |
| **Other Advances** | | | | | |
| Secured advance to supplier | **-** | - | - | 13.44 | 34.05 |
| Advance to suppliers | **44.73** | 49.43 | 30.00 | 25.46 | 29.32 |
| Capital advances | **-** | - | - | 10.56 | - |
| Others | **8.01** | 12.20 | 10.01 | 4.68 | 16.95 |
| | **322.73** | **311.32** | **269.25** | **235.81** | **195.65** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 18
### Assets classified as held for sale

**A. Following investments were classified as held for sale:**

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Investment in equity shares of associate (face value of Rs. 10) | | | | | |
| Genext Hardware & Parks Private Limited (number of shares : Nil; March 31, 2017 : Nil; March 31, 2016 : 5,156; March 31, 2015 : 4,936; March 31, 2014 : 4,936) * | - | - | 2,870.27 | 2,870.27 | 2,870.27 |
| Intime Properties Limited (number of shares : Nil; March 31, 2017 : Nil; March 31, 2016 : Nil ; March 31, 2015 : 526,893; March 31, 2014 : 526,893) | - | - | - | 893.66 | 893.66 |
| Sundew Properties Limited (number of shares : Nil; March 31, 2017 : Nil; March 31, 2016 : Nil ; March 31, 2015 : Nil; March 31, 2014 : 439,246) | - | - | - | - | 582.22 |
| **Total assets held for sale** | **-** | **-** | **2,870.27** | **3,763.93** | **4,346.15** |

* Pursuant to the court approved scheme (refer note 42), the Hotel and Retail undertaking of Magna Warehousing & Distribution Private Limited (wholly owned subsidiary company) was demerged into Genext Hardware and Parks Private Limited. Consequently, during the year ended March 31, 2016, 220 fully paid equity shares of Genext Hardware and Parks Private Limited were alloted to the Company.

The investment in all the above companies were acquired exclusively with a view of its subsequent disposal within twelve months from the date of purchase. They were classified as held for sale on acquisition during the year ended March 31, 2014 and consequently measured at the lower of their carrying amount and fair value less costs to sell.

The Company was able to sell off the investment in Sundew Properties Limited within a twelve month period. The investments in Genext Hardware & Parks Private Limited and Intime Properties Limited required additional time beyond twelve months due to regulatory approvals and approval from the local state governments .

The Company ceased to hold significant influence on sale of partial stake in Intime Properties Limited on March 30, 2016. Subsequent to partial sale of investment, it does not meet classification as an associate and was accounted under Ind AS 109 - 'Financial instruments' (refer note 8).

The Company had pledged Nil (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: 385,822) equity shares of Sundew Properties Limited and Nil (March 31, 2017: Nil, March 31, 2016: 4,936, March 31, 2015: 4,936, March 31, 2014: 4,936) equity shares of Genext Hardware & Parks Private Limited in favour of Housing Development Finance Corporation Limited, as security for loan taken by entities identified as related parties. In addition, Nil (March 31, 2017: Nil, March 31, 2016: 30,298, March 31, 2015: 30,298, March 31, 2014: 30,298) equity shares of Magna Warehousing and Distribution Private Limited, a wholly owned subsidiary of the Company, were also pledged in favour of Housing Development Finance Corporation Limited, as security for loan taken by entities identified as related parties.

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

**Note 19**
**Share Capital**

**(a) Details of the Authorised, Issued, Subscribed and fully Paid-up Share Capital are as below:**

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **(i) Authorised** | | | | | |
| 172,000,000 (March 31, 2017: 152,500,000 March 31, 2016: 152,500,000 March 31, 2015: 152,500,000 March 31, 2014: 152,500,000) equity shares of the par value of Rs. 10 each | 1,720.00 | 1,525.00 | 1,525.00 | 1,525.00 | 1,525.00 |
| **(ii) Issued, subscribed and paid-up** | | | | | |
| 171,095,293 (March 31, 2017: 152,142,253 March 31, 2016: 152,142,253 March 31, 2015: 152,142,253 March 31, 2014: 152,142,253) equity shares of the par value of Rs. 10 each | 1,710.95 | 1,521.42 | 1,521.42 | 1,521.42 | 1,521.42 |

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

**(Rs. in million)**

| Particulars | March 31, 2018 | | March 31, 2017 | | March 31, 2016 Proforma | |
|---|---|---|---|---|---|---|
| | **Number** | **Amount** | **Number** | **Amount** | **Number** | **Amount** |
| Number of equity shares outstanding at the beginning | 15,21,42,253 | 1,521.42 | 15,21,42,253 | 1,521.42 | 15,21,42,253 | 1,521.42 |
| Issued during the year (refer note 42) | 1,89,53,040 | 189.53 | - | - | - | - |
| **Total** | **17,10,95,293** | **1,710.95** | **15,21,42,253** | **1,521.42** | **15,21,42,253** | **1,521.42** |

| Particulars | March 31, 2015 Proforma | | March 31, 2014 Proforma | |
|---|---|---|---|---|
| | **Number** | **Amount** | **Number** | **Amount** |
| Number of equity shares outstanding at the beginning | 15,21,42,253 | 1,521.42 | 15,21,42,253 | 1,521.42 |
| Issued during the year | - | - | - | - |
| **Total** | **15,21,42,253** | **1,521.42** | **15,21,42,253** | **1,521.42** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

**Note 19**
**Share Capital**

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

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at March 31, 2016 Proforma | |
|---|---|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Casa Maria Properties LLP (formerly known as Casa Maria Properties Private Limited till March 17, 2016) | 1,64,96,280 | 9.64% | 1,64,96,280 | 10.84% | 1,64,96,280 | 10.84% |
| Capstan Trading LLP (formerly known as Capstan Trading Private Limited till March 17, 2016) | 1,64,95,680 | 9.64% | 1,64,95,680 | 10.84% | 1,64,95,680 | 10.84% |
| Raghukool Estate Development LLP (formerly known as Raghukool Estate Development Private Limited till March 18, 2016) | 1,64,95,680 | 9.64% | 1,64,95,680 | 10.84% | 1,64,95,680 | 10.84% |
| K Raheja Corp Private Limited | 1,45,70,000 | 8.52% | 1,45,70,000 | 9.58% | 1,45,70,000 | 9.58% |
| Touchstone Properties and Hotels Private Limited | 1,45,00,000 | 8.47% | 1,45,00,000 | 9.53% | 1,45,00,000 | 9.53% |
| Ravi Raheja | 1,33,54,374 | 7.81% | 77,68,056 | 5.11% | 77,68,056 | 5.11% |
| Neel Raheja | 1,33,54,374 | 7.81% | 77,68,056 | 5.11% | 77,68,056 | 5.11% |
| Anbee Construction LLP (formerly known as Anbee Construction Private Limited till March 17, 2016) | 1,31,16,180 | 7.67% | 1,31,16,180 | 8.62% | 1,31,16,180 | 8.62% |
| Cape Trading LLP (formerly known as Cape Trading Private Limited till March 17, 2016) | 1,31,16,180 | 7.67% | 1,31,16,180 | 8.62% | 1,31,16,180 | 8.62% |
| K Raheja Private Limited | 1,24,00,000 | 7.25% | 1,24,00,000 | 8.15% | 1,24,00,000 | 8.15% |
| Avacado Properties And Trading (India) Private Limited | - | - | - | - | 80,00,000 | 5.26% |
| Genext Hardware & Parks Private Limited | 80,00,000 | 4.68% | 80,00,000 | 5.26% | - | - |
| | **15,18,98,748** | **88.78%** | **14,07,26,112** | **92.50%** | **14,07,26,112** | **92.50%** |

| Particulars | As at March 31, 2015 Proforma | | As at March 31, 2014 Proforma | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Casa Maria Properties LLP (formerly known as Casa Maria Properties Private Limited till March 17, 2016) | 1,64,96,280 | 10.84% | 1,64,96,280 | 10.84% |
| Capstan Trading LLP (formerly known as Capstan Trading Private Limited till March 17, 2016) | 1,64,95,680 | 10.84% | 1,64,95,680 | 10.84% |
| Raghukool Estate Development LLP (formerly known as Raghukool Estate Development Private Limited till March 18, 2016) | 1,64,95,680 | 10.84% | 1,64,95,680 | 10.84% |
| K Raheja Corp Private Limited | 1,45,70,000 | 9.58% | 1,45,70,000 | 9.58% |
| Touchstone Properties and Hotels Private Limited | 1,45,00,000 | 9.53% | 1,45,00,000 | 9.53% |
| Ravi Raheja | 77,68,056 | 5.11% | 77,68,056 | 5.11% |
| Neel Raheja | 77,68,056 | 5.11% | 77,68,056 | 5.11% |
| Anbee Construction LLP (formerly known as Anbee Construction Private Limited till March 17, 2016) | 1,31,16,180 | 8.62% | 1,31,16,180 | 8.62% |
| Cape Trading LLP (formerly known as Cape Trading Private Limited till March 17, 2016) | 1,31,16,180 | 8.62% | 1,31,16,180 | 8.62% |
| K Raheja Private Limited. | 1,24,00,000 | 8.15% | 1,24,00,000 | 8.15% |
| Avacado Properties And Trading (India) Private Limited | 80,00,000 | 5.26% | 80,00,000 | 5.26% |
| | **14,07,26,112** | **92.50%** | **14,07,26,112** | **92.50%** |

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

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 19
### Share Capital

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

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

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

| Particulars | March 31, 2018 | | March 31, 2017 | | March 31, 2016 Proforma | |
|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount |
| Issued during the year (refer note 42) | 1,89,53,040 | 189.53 | - | - | - | - |

| Particulars | March 31, 2015 Proforma | | March 31, 2014 Proforma | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Issued during the year | - | - | - | - |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

**(Rs. in million)**

| **Particulars** | **As at March 31, 2018** | **As at March 31, 2017** | **As at March 31, 2016 Proforma** | **As at March 31, 2015 Proforma** | **As at March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| **Note 20** | | | | | |
| **Other equity** | | | | | |
| Capital reserve | **0.05** | 0.05 | 0.05 | 0.05 | 0.05 |
| Securities premium account | **1,418.13** | 1,418.13 | 992.60 | 992.60 | 992.60 |
| Shares pending allotment | **-** | 189.53 | - | - | - |
| General reserve | **35.78** | 35.78 | - | - | - |
| Retained earnings | **2,058.09** | 1,853.33 | 2,977.52 | 4,133.34 | 4,317.49 |
| | **3,512.05** | **3,496.82** | **3,970.17** | **5,125.99** | **5,310.14** |

**Capital reserve**

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

**Securities premium account**

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

**Shares pending allotment**

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

**General reserve**

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

**Retained earnings**

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders. It includes impact of fair valuation of land on transition to Ind AS, not presently available for distribution to shareholders (net of related tax impact): Rs. 3,710.05 million (March 31, 2017: Rs. 3,724.37 million, March 31, 2016: Rs. 3,724.37 million, March 31, 2015: Rs. 3,750.36 million and March 31, 2014: Rs. 2,868.51 million).

**Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)**

**(Rs. in million)**

**Note 21**
**Long-term borrowings**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Secured** | | | | | |
| **Rupee term loans** | | | | | |
| From banks (refer note A) | 12,760.60 | 12,433.93 | 8,229.92 | 4,403.05 | 5,448.65 |
| From financial institutions (refer note A) | 5,975.65 | 4,815.63 | 7,002.72 | 5,551.43 | 4,266.50 |
| Vehicle loans from banks (refer note A) | 5.21 | 15.85 | 24.69 | 35.13 | 6.31 |
| **Preference share liability** | | | | | |
| Non-cumulative redeemable preference shares (refer note B) | 160.00 | | - | - | - |
| Non-cumulative redeemable preference shares pending allotment (refer footnote) | - | 160.00 | - | - | - |
| **Foreign currency term loans** | | | | | |
| From banks (refer note A) | 3,250.07 | 3,080.35 | 3,765.50 | 5,397.31 | 4,484.24 |
| | **22,151.53** | **20,505.76** | **19,022.83** | **15,386.92** | **14,205.70** |

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

**(A) Terms of repayment**

| Particulars | Sanction amount (Rs. in million) | Carrying rate of interest As at March 31, 2018 | Carrying rate of interest As at March 31, 2017 | Carrying rate of interest As at March 31, 2016 Proforma | Carrying rate of interest As at March 31, 2015 Proforma | Carrying rate of interest As at March 31, 2014 Proforma | Repayment / modification of terms | Security details |
|---|---|---|---|---|---|---|---|---|
| **TERM LOANS- Rupee loans** | | | | | | | | |
| **From banks** | | | | | | | | |
| The Ratnakar Bank Limited | 1,500.00 | 9.77% | 10.55% | 10.65% | NA | NA | Repayable quarterly instalment starting from August 2015 to May 2020. | It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II. |
| Indian Overseas Bank | 1,000.00 | NA | NA | NA | 12.75% | 12.75% | Repayable half yearly in June and December from June 2009 to June 2015 | |
| Standard Chartered Bank | 2,000.00 | 9.00% | 10.45% | 10.45% | NA | NA | 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 | 1,950.00 | 9.20% | NA | NA | NA | NA | Repayable half yearly starting from March 2018 to March 2022 and balance amount is bullet payment on November 2022. | |
| **TERM LOANS- Rupee loans** | | | | | | | | |
| **From banks** | | | | | | | | |
| ICICI Bank Limited | 3,080 (Term Loan - Rs.2,285 million with 300 million OD as a sub-limit of term loan) | 9.25% | 10.00% | 10.80% | 12.00% | 12.00% | Repayable quarterly instalment starting from December 2017 to September 2026. | It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar. |
| Bank of Baroda | 900 | 8.85% | 11.20% | 11.25% | NA | NA | Repayable monthly instalment from April 2018 to October 2026 of Rs.8.30 million and remaining amount bullet payment on 30 November 2026. | |

**Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)**

**(Rs. in million)**

**Note 21**
**Long-term borrowings**
**(A) Terms of repayment**

| Particulars | Sanction amount (Rs. in million) | Carrying rate of interest As at March 31, 2018 | Carrying rate of interest As at March 31, 2017 | Carrying rate of interest As at March 31, 2016 Proforma | Carrying rate of interest As at March 31, 2015 Proforma | Carrying rate of interest As at March 31, 2014 Proforma | Repayment / modification of terms | Security details |
|---|---|---|---|---|---|---|---|---|
| ICICI Bank Limited | 1,500 | NA | NA | NA | 12.55% | 12.55% | Repayable quarterly instalment over 24 quarters from year 2013. | It is secured by first pari passsu charge on moveable and immoveable assets including receivables at Hyderabad Hotel project. |
| Corporation Bank | 900 | NA | NA | NA | 13.00% | 12.60% | Repayable monthly instalment over 96 months from April 2011. | |
| Corporation Bank | 500 | NA | NA | NA | NA | 12.60% | Repayable monthly instalment over 72 month from April 2009 to March 2015. | |
| **<u>TERM LOANS- Rupee loans</u>** | | | | | | | | |
| **<u>From banks</u>** | | | | | | | | |
| Standard Chartered Bank | 2,567 | 9.25% | 10.80% | 12.28% | NA | NA | Repayable monthly instalment over 60 months starting from November 2017 to September 2022 and balance amount is bullet payment on October 2022. | It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre and office Block Sahar, Mumbai. (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre and office Block, Sahar Mumbai. |
| Yes Bank Limited | 1,100 (Term Loan - Rs.900 million and OD sub-limit - Rs.200 million of sanction) | 9.25% | 10.43% | NA | NA | NA | Repayable in quarterly 28 instalments from March 2020 to December 2026. | It is secured by exclusive charge on Land for Powai Phase III land. |
| Yes Bank Limited | 1,500 | NA | NA | NA | 12.25% | 12.75% | Repayable in quarterly instalment from the expiry of 3 years from the date of disbursement. | 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. |

**Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)**

**(Rs. in million)**

**Note 21**
**Long-term borrowings**
**(A) Terms of repayment**

| Particulars | Sanction amount (Rs. in million) | Carrying rate of interest As at March 31, 2018 | Carrying rate of interest As at March 31, 2017 | Carrying rate of interest As at March 31, 2016 Proforma | Carrying rate of interest As at March 31, 2015 Proforma | Carrying rate of interest As at March 31, 2014 Proforma | Repayment / modification of terms | Security details |
|---|---|---|---|---|---|---|---|---|
| **TERM LOANS- Rupee loans** | | | | | | | | |
| **From banks** | | | | | | | | |
| Union Bank of India | 1,000 | NA | NA | 11.15% | 12.50% | 12.50% | Repayable within 3 years starting from 2015. | It is secured by (i) Exclusive charge on land pertaining to Powai Phase III- (ii) Second charge on the current assets of the company. |
| Other loans from banks - vehicle | 45.06 | 11% | 10.50% to 10.75% | 10.50% to 10.75% | 10.50% to 10.75% | 10.50% to 10.75% | Repayable in monthly instalments till year ending June 2019. | It is secured against hypothecation of vehicles financed by those banks. |
| Other loans from banks - vehicle | | | 10.50% to 10.75% | 10.50% to 10.75% | 10.50% to 10.75% | 10.50% to 10.75% | Repayable in monthly instalments till year ending June 2017. | It is secured against hypothecation of vehicles financed by those banks. |
| Standard Chartered Bank | 900 (Term Loan - Rs.750 million and OD Rs.150 million) | 8.85% | NA | NA | NA | NA | Repayable monthly instalment over 144 months starting from July 17 to July 2029. | It is secured by (i) Exclusive charge on immovable property and receivables at Retail Block at Bengaluru (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Retail Block at Bengaluru (iii) Charge over DSRA amounting to Rs. 50 million. |
| Standard Chartered Bank | 1,000 (Term Loan - Rs.700 million and OD Rs.300 million) | NA | 10.25% | NA | NA | NA | Of the term loan amount, Rs 961.6 million is repayable in 51 monthly instalments from June 2012 ranging between Rs 4.5 million to Rs 10.40 million and a bullet payment of Rs 608.0 million in last instalment. | It is secured by (i) first charge by way of equitable mortgage in favour of lender on the premises being Retail Block at Bengaluru having a built up area of approximately 29,803.90 sq. mtrs together with proportionate land appurtenant thereto being a portion of immovable property on a first pari passu basis and (ii) first pari passu charge over all the present and future book debts, outstanding moneys receivable, claims and bills and (iii) cash shortfall undertaking from, Chalet Hotels Private Limited. (iv) Charge over DSRA amounting to Rs. 50 million. |
| ICICI Bank Limited | 1,900 | 9.25% | 10% | NA | NA | NA | Repayable quarterly instalment from September 2016 to June 2025. | It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield. |

**Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)**

**(Rs. in million)**

**Note 21**
**Long-term borrowings**
**(A) Terms of repayment**

| Particulars | Sanction amount (Rs. in million) | Carrying rate of interest As at March 31, 2018 | Carrying rate of interest As at March 31, 2017 | Carrying rate of interest As at March 31, 2016 Proforma | Carrying rate of interest As at March 31, 2015 Proforma | Carrying rate of interest As at March 31, 2014 Proforma | Repayment / modification of terms | Security details |
|---|---|---|---|---|---|---|---|---|
| **TERM LOANS- Rupee loans** | | | | | | | | |
| **From banks** | | | | | | | | |
| Citi Bank NA | 500 | 8.20% | NA | NA | NA | NA | Repayable in Monthly instalments from May 2017 to April 2025. | It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja. |
| Citi Bank NA | 442.5 | 8.20% | 9.25% | NA | NA | NA | Repayable in Monthly instalments from November 16 to March 2024. | It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja. |
| Standard Chartered - IT Building | 300 (Rs.210 million as term loan with Rs.900 million overdraft facility) | NA | NA | NA | 12.50% | 12.50% | Repayable Rs 300 million bullet payment after 27 months (i.e. July 2015). | Secured by charge over IT / Commercial at Whitefield through Escrow Mechanism, securing a minimum security cover of 1.75x |
| **From financial institutions** | | | | | | | | |
| Housing Development Finance Corporation Limited | 2,000 | 8.70% | 9.75% | 10.85% | 12.00% | 12.00% | Repayable monthly instalment ending on March 2019. | It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II. |
| Housing Development Finance Corporation Limited | 1,000 | NA | 9.75% | 10.85% | 11.50% | 12.00% | Repayable monthly instalment ending on January 2018. | |
| Housing Development Finance Corporation Limited | 700 | NA | NA | NA | NA | 12.00% | Repayable monthly instalment ending on October 2014. | It is secured by (i) mortgage of immovable properties at Vashi Hotel premises together with proportionate undivided interest in the land and common area, facilities and parking area and construction thereon present and future. (ii) Corporate Guarantee of related party. |
| Housing Development Finance Corporation Limited | 3,000 | NA | NA | NA | 12.00% | 12.50% | Repayable daily from collection of flat holders till July 2016 whichever is earlier. | It is secured by (i) first exclusive mortgage and charge on the (a) larger land area of 291,145.36 sq. ft. bearing New Municipal No.21,Koramangala Industrial Layout, Ward No.68, PID No.68-4-21, Bengaluru 560 034 (excluding the undivided interest in the plinth area of the residential towers in respect of flats/ units already sold by the company before the date of creation of the charge and the proportionate undivided interest in the common areas and facilities in the larger land relating to such flats already sold) and (b) structures to be constructed on the larger land, present and future, excluding the area of flats already sold (ii) a first charge on and hypothecation of all receivables from the Koramangala project and (iii) security interest in the designated account (escrow account) opened with HDFC Bank Limited, Bengaluru for the deposit of all receivables from the Koramangala project. |

**Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)**

**(Rs. in million)**

**Note 21**
**Long-term borrowings**
**(A) Terms of repayment**

| Particulars | Sanction amount (Rs. in million) | Carrying rate of interest As at March 31, 2018 | Carrying rate of interest As at March 31, 2017 | Carrying rate of interest As at March 31, 2016 Proforma | Carrying rate of interest As at March 31, 2015 Proforma | Carrying rate of interest As at March 31, 2014 Proforma | Repayment / modification of terms | Security details |
|---|---|---|---|---|---|---|---|---|
| **From financial institutions** | | | | | | | | |
| Housing Development Finance Corporation Limited | 1,350 | 8.70% | 10.35% | 10.85% | 11.25% | NA | Repayable monthly instalment from April 2017 to May 2024. | It is secured by (i) Exclusive charge on immovable property and receivables at Four Points By Sheraton, Vashi (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Four Points By Sheraton, Vashi (iii) Guarantee by related party. |
| Housing Development Finance Corporation Limited | 2,500 | 8.70% | 9.75% | 10.85% | 12.00% | NA | Repayable yearly from March 2019 to March 2026. | It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations . |
| Housing Development Finance Corporation Limited | 1,000 | NA | NA | NA | NA | 12.25% | Payable on demand. | It is secured by personal guarantee by related party. |
| Housing Development Finance Corporation Limited | 3,600 | 8.70% | 10.10% | 10.60% | NA | NA | Repayable monthly instalment ending on April 2025. | It is secured by (i) Exclusive charge on immovable and movable property and receivables at Westin Hotel (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Westin Hotel. |

**(A) Terms of repayment**

| Particulars | Sanction amount (USD in million) | Carrying rate of interest As at March 31, 2018 | Carrying rate of interest As at March 31, 2017 | Carrying rate of interest As at March 31, 2016 Proforma | Carrying rate of interest As at March 31, 2015 Proforma | Carrying rate of interest As at March 31, 2014 Proforma | Repayment / modification of terms | Security details |
|---|---|---|---|---|---|---|---|---|
| **Foreign currency loans** | | | | | | | | |
| **From banks** | | | | | | | | |
| Standard Chartered Bank, Singapore | 30 | NA | NA | NA | 3.00% fixed plus 3 month LIBOR | 3.00% fixed plus 3 month LIBOR | Repayable bullet payment on March 16. | It is secured by (i) Pari-passu charge on Hotel and apartment property (both present and future) located at Powai for a minimum security cover of 1.5x (ii) Pari Passu charge over above project receivables. |
| Standard Chartered Bank, UK | 30 | 3.75% fixed plus 6 month LIBOR | 3.75% fixed plus 6 month LIBOR | NA | NA | NA | Repayable in half yearly from January 2017 to July 2021. | It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield. |
| Standard Chartered Bank, UK | 30 | 4.25% fixed plus 3 month LIBOR | 4.25% fixed plus 3 month LIBOR | 4.25% fixed plus 3 month LIBOR | 4.25% fixed plus 3 month LIBOR | 4.25% fixed plus 3 month LIBOR | Repayable in two instalments November 17 and May 18. | It is secured by (i) Pari-passu charge on immovable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.Standard Chartered Bank has charge on the ISRA account created in respect of security. |
| ICICI Bank Limited - UK | 15 | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | Repayable quarterly from April 2018 to January 2027. | It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations. |
| ICICI Bank Limited - Bahrain | 48 (drawn only USD 12.2 million) | 4.00% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | Repayable quarterly from June 2018 to Mar 2027. | |

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

**Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)**

(Rs. in million)

**Note 21**
**Long-term borrowings**
**(B) Preference share capital**

(Rs. in million)

**(a) Details of the authorised, issued, subscribed and paid-up preference share capital as below:**

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **(i) Authorised** | | | | | |
| 1,600 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each | **160.00** | - | - | - | - |
| **(ii) Issued, subscribed and paid-up** | | | | | |
| 1,600 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each* | 160.00 | | - | - | - |
| **Total** | **160.00** | **-** | **-** | **-** | **-** |

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

(Rs. in million)

| Particulars | March 31, 2018 | March 31, 2018 | March 31, 2017 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2016 Proforma |
|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount |
| Number of preference shares outstanding at the beginning of the year | - | - | - | - | - | - |
| Issued during the year | 1,600 | 160 | - | - | - | - |
| **Number of preference shares outstanding at the end of the year** | **1,600** | **160** | **-** | **-** | **-** | **-** |

| Particulars | March 31, 2015 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Number of preference shares outstanding at the beginning of the year | - | - | - | - |
| Issued during the year | - | - | - | - |
| **Number of preference shares outstanding at the end of the year** | **-** | **-** | **-** | **-** |

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

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at March 31, 2016- Proforma | |
|---|---|---|---|---|---|---|
| | No. of shares held | % of holding | No. of shares held | % of holding | No. of shares held | % of holding |
| Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja* | 1,600 | 100.00% | - | - | - | - |
| | **1,600** | **100.00%** | **-** | **-** | **-** | **-** |

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

| Particulars | As at March 31, 2015- Proforma | | As at March 31, 2014- proforma | |
|---|---|---|---|---|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja | - | - | - | - |
| | **-** | **-** | **-** | **-** |

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

Non-cumulative redeemable preference shares: 1,600 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each
The Company has only one class of preference shares having a par value of Rs 100,000 per share. The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the Company for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of Re 1 per preference share per year.
Preference shares issued by the Company are due for redemption at par . Accordingly, the preference shares are liable to be redeemed at any time at the option of the Company but not later than December 23, 2023.
In the event of liquidation of the Company before redemption of the equity shares, the holders of redeemable preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

**Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)***

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 22** | | | | | |
| **Other non-current financial liabilities** | | | | | |
| Security deposits | **151.77** | 28.90 | 13.45 | 15.85 | 15.39 |
| Retention money | **-** | 3.56 | 39.58 | 10.77 | 4.81 |
| | **151.77** | **32.46** | **53.03** | **26.62** | **20.20** |

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 23** | | | | | |
| **Provisions** | | | | | |
| Provision for gratuity | **38.11** | 57.62 | 55.74 | 51.19 | 36.80 |
| | **38.11** | **57.62** | **55.74** | **51.19** | **36.80** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 24
### Tax expense

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

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|---|---|---|---|---|
| **Current income tax expense** | - | - | - | - | 65.00 |
| **Deferred income tax liability / (asset), net** | | | | | |
| Origination and reversal of temporary differences | 3.06 | (483.22) | (535.16) | (139.47) | (385.64) |
| Utilisation of previously unrecognised tax losses | (67.31) | - | - | - | - |
| Change in tax rate | 4.42 | - | - | (4.80) | - |
| **Deferred tax credit** | (59.82) | (483.22) | (535.16) | (144.27) | (385.64) |
| **Tax credit for the year** | **(59.82)** | **(483.22)** | **(535.16)** | **(144.27)** | **(320.64)** |

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

| | For the year ended March 31, 2018 | | | For the year ended March 31, 2017 | | | For the year ended March 31, 2016 - Proforma | | |
|---|---|---|---|---|---|---|---|---|---|
| | Before tax | Tax (expense) benefit | Net of tax | 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 | 22.54 | (7.88) | **14.66** | 0.20 | (0.07) | **0.13** | 1.93 | (0.67) | **1.26** |
| | **22.54** | **(7.88)** | **14.66** | **0.20** | **(0.07)** | **0.13** | **1.93** | **(0.67)** | **1.26** |

| | For the year ended March 31, 2015 Proforma | | | For the year ended March 31, 2014 Proforma | | |
|---|---|---|---|---|---|---|
| | 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 | (3.98) | 1.38 | (2.60) | (4.73) | 1.61 | (3.12) |
| | **(3.98)** | **1.38** | **(2.60)** | **(4.73)** | **1.61** | **(3.12)** |

**(Rs. in million)**

**Note 24**
**Tax expense**
**(c) Amounts recognised directly in equity**

**(Rs.in million)**

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Deferred income tax asset, net | 14.32 | - | 25.98 | 287.71 | (11.09) |

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

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Profit/(loss) before tax | 144.60 | 818.18 | (1,666.27) | (1,307.78) | (1,400.79) |
| Company's domestic tax rate | 34.61% | 34.61% | 34.61% | 34.61% | 33.99% |
| **Tax using the Company's domestic tax rate** | **50.04** | **283.16** | **(576.66)** | **(452.60)** | **(476.13)** |
| **Tax effect of:** | | | | | |
| Expenses not allowed under tax | 28.00 | 30.14 | 25.81 | 22.29 | 300.64 |
| Income not subject to tax | (1.55) | (36.36) | (3.56) | (1.19) | - |
| Utlisation of brought forward losses | (67.31) | - | - | - | - |
| Adjustment for deferred taxes (prior period) | - | (241.07) | - | - | - |
| Recognition of deferred tax asset on unrecognised tax losses | - | (346.07) | (519.13) | - | (114.13) |
| Deferred tax asset not recognised on current year's loss | 33.67 | 103.97 | 699.11 | 2,637.54 | 8.51 |
| Indexation of land and investment property | (118.51) | (526.51) | (38.66) | (39.83) | (32.50) |
| Indexation of equity instruments | - | - | (115.29) | (4.48) | (3.73) |
| Difference in applicable tax rates | 11.41 | (1.25) | 1.12 | - | - |
| Section 35AD deduction | - | 232.19 | (7.90) | (2,301.19) | - |
| Change in tax rate | 4.42 | - | - | (4.80) | - |
| Others | - | 18.58 | - | - | (3.30) |
| | **(59.82)** | **(483.22)** | **(535.16)** | **(144.27)** | **(320.64)** |

The Company's weighted average tax rates for years ended March 31, 2018, 2017, 2016, 2015 and 2014 were (41.37%), (59.06%), 32.12%, 11.03% and 22.89%, 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.

**Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)**

**(Rs. in million)**

**(e) Movement in deferred tax balances**

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

| | Net balance April 1, 2017 | Recognised in profit or loss credit/(charge) | Recognised in OCI | Recognised in equity | Net balance March 31, 2018 |
|---|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | | |
| Property, plant and equipment | (3,236.07) | 14.14 | - | (14.32) | (3,236.24) |
| Investment property | 59.48 | 20.44 | - | - | 79.91 |
| Assets classified as held for sale | 0.03 | 0.01 | - | - | 0.04 |
| Real estate inventory | (42.14) | 7.86 | - | - | (34.28) |
| Expenditure on specified business u/s 35 AD | 2,328.27 | 22.59 | - | - | 2,350.86 |
| Investments | (0.28) | (0.00) | - | - | (0.28) |
| Provisions | 350.42 | 33.68 | - | - | 384.10 |
| Borrowings | (71.75) | 12.14 | (7.88) | - | (67.49) |
| Unabsorbed depreciation / carry forward tax losses | 865.20 | (44.40) | - | - | 820.80 |
| Other current liabilities | 89.61 | (176.03) | - | - | (86.42) |
| Other items | (68.64) | 169.39 | - | - | 100.76 |
| **Deferred tax asset/(liabilities)** | **274.13** | **59.82** | **(7.88)** | **(14.32)** | **311.76** |

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

| | Net balance April 1, 2016 | Recognised in profit or loss credit/(charge) | Recognised in OCI | Recognised in equity | Acquired in business combinations (refer note 42) | Net balance March 31, 2017 |
|---|---|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | | | |
| Property, plant and equipment | (1,902.79) | (1,450.68) | - | - | 117.40 | (3,236.07) |
| Investment property | 64.72 | (5.24) | - | - | - | 59.48 |
| Assets classified as held for sale | 110.30 | (110.27) | - | - | - | 0.03 |
| Real estate inventory | (88.22) | 46.08 | - | - | - | (42.14) |
| Expenditure on specified business u/s 35 AD | - | 2,328.27 | - | - | - | 2,328.27 |
| Investments | 2.22 | (2.50) | - | - | - | (0.28) |
| Provisions | 366.82 | (20.79) | (0.07) | - | 4.45 | 350.42 |
| Borrowings | (51.41) | 7.34 | - | - | (27.69) | (71.75) |
| Unabsorbed depreciation / carry forward tax losses | 635.32 | 229.88 | - | - | - | 865.20 |
| Other current liabilities | 241.77 | (152.15) | - | - | - | 89.61 |
| Other items | 368.31 | (386.73) | - | - | (50.22) | (68.64) |
| **Deferred tax asset/(liabilities)** | **(252.96)** | **483.22** | **(0.07)** | **-** | **43.95** | **274.13** |

**Movement in deferred tax balances for the year ended March 31, 2016 - Proforma**

| | Net balance April 1, 2015 | Recognised in profit or loss credit/(charge) | Recognised in OCI | Recognised in equity | Net balance March 31, 2016 |
|---|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | | |
| Property, plant and equipment | (3,862.17) | 1,985.37 | - | (25.98) | (1,902.79) |
| Investment property | 54.12 | 10.60 | - | - | 64.72 |
| Assets classified as held for sale | - | 110.30 | - | - | 110.30 |
| Real estate inventory | (121.30) | 33.08 | - | - | (88.22) |
| Expenditure on specified business u/s 35 AD | 2,301.20 | (2,301.20) | - | - | - |
| Investments | - | 2.22 | - | - | 2.22 |
| Provisions | 354.60 | 12.90 | (0.67) | - | 366.82 |
| Borrowings | (33.79) | (17.62) | - | - | (51.41) |
| Unabsorbed depreciation / carry forward tax losses | 116.20 | 519.12 | - | - | 635.32 |
| Other current liabilities | 317.62 | (75.85) | - | - | 241.77 |
| Other items | 112.05 | 256.26 | - | - | 368.31 |
| **Deferred tax asset/(liabilities)** | **(761.47)** | **535.16** | **(0.67)** | **(25.98)** | **(252.96)** |

**Movement in deferred tax balances for the year ended March 31, 2015 - Proforma**

| | Net balance April 1, 2014 | Recognised in profit or loss credit/(charge) | Recognised in OCI | Recognised in equity | Net balance March 31, 2015 |
|---|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | | |
| Property, plant and equipment | (1,335.04) | (2,239.41) | - | (287.71) | (3,862.17) |
| Investment property | 43.82 | 10.31 | - | - | 54.12 |
| Real estate inventory | (239.57) | 118.27 | - | - | (121.30) |
| Expenditure on specified business u/s 35 AD | - | 2,301.20 | - | - | 2,301.20 |
| Investments | 2.11 | (2.11) | - | - | - |
| Provisions | 348.48 | 4.74 | 1.38 | - | 354.60 |
| Borrowings | (41.29) | 7.50 | - | - | (33.79) |
| Carry forward tax losses | 114.13 | 2.08 | - | - | 116.20 |
| Other current liabilities | 482.70 | (165.08) | - | - | 317.62 |
| Other items | 5.26 | 106.79 | - | - | 112.05 |
| **Deferred tax asset/(liabilities)** | **(619.41)** | **144.27** | **1.38** | **(287.71)** | **(761.47)** |

**Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)**

**(Rs. in million)**

**Movement in deferred tax balances for the year ended March 31, 2014 - Proforma**

| | Net balance April 1, 2013 | Recognised in profit or loss credit/(charge) | Recognised in OCI | Recognised in equity | Net balance March 31, 2014 |
|---|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | | |
| Property, plant and equipment | (1,390.19) | 44.06 | - | 11.09 | (1,335.04) |
| Investment property | 35.44 | 8.38 | - | - | 43.82 |
| Real estate inventory | (439.24) | 199.67 | - | - | (239.57) |
| Investments | - | 2.11 | - | - | 2.11 |
| Provisions | 200.71 | 146.17 | 1.61 | - | 348.48 |
| Borrowings | (24.01) | (17.28) | - | - | (41.29) |
| Carry forward tax losses | - | 114.13 | - | - | 114.13 |
| Other current liabilities | 523.44 | (40.74) | - | - | 482.70 |
| Other items | 76.12 | (70.86) | - | - | 5.26 |
| **Deferred tax asset/(liabilities)** | **(1,017.74)** | **385.64** | **1.61** | **11.09** | **(619.41)** |

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.
Given that the holding company does not have any intention to dispose investments in subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

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

| | March 31, 2018 | | | March 31, 2017 | | | March 31, 2016 - Proforma | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross amount | DTA not recognised | Expiry date | Gross amount | DTA not recognised | Expiry date | Gross amount | DTA not recognised | Expiry date |
| Business Loss | - | - | NA | 489.45 | 169.39 | March 31, 2024 | 36.12 | 12.50 | March 31, 2023 |
| Business Loss | - | - | NA | 47.65 | 16.49 | March 31, 2025 | 1,453.33 | 502.97 | March 31, 2024 |
| House property loss | 84.39 | 29.49 | March 31, 2026 | - | - | NA | - | - | NA |
| Long Term Capital Loss | - | - | NA | - | - | NA | 0.21 | 0.05 | March 31, 2017 |
| Long Term Capital Loss | - | - | NA | - | - | NA | 2.55 | 0.59 | March 31, 2018 |
| Long Term Capital Loss | - | - | NA | - | - | NA | 8.46 | 1.95 | March 31, 2019 |
| Long Term Capital Loss | - | - | NA | - | - | NA | 88.90 | 20.51 | March 31, 2024 |
| Short Term Capital Loss | - | - | NA | - | - | NA | 4.60 | 1.06 | March 31, 2022 |
| Short Term Capital Loss | - | - | NA | - | - | NA | 6.19 | 1.43 | March 31, 2023 |
| **Total** | **84.39** | **29.49** | | **537.10** | **185.88** | | **1,600.36** | **541.06** | |

| | March 31, 2015 - Proforma | | | March 31, 2014 - Proforma | | |
|---|---|---|---|---|---|---|
| | Gross amount | DTA not recognised | Expiry date | Gross amount | DTA not recognised | Expiry date |
| Business Loss | 1,536.12 | 531.62 | March 31, 2023 | - | - | NA |
| Long Term Capital Loss | 0.21 | 0.05 | March 31, 2017 | 0.21 | 0.05 | March 31, 2017 |
| Long Term Capital Loss | 8.46 | 1.92 | March 31, 2019 | 8.46 | 1.92 | March 31, 2019 |
| Long Term Capital Loss | 0.00 | 0.00 | March 31, 2022 | 0.00 | 0.00 | March 31, 2022 |
| Short Term Capital Loss | 4.60 | 1.04 | March 31, 2022 | 4.60 | 1.04 | March 31, 2022 |
| Short Term Capital Loss | 6.19 | 1.40 | March 31, 2023 | - | - | NA |
| **Total** | **1,558.13** | **536.03** | | **15.82** | **3.01** | |

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

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

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

Further, the Company had incurred losses in relation to the residential project at Bengaluru pursuant to litigation which arose during the financial year ended March 31, 2014. During the financial year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Company, decided that the Company should proactively consider re-commencement of construction upto the minimum permissible limit and engage with the buyers above 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 March 31, 2018 (refer note 53 of Annexure VI). Such costs have been pushed back for the purpose of restated standalone summary financial statements (refer Annexure VII). 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 Rs 828.80 million as at March 31, 2018 (March 31, 2017: Rs 865.20 million, March 31, 2016: Rs. 519.12 million, March 31, 2015: Rs Nil, March 31, 2014: Rs Nil) on the carried forward losses of the Company.

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 25
### Other non-current liabilities

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Other non-current liabilities | | | | | |
| Deferred finance income | 28.08 | 21.15 | - | - | - |
| | **28.08** | **21.15** | **-** | **-** | **-** |

### Note 26
### Borrowings

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Secured** | | | | | |
| From financial institutions (refer footnote) | - | - | - | - | 173.44 |
| Cash credit / over draft accounts from banks | 433.19 | 108.48 | 763.24 | 326.71 | 546.27 |
| **Unsecured** | **-** | **-** | **-** | **-** | - |
| Buyer's credit | 252.29 | 251.73 | 686.73 | 658.96 | 377.09 |
| From directors | - | 74.00 | - | - | - |
| Loans from related parties | 692.29 | 2,571.46 | 938.32 | 745.75 | 240.25 |
| | **1,377.77** | **3,005.67** | **2,388.29** | **1,731.42** | **1,337.05** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

**(A) Terms associated with secured loans**

| Particulars | Sanction amount (Rs. in million) | Carrying rate of interest As at March 31, 2018 | Carrying rate of interest As at March 31, 2017 | Carrying rate of interest As at March 31, 2016 Proforma | Carrying rate of interest As at March 31, 2015 Proforma | Carrying rate of interest As at March 31, 2014 Proforma | Repayment / modification of terms | Security details |
|---|---|---|---|---|---|---|---|---|
| **TERM LOANS- Rupee loans** **From banks** | | | | | | | | |
| Standard Chartered Bank | 500 | 10.90% to 10.05% | 11.75% to 10.90% | 12% to 11.75% | 12.50% to 12.00% | 13.50% to 12.50% | 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 | 1,100 (Term Loan - Rs.900 million and OD sub-limit - Rs.200 million of sanction) | 9.90 to 9.60% | 9.90% | NA | NA | NA | Repayable in quarterly 28 instalments from March 2020 to December 2026. | It is secured by exclusive charge on Land for Powai Phase III land |
| ICICI Bank Ltd | 3,080 (Term Loan - Rs.2285 million with Rs.300 million OD as a sub-limit of term loan) | 10.60% to 9.35% | 10.85% to 10.60% | 12% to 10.85% | 12.00% | 11.75% to 12% | 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. |
| Indian Overseas Bank | 50 | 12.95% | 12.95% | 13.50% to 12.95% | 13.50% | 13.50% | 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 - Rs.1,530 million and OD Rs. 150 million) | 10.05% to 9.25% | 12.85% to 10.05% | NA | NA | NA | Repayable quarterly instalment from September 2016 to June 2025. | It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield |

**Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)** **(Rs. in million)**

**(A) Terms associated with secured loans**

| Particulars | Sanction amount (Rs. in million) | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Repayment / modification of terms | Security details |
|---|---|---|---|---|---|---|---|---|
| | | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma | | |
| **<u>TERM LOANS- Rupee loans</u>** | | | | | | | | |
| **<u>From banks</u>** | | | | | | | | |
| Standard Chartered Bank | 900 (Term Loan - Rs.700 million and OD Rs.300 million) | 11.95% to 8.85% | 11.95% to 12.25% | NA | NA | NA | Repayable monthly instalment over 144 months starting from July 17 to July 2029 | It is secured by (i) Exclusive charge on immovable property and receivables at Retail Block at Bengaluru (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Retail Block at Bengaluru (iii) Charge over DSRA amounting to Rs. 50 million. |
| Standard Chartered Bank | 300 (Term Loan - Rs.210 million and OD Rs. 90 million) | NA | NA | 12.50% to 12.25% | 12.25% to 13.50% | 12.25% to 13.50% | Repayable Rs 300 million bullet payment after 27 months (i.e. July 2015). | Secured by charge over IT / Commercial at whitefield through Escrow Mechanism, securing a minimum security cover of 1.75x. |
| Housing Development Finance Corporation Limited | 1,500 | NA | NA | NA | NA | 12.50% | Repayable daily from collection of flat holders till July 2016 whichever is earlier. | It is secured by (i) first exclusive mortgage and charge on the (a) larger land area of 291,145.36 sq. ft. bearing New Municipal No.21,Koramangala Industrial Layout, Ward No.68, PID No.68-4-21, Bengaluru 560 034 (excluding the undivided interest in the plinth area of the residential towers in respect of flats/ units already sold by the company before the date of creation of the charge and the proportionate undivided interest in the common areas and facilities in the larger land relating to such flats already sold) and (b) structures to be constructed on the larger land, present and future, excluding the area of flats already sold (ii) a first charge on and hypothecation of all receivables from the Koramangala project and (iii) security interest in the designated account (escrow account) opened with HDFC Bank Limited, Bengaluru for the deposit of all receivables from the Koramangala project. |

**Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)** **(Rs. in million)**

| **From related parties** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **Sanction amount (Rs. in million)** | **Carrying rate of interest** | **Carrying rate of interest** | **Carrying rate of interest** | **Carrying rate of interest** | **Carrying rate of interest** | **Repayment / modification of terms** | **Security details** |
| | | **As at March 31, 2018** | **As at March 31, 2017** | **As at March 31, 2016 Proforma** | **As at March 31, 2015 Proforma** | **As at March 31, 2014 Proforma** | | |
| K Raheja Corp Private Limited | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| Genext Hardware & Parks Private Limited | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| New Found properties Private Limited | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| K.Raheja Corporate Services Private Limited | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| Mindspace Business Parks Private Limited | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| From directors | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| **Buyers credits** | | | | | | | | |
| Buyers credit | NA | 1% to 5% | 1% to 5% | 1% to 5% | 1% to 5% | 1% to 5% | Repayable within 1 years | Unsecured |

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

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 27** | | | | | |
| **Trade payables** | | | | | |
| Acceptances | **-** | - | - | 13.01 | 55.33 |
| **Other than Acceptances** | | | | | |
| Micro and small enterprises (refer note 44) | **4.75** | 5.46 | 0.70 | 0.19 | 0.23 |
| Others | **854.25** | 841.26 | 651.17 | 583.44 | 533.74 |
| | **859.00** | **846.72** | **651.87** | **596.64** | **589.30** |

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 28** | | | | | |
| **Other current financial liabilities** | | | | | |
| Current maturity of long term debt (refer note 21) | **3,467.40** | 2,605.52 | 1,900.39 | 3,520.77 | 1,972.18 |
| Accrued expenses | **-** | - | 1.38 | 2.02 | 25.44 |
| Creditors for capital expenditure | | | | | |
| - Micro and small enterprises | **-** | - | - | 5.09 | 4.06 |
| - Retention money payable | **48.64** | 82.54 | 122.09 | 163.40 | 99.78 |
| Security deposits | **47.79** | 121.55 | 21.23 | 16.52 | 5.25 |
| Mark to market derivative contracts | **37.83** | 104.56 | 107.15 | 60.49 | - |
| Others | **159.91** | 210.46 | 166.50 | 536.02 | 282.35 |
| | **3,761.57** | **3,124.63** | **2,318.74** | **4,304.31** | **2,389.06** |

**(Rs. in million)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 29** | | | | | |
| **Other current liabilities** | | | | | |
| Acceptances for capital expenditure | **-** | - | 1.04 | - | 4.95 |
| Deferred government grant (refer note 39) | **-** | - | 134.29 | 178.94 | - |
| Income received in advance (unearned revenue) | **208.36** | 334.94 | 381.03 | 403.76 | 509.64 |
| Advances from customers towards sale of residential flats | **1,026.35** | 1,274.25 | 1,469.77 | 1,633.13 | 2,180.10 |
| Advances from customers towards hospitality services | **170.97** | 106.77 | 84.26 | 56.37 | 60.15 |
| Statutory dues payable | **578.57** | 150.43 | 147.35 | 104.58 | 83.38 |
| | **1,984.25** | **1,866.39** | **2,217.74** | **2,376.78** | **2,838.22** |

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

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

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 30** | | | | | |
| **Short term provisions** | | | | | |
| Provision for gratuity | **27.18** | 23.73 | 15.22 | 11.53 | 12.45 |
| Provision for compensated absences | **56.71** | 53.86 | 55.18 | 50.77 | 43.46 |
| Provision for estimated/actual cancellations and cost of alteration (refer footnote and note 37) | **874.73** | 1,070.95 | 1,148.89 | 1,108.87 | 1,134.95 |
| | **958.62** | **1,148.54** | **1,219.29** | **1,171.17** | **1,190.86** |

**Current provisions**

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

- cost of alteration of superstructure
- Estimated cost in relation to expected potential cancellations

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

**Movement for provision for estimated loss on account of cancellations of flats**

-

| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Provision for cost of alteration of super structure** | **250.00** | 250.00 | 250.00 | 250.00 | 250.00 |
| **Provision for estimated / actual cancellation** | | | | | |
| Opening balance | **570.95** | 648.89 | 608.87 | 634.95 | 239.48 |
| Provisions made during the year | **178.22** | 199.31 | 277.75 | 360.91 | 751.64 |
| Provisions utilised during the year | **(124.44)** | (27.25) | 12.27 | (136.99) | (106.17) |
| Provisions reversed during the year | **-** | - | - | - | - |
| Closing balance | **624.73** | **820.95** | **898.89** | **858.87** | **884.95** |
| **Total** | **874.73** | **1,070.95** | **1,148.89** | **1,108.87** | **1,134.95** |

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

| **Particulars** | **For the year ended March 31, 2018** | **For the year ended March 31, 2017** | **For the year ended March 31, 2016 Proforma** | **For the year ended March 31, 2015 Proforma** | **For the year ended March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| **Note 31** | | | | | |
| **Revenue from operations** | | | | | |
| **(a) Sale of services** | | | | | |
| **Hospitality:** | | | | | |
| Room income | **4,855.89** | 3,961.01 | 3,216.11 | 2,485.00 | 2,499.36 |
| Food, beverages and smokes | **2,821.93** | 2,327.42 | 2,030.79 | 1,444.58 | 1,326.39 |
| Others | **717.11** | 517.26 | 397.41 | 364.33 | 315.65 |
| **(b) Sale of products** | | | | | |
| **Real Estate:** | | | | | |
| Sale of residential flats | **102.13** | 111.44 | 77.39 | 104.64 | 179.09 |
| Sale of transferable development Rights | **-** | - | - | - | 434.77 |
| **Retail and commercial:** | | | | | |
| Lease rent | **166.37** | 114.23 | 7.73 | 7.08 | - |
| **(c) Other operating revenues** | | | | | |
| **Hospitality:** | | | | | |
| Export benefits and entitlements (refer note 39) | **200.33** | 314.74 | 95.14 | 8.90 | 256.05 |
| **Retail and commercial:** | | | | | |
| Maintenance and other recoveries | **49.09** | 19.16 | - | - | - |
| Revenue from other services | **25.31** | 8.27 | - | - | - |
| | **8,938.16** | **7,373.53** | **5,824.57** | **4,414.53** | **5,011.31** |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

| **Particulars**<br>**Note 32** | **For the year ended March 31, 2018** | **For the year ended March 31, 2017** | **For the year ended March 31, 2016 Proforma** | **For the year ended March 31, 2015 Proforma** | **For the year ended March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| **Other income** | | | | | |
| Profit on sale of investments | **4.63** | 1,301.24 | - | - | - |
| Interest income from instruments measured at amortised cost | **197.63** | 228.70 | 73.43 | 234.56 | 303.73 |
| Interest Income from amortised cost measurement of preference shares | **-** | 17.29 | 14.43 | 12.94 | 10.77 |
| Gain on foreign exchange fluctuation (net) | **4.63** | 213.66 | - | - | - |
| Net mark to market gain on derivative contracts | **21.54** | 35.00 | - | - | - |
| Profit on sale of fixed assets (net) | **1.23** | 3.85 | 0.03 | 1.80 | 12.02 |
| Dividend received | **-** | - | 7.90 | 1.32 | - |
| Interest on income tax refund | **-** | 13.61 | - | - | - |
| Miscellaneous income | **17.45** | 47.58 | 44.43 | 18.53 | 7.94 |
| Fair value gains on instruments measured at FVTPL | **-** | 10.82 | - | - | - |
| | **247.11** | **1,871.75** | **140.22** | **269.15** | **334.46** |

**Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)**
*for the year ended March 31, 2018*

(Rs. in million)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 33(a)** | | | | | |
| **Real estate development costs** | | | | | |
| **(i) Cost of construction** | | | | | |
| Opening project work in progress | **2,643.69** | 2,650.00 | 2,611.53 | 2,281.13 | 2,702.36 |
| Inventory of unsold flats | **312.47** | 388.96 | 434.50 | 504.22 | 522.43 |
| **Expenditure incurred during the year:** | | | | | |
| *Addition during the year* | | | | | |
| Materials consumed | **0.24** | (5.36) | 3.95 | 167.73 | 26.21 |
| Contractors labour and other charges | **16.80** | (1.00) | 30.42 | 112.71 | 254.82 |
| Rates and taxes | **-** | - | 0.43 | 0.43 | 0.43 |
| Legal and professional charges | **-** | - | 0.41 | 4.75 | 5.90 |
| Project support fees | **-** | - | 2.50 | 30.00 | 39.96 |
| Interest and finance charges | **-** | - | - | 3.68 | 12.72 |
| Other expenses | **-** | 0.05 | 1.19 | 13.02 | 11.07 |
| | **2,973.20** | **3,032.65** | **3,084.94** | **3,117.68** | **3,575.90** |
| Less: Transferred to investment property | **-** | - | - | - | 21.99 |
| Add: Adjustment for provision for impairment | **-** | - | - | - | (376.65) |
| **Less: Closing stock** | | | | | |
| Inventory of unsold flats | **247.25** | 312.47 | 388.96 | 434.50 | 504.22 |
| Project work in progress | **2,655.29** | 2,643.69 | 2,650.00 | 2,611.53 | 2,281.13 |
| **Cost of construction** | **70.66** | **76.49** | **45.98** | **71.65** | **391.91** |
| **(ii) Cost of mitigation program compensation** | **124.14** | **131.50** | **205.55** | **278.32** | **357.69** |
| **(iii) Cost of Transferable Development Rights** | **-** | **-** | **-** | **-** | **338.73** |
| **Total real estate development cost ( i + ii + iii)** | **194.80** | **207.99** | **251.53** | **349.97** | **1,088.33** |

**Note 33(b)**

**Food and beverages consumed***

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Food and beverages materials at the beginning of the year | **112.46** | 97.14 | 71.86 | 67.63 | 52.12 |
| Purchases | **815.17** | 682.67 | 629.73 | 431.04 | 424.53 |
| Food and beverages materials at the end of the year | **105.43** | 112.46 | 97.14 | 71.86 | 67.63 |
| | **822.20** | **667.35** | **604.45** | **426.81** | **409.02** |

*Includes complimentaries Rs 94.83 Million ( March 31, 2017 : Rs 59.23 million, March 31, 2016 : Rs 55.75 million, March 31, 2015 : Rs 34.72 million; March 31, 2014 : Rs 52.77 million)

**Note 33(c)**

**Operating supplies consumed**

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Operating supplies materials at the beginning of the year | **-** | 3.28 | 20.56 | 20.43 | 14.94 |
| Purchases | **256.17** | 215.12 | 172.70 | 306.17 | 127.53 |
| Operating supplies materials at the end of the year | **-** | - | 3.28 | 20.56 | 20.43 |
| | **256.17** | 218.40 | 189.98 | 306.04 | 122.04 |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

(Rs. in million)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 34** | | | | | |
| **Employee benefits expense** | | | | | |
| Salaries, wages and bonus | **1,085.03** | 986.60 | 892.52 | 733.22 | 568.97 |
| Contribution to provident and other funds | **50.48** | 53.54 | 45.30 | 34.37 | 28.86 |
| Staff welfare expenses | **160.08** | 148.11 | 129.37 | 94.21 | 81.91 |
| | **1,295.59** | **1,188.25** | **1,067.19** | **861.80** | **679.74** |

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 35** | | | | | |
| **Finance costs** | | | | | |
| Interest expenses | **2,049.74** | 2,111.87 | 1,769.46 | 1,527.08 | 1,301.21 |
| Other borrowing costs | **42.86** | 41.74 | 387.80 | 69.47 | 66.99 |
| | **2,092.60** | **2,153.61** | **2,157.26** | **1,596.55** | **1,368.20** |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 36** | | | | | |
| **Other expenses** | | | | | |
| Travelling and conveyance expenses | **111.49** | 95.04 | 87.48 | 78.70 | 66.80 |
| Power and fuel* | **627.40** | 544.95 | 612.28 | 459.34 | 396.82 |
| Rent | **22.83** | 32.37 | 29.67 | 31.64 | 23.44 |
| Repairs and maintenance | | | | | |
| - Buildings | **136.88** | 116.62 | 135.99 | 65.81 | 44.10 |
| - Plant and machinery | **216.10** | 179.94 | 108.41 | 72.40 | 60.59 |
| - Others | **96.15** | 84.89 | 74.59 | 51.72 | 54.17 |
| Insurance | **29.69** | 26.03 | 25.93 | 17.40 | 15.90 |
| Rates and taxes | **417.06** | 182.31 | 135.64 | 85.25 | 99.62 |
| Advertisement and business promotion expenses | **383.14** | 336.32 | 273.56 | 221.13 | 181.38 |
| Donations | **0.50** | 0.13 | 0.28 | 0.30 | 0.51 |
| Commission | **229.14** | 212.96 | 140.58 | 99.58 | 107.72 |
| Royalty and management fees | **375.28** | 304.69 | 241.62 | 199.02 | 190.42 |
| Legal and professional charges | **113.36** | 118.50 | 107.33 | 75.88 | 71.50 |
| Loss on sale of export benefits and entitlements | **-** | 0.40 | - | - | - |
| Provision for impairment on export benefits and entitlements | **-** | 0.96 | - | - | - |
| Loss on sale of investment/written off | **-** | - | 5.78 | 6.19 | 4.60 |
| Provision for diminution in value of investments | **-** | - | 3.71 | (6.19) | 6.19 |
| Provision for stock obsolescence | **-** | 8.33 | - | 2.61 | 2.82 |
| Provision for diminution in value of loans and advances | **-** | - | - | - | 14.72 |
| Provision for doubtful debts | **7.85** | 1.38 | 1.55 | - | 3.23 |
| Bad debt written off | **0.52** | 0.48 | 0.86 | 0.28 | - |
| Fixed assets written off | **-** | 29.96 | 0.52 | 1.12 | - |
| Loss on foreign exchange fluctuation (net) | **-** | - | 11.37 | 5.86 | 124.54 |
| Provision for mark to market loss on derivative contracts | **-** | - | 46.66 | 60.49 | - |
| Director sitting fees | **0.40** | 0.39 | 0.36 | 0.36 | 0.33 |
| Payment to auditors (refer note 46) | **5.67** | 9.07 | 12.03 | 8.43 | 7.20 |
| Buyout labour | **116.75** | 88.82 | 82.58 | 61.90 | 67.33 |
| Manpower contract | **19.55** | 15.49 | 10.97 | - | - |
| Miscellaneous expenses** | **299.15** | 263.86 | 140.98 | 150.76 | 168.76 |
| Fair value loss on instruments measured at FVTPL | **-** | - | 9.60 | - | - |
| | **3,208.91** | **2,653.89** | **2,300.33** | **1,749.98** | **1,712.69** |

*Net off Rs. 47.70 million (March 31, 2017: 15.92 million, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) on account of recoveries.

**Net off Rs. 1.98 million (March 31, 2017: (1.45) million, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) on account of recoveries.

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

### Note 37
### Exceptional items

(Rs. in million)

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **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 | (54.08) | (67.81) | (72.20) | (82.59) | (143.94) |
| | (54.08) | (67.81) | (72.20) | (82.59) | (770.59) |

**Note**

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

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

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

i) Provision towards impairment of super structure of Rs 350.89 million and expected cost of alteration of super structure of Rs 250 million;
ii) Provision for cost of mitigation program compensation and related expenses of Rs 420.62 million in relation to potential cancellations referred to in above, net of compensation already provided for; and
iii) Impact of revised estimated cost of completion of the project on the net realisable value of inventory resulting in write down of Rs 25.76 million.
iv) In the event all the buyers of flats above 10th floor decide to exercise exit option, the Company has to refund Rs 944.07 million which is presently being accounted as an advance from customers.

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

Subsequent to the Balance Sheet date, the Promoter-Directors of the Company have agreed to provide funds to the Company either by themselves or through their Nominees, to meet its cash flow requirements for the Project to the extent of Rs. 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.

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

**Note 38**
**Earnings per share**

| | Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| | ***Basic and diluted earnings per share*** | | | | | |
| **1** | Profit/(loss) attributable to ordinary shareholders | 204.42 | 1,301.40 | (1,131.11) | (1,163.51) | (1,080.15) |
| **2** | **Calculation of weighted average number of equity shares - Basic and diluted** | | | | | |
| (a) | Number of shares at the beginning of the year | 17,10,95,293 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 |
| (b) | Add: on account of share pending allotment (Refer note 42) | - | 77,88,921 | - | - | - |
| | **Weighted average number of equity shares outstanding during the year** | **17,10,95,293** | **15,99,31,174** | **15,21,42,253** | **15,21,42,253** | **15,21,42,253** |
| **3** | Basic and diluted earnings per share (Rs.) | **1.19** | **8.14** | **(7.43)** | **(7.65)** | **(7.10)** |
| **4** | Nominal value of shares (Rs.) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |

**Note**

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

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 39
### Government grant

**Export Promotion Capital Goods (EPCG) scheme**

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

The Company has recognised a deferred grant at the point of waiver of import duty in relation to import of capital goods. Given that the grant is conditional on 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.

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Opening balance | - | 134.29 | 178.94 | - | - |
| Grants during the year | 10.00 | 138.21 | 50.49 | 187.84 | 65.55 |
| Less: Released to statement of profit and loss | (10.00) | (272.49) | (95.14) | (8.90) | (65.55) |
| Closing balance | - | - | 134.29 | 178.94 | - |

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

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

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Opening balance | 27.92 | - | 11.66 | 188.73 | 122.46 |
| Grants received during the year | 190.33 | 42.25 | - | - | 190.50 |
| Less: Utilisation / written off | (25.40) | (14.33) | (11.66) | (177.08) | (124.22) |
| Closing balance | 192.85 | 27.92 | - | 11.66 | 188.73 |
| | | | | | |
| Income recognised in the statement of profit and loss on account of EPCG (A) | 10.00 | 272.49 | 95.14 | 8.90 | 65.55 |
| Income recognised in the statement of profit and loss on account of SFIS / SEIS (B) | 190.33 | 42.25 | - | - | 190.50 |
| **Total income recognised in the statement of profit and loss (A + B)** | **200.33** | **314.74** | **95.14** | **8.90** | **256.05** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 40
### Employee benefits

***a) Defined contribution plan***

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

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

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Employer's contribution to provident fund and ESIC | 50.48 | 53.54 | 45.30 | 34.37 | 28.86 |
| | **50.48** | **53.54** | **45.30** | **34.37** | **28.86** |

***b) Defined benefit plan***

**Gratuity**

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

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

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

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

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Defined benefit obligation | 66.70 | 82.56 | 72.36 | 64.51 | 50.98 |
| Less: Fair value of plan assets | (1.41) | (1.21) | (1.40) | (1.79) | (1.73) |
| **Net defined benefit assets/(obligation)** | **65.29** | **81.35** | **70.96** | **62.72** | **49.25** |

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

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

| | Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| 1 | **Movement in defined benefit obligations:** | | | | | |
| | At the beginning of the year | 82.56 | 72.36 | 64.51 | 50.98 | 40.27 |
| | Liabilities assumed on business combination | - | 1.53 | - | - | - |
| | *Recognised in profit or loss* | | | | | |
| | Current service cost | 8.19 | 10.59 | 10.12 | 10.81 | 5.49 |
| | Interest cost | 5.52 | 5.57 | 5.10 | 4.85 | 3.44 |
| | *Recognised in other comprehensive income* | | | | | |
| | *Actuarial (gains)/losses on obligations -* | | | | | |
| | Due to change in demographic assumptions | (8.64) | 2.95 | (1.13) | (1.09) | (8.09) |
| | Due to change in financial assumptions | (1.15) | (4.24) | 5.42 | 4.86 | 1.87 |
| | Due to experience | (12.75) | 1.09 | (6.22) | 0.22 | 10.95 |
| | Benefit paid | (7.03) | (7.29) | (5.44) | (6.10) | (2.95) |
| | **At the end of the year** | **66.70** | **82.56** | **72.36** | **64.51** | **50.98** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

**Note 40**
**Employee benefits**

| | | | | | | |
|---|---|---|---|---|---|---|
| 2 | **Movement in fair value of plan assets:** | | | | | |
| | At the beginning of the year | 1.21 | 1.40 | 1.79 | 1.73 | 1.62 |
| | *Recognised in profit or loss* | | | | | |
| | Interest income | 0.08 | 0.11 | 0.14 | 0.16 | 0.13 |
| | Expected return on plan assets | (0.04) | (0.11) | (0.07) | (0.04) | (0.02) |
| | *Recognised in other comprehensive income* | | | | | |
| | *Actuarial gains/(losses)* | | | | | |
| | *Due to change in financial assumptions* | | | | | |
| | Employer contributions | 1.20 | 1.84 | 0.76 | 1.03 | - |
| | Benefit paid | (1.05) | (2.03) | (1.22) | (1.08) | - |
| | **At the end of the year** | **1.41** | **1.21** | **1.40** | **1.79** | **1.73** |
| 3 | **Recognised in profit or loss** | | | | | |
| | Current service cost | 8.19 | 10.59 | 10.12 | 10.81 | 5.49 |
| | Interest expense | 5.52 | 5.57 | 5.10 | 4.85 | 3.44 |
| | Interest income | 0.08 | 0.11 | 0.14 | 0.16 | 0.13 |
| | **For the year** | **13.63** | **16.06** | **15.08** | **15.50** | **8.80** |
| 4 | **Recognised in Other Comprehensive Income** | | | | | |
| | Actuarial (gains)/losses on obligations | (22.54) | (0.20) | (1.93) | 3.98 | 4.73 |
| | Actuarial (gains)/losses on plan assets | - | - | - | - | - |
| | **For the year** | **(22.54)** | **(0.20)** | **(1.93)** | **3.98** | **4.73** |

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

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

**(i)** ***Employees of Chalet Hotels***

| **Particulars** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Preformat** | **March 31, 2014 Preformat** |
|---|---|---|---|---|---|
| Rate of increase in salaries (%) | 7.00% - 8.00% | 5.89% -10.00% | 8.50% - 13.00% | 8.00% - 14.00% | 8.30% - 15.00% |
| Discount rate (%) | 6.63% | 6.85% | 7.54% | 7.90% | 9.03% |
| Employee turnover rate | 26.00% - 51.85% | 16.80% - 41.50% | 15.59% - 63.60% | 14.35% - 78.00% | 8.00% - 30.61% |
| Mortality rate during employment | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |

**(ii)** ***Employees of undertaking demerged from Genet Hardware & Parks Private Limited (Refer Note 42)***

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

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 40
### Employee benefits

**7 Sensitivity of the defined benefit obligation**

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

| | March 31, 2016 Proforma | | March 31, 2015 Proforma | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (2.81) | 3.07 | (2.10) | 3.08 |
| Rate of increase in salaries (1% movement) | 2.97 | 2.77 | 2.93 | (2.72) |
| Rate of employee turnover (1% movement) | (0.63) | 0.68 | (0.80) | 0.87 |

| | March 31, 2014 Proforma | |
|---|---|---|
| | Increase | Decrease |
| Discount rate (1% movement) | (1.98) | (1.75) |
| Rate of increase in salaries (1% movement) | 2.44 | 2.20 |
| Rate of employee turnover (1% movement) | 0.05 | (0.48) |

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

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

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

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

| Particulars | Up to 1 year | Between 1-2 years | Between 2-5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **March 31, 2018** | 23.01 | 15.14 | 25.87 | 10.47 | 74.49 |
| **March 31, 2017** | 16.78 | 13.77 | 34.54 | 23.98 | 89.06 |
| **March 31, 2016 Proforma** | 11.95 | 10.01 | 28.07 | 31.23 | 81.26 |
| **March 31, 2015 Proforma** | 9.10 | 8.39 | 24.61 | 30.45 | 72.55 |
| **March 31, 2014 Proforma** | 16.97 | 4.66 | 15.99 | 19.35 | 56.97 |

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

Compensated absences, classified as other long term employee benefits, is recognised as an expense and included in "Employee benefits expense" in the Restated Standalone Summary Statement of Profit and Loss. The following table provides details in relation to such compensated absences

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Expense for the year | 12.81 | 3.51 | 12.23 | 15.59 | 13.58 |
| Closing balance | 56.74 | 53.85 | 55.18 | 50.77 | 46.18 |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 41
### Operating leases

**A. Leases as lessor**

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

i) Amount recognised in Restated Standalone Summary Statement of Profit and Loss

| Description | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Income from lease of shops in hotels included in revenue from operations | 4.72 | 11.39 | - | - | - |
| Income from lease of office premises in revenue from operations | 49.71 | 57.53 | 7.73 | 7.08 | - |
| Income from lease of investment properties included in revenue from operations | 111.94 | 45.31 | - | - | - |
| **Total** | **166.37** | **114.23** | **7.73** | **7.08** | **-** |

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

| Future minimum lease receivables | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Less than one year | 16.44 | 35.75 | 2.53 | 3.39 | 5.00 |
| Between one and five years | 45.97 | 27.62 | 2.09 | - | 3.11 |
| More than five years | 19.13 | - | - | - | - |
| **Total** | **81.54** | **63.37** | **4.62** | **3.39** | **8.12** |

iii) Future minimum lease receivables under non cancellable operating lease of investment properties **(Rs. in million)**

| Future minimum lease receivables | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Less than one year | 122.42 | 51.12 | - | - | - |
| Between one and five years | 401.76 | 225.56 | - | - | - |
| More than five years | 281.30 | 295.26 | - | - | - |
| **Total** | **805.48** | **571.94** | **-** | **-** | **-** |

**B. Leases as lessee**

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

Lease expense in the Restated Standalone Summary Statement of Profit and Loss

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Lease expense in the Restated Standalone Summary Statement of Profit and Loss | 22.83 | 32.37 | 29.67 | 31.64 | 23.44 |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 42

### Scheme of Arrangements

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

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

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

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

Book value of assets and liabilities related to the commercial business transferred to holding company i.e. 1 April 2013 are as under:

| Particulars | Amount |
|---|---|
| **Assets** | |
| Investment Property | 18.42 |
| Investment Property under construction | 414.71 |
| Long-term loans and advances | 18.80 |
| Other non-current assets | - |
| Inventories | 5.17 |
| Cash and bank balances | 22.97 |
| Short-term loans and advances | 8.56 |
| | **489.00** |
| **Liabilities** | |
| Equity share capital | 0.62 |
| Preference share capital | 80.00 |
| Reserves and surplus | 26.14 |
| Long-term borrowings | 210.00 |
| Other long-term liabilities | 0.33 |
| Short-term borrowings | 116.63 |
| Other current liabilities | 54.91 |
| | **489.00** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

**b. Merger of hotel and retail undertaking of Genext Hardware & Parks Private Limited with the Company**

The Board of Directors of the Company at its meeting held on January 5, 2017, approved the demerger proposal and approved the "Scheme of Arrangement " ('the Scheme') to demerge the Hotel Undertaking and the Retail Undertaking of Genext Hardware & Parks Private Limited ("Transferor Company") with the Company ("Transferee Company") under Section 230 to 232 of the Companies Act, 2013, with effect from November 01, 2016, ("the Appointed Date") subject to obtaining necessary approvals of National Company Law Tribunal (NCL T) at Mumbai.

The said Scheme received the approval of the National Company Law Tribunal (NCLT) at Mumbai and Bangalore and other statutory and regulatory authorities on September 11, 2017. The Scheme has become effective October 1, 2017.

The scheme has been accounted in a manner prescribed by the Hon'ble court order. The book values of the assets, liabilities and reserves of the Transferor company as of November 1, 2016 have been recorded and the identity of the reserves have been maintained. The consideration for such merger was Rs. 189.53 million in the form of equity shares. Such equity shares were issued during the year ended March 31, 2018 and accordingly has been presented as shares pending allotment in the financial statement for the year ended March 31, 2017. Further, the effect of shares pending allotment has been appropriately considered for computation of basic and diluted earnings per share from the Appointed Date.

The excess of book value of the net assets and reserves of the Transferor Company taken over, amounting to Rs.189.53 millions over the face value of the shares issued by the transferee Company has been debited to the Goodwill as per the Scheme. Further, the results of the operations of the hotel and retail undertaking have been incorporated with effect from November 1, 2016. Accordingly, the results for the periods covered by Restated Summary Statement of Profit and Loss may not be comparable.

Book value of assets and liabilities related to the commercial business transferred to Company i.e 1 November 2016 are as under:

| Particulars | Amount |
|---|---|
| **Assets** | |
| Property Plant & Equipments | 2,524.06 |
| Capital Work in Progress | 13.58 |
| Intangible Assets | 2.39 |
| Investment property | 1,433.55 |
| Investment property under construction | 301.52 |
| Non Current Investment | 1.00 |
| Loans | 26.79 |
| Non-current tax assets (net) | 58.28 |
| Other non- current assets | 18.37 |
| **Current assets** | |
| Inventories | 31.36 |
| Trade receivables | 89.98 |
| Cash and cash equivalents | 40.37 |
| Bank balances other than above | 58.22 |
| Loans | 0.06 |
| Other financial assets | 0.64 |
| Other current assets | 21.57 |
| | **4,621.74** |
| **Liabilities** | |
| Other equity | (1,964.42) |
| **Non-current liabilities** | |
| Borrowings | 3,263.44 |
| Provisions | 0.15 |
| **Current liabilities** | |
| Borrowings | 2,120.15 |
| Deferred Tax Liability | 43.93 |
| Trade and other payables | 85.69 |
| Other financial liabilities | 929.95 |
| Other current liabilities | 65.56 |
| Provisions | 77.29 |
| | **4,621.74** |

For the five months ended March 31, 2017, Transferor Company contributed revenue of Rs. 716.65 Million and loss (after tax) of Rs. 34.29 Million to the Company's results.
If the acquisition had occurred on April 1, 2016, management estimates that revenue would have been higher by Rs 847.97 million and restated profit after tax would have been lower by Rs. 73.41 million.

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 43
### Contingent liabilities and commitments (to the extent not provided for)

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Contingent liabilities** | | | | | |
| ***Claims against the Company not acknowledged as debts*** | | | | | |
| Disputed service tax demands | 96.57 | 145.17 | 148.96 | 103.92 | 95.15 |
| Disputed VAT demands | 12.70 | 3.53 | 10.58 | 8.99 | 8.40 |
| Disputed License Fee (Excise demand) | - | - | 1.36 | 1.36 | - |
| Disputed Provident Fund demands | 5.80 | 5.80 | 3.78 | - | - |
| Disputed Income Tax demands | - | - | - | - | 0.07 |
| Claim from third party | - | 1.95 | - | - | - |
| Property Tax | 27.55 | 27.55 | - | - | - |
| ESIC | 0.35 | - | - | - | - |
| SFIS/SEIS Scheme | 5.74 | 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 restated financial information. The balance of prepaid lease rental in relation to such leasehold land as of March 31, 2018 is Rs. 54.52 million (March 31, 2017: Rs. 55.71 million, March 31, 2016: Rs. 56.91 million, March 31, 2015: 58.11 million) and carrying value of property, plant and equipment as at March 31, 2018 is Rs. 449.27 million (March 31, 2017: Rs. 474.47 million, March 31, 2016: Rs. 510.23 million, March 31, 2015: Rs. 562.92 million) .

| Commitments | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 60.82 | 29.56 | 196.88 | 568.43 | 1,683.37 |

### Note 44
### Dues to micro and small suppliers

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | | | | |
| Principal | 4.75 | 5.46 | 0.70 | 0.19 | 0.23 |
| Interest | 0.23 | 0.04 | 0.02 | 0.03 | 0.13 |
| The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) | - | - | - | - | - |
| The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year | - | - | - | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | - | - | - | 0.41 | 0.05 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 0.75 | 0.55 | 0.93 | 0.49 | 0.45 |
| 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 | - | - | - | - | - |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 45

### Specified Bank Notes

Schedule III of the Companies Act, 2013 was amended by Ministry of Corporate Affairs vide Notification G.S.R. 308(E) dated 30 March 2017. The said amendment requires the Company to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. For the purpose of this clause, the term 'Specific Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are provided in the table below:-

| Particulars | Specified Bank Notes | Other Denomination Notes | Total |
|---|---|---|---|
| Closing cash in hand as on 08.11.2016 | 3.51 | 1.83 | 5.34 |
| (+) Permitted receipts | - | 26.73 | 26.73 |
| (-) Permitted payments | 0.01 | 12.67 | 12.68 |
| (-) Amount deposited in Banks | 3.50 | 12.45 | 15.95 |
| Closing cash in hand as on 30.12.2016 | - | 3.45 | 3.45 |

### Note 46

### Payment to auditors

| Particulars | March 31, 2018 | March 31, 2017* | March 31, 2016* Proforma | March 31, 2015* Proforma | March 31, 2014* Proforma |
|---|---|---|---|---|---|
| Audit Fees | 4.60 | 7.00 | 7.01 | 6.94 | 5.77 |
| Tax Audit Fees | 0.40 | 1.00 | 1.00 | 1.00 | 1.02 |
| Other services | 0.67 | 0.85 | 3.76 | 0.49 | 0.35 |
| Out of pocket expenses | - | 0.21 | 0.26 | - | 0.07 |
| Amount debited to Restated Standalone Summary Statement of Profit and Loss | 5.67 | 9.07 | 12.03 | 8.43 | 7.20 |
| Service Tax | 0.10 | 1.18 | 1.55 | 0.83 | 0.82 |
| **Total** | **5.77** | **10.25** | **13.59** | **9.25** | **8.01** |

*payment made to erstwhile auditors.

### Note 47

### Corporate Social responsibility

The Company in light of losses incurred in the past years is not required to spend any amount towards Corporate Social Responsibility for the years ended March 31, 2018 and March 31, 2017.

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

### Note 48
### Financial instruments - Fair values and risk management

**(Rs in million)**

**(A) Accounting classification and fair values**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| **31 March 2018** | **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 |
| Loans | - | 110.65 | 110.65 | | 110.65 | | 110.65 |
| Other non-current investments | - | 0.13 | 0.13 | | 0.13 | | 0.13 |
| 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 | - | 388.18 | 388.18 | | | | |
| Derivative asset | 14.38 | | 14.38 | | 14.38 | | 14.38 |
| | **57.42** | **3,781.33** | **3,838.75** | | **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** |

| | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| **31 March 2017** | **FVTPL** | **Amortised Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Non-current financial assets** | | | | | | | |
| Investment in equity shares | 2.95 | - | 2.95 | | | 2.95 | 2.95 |
| Other non-current investments | - | 0.13 | 0.13 | | 0.13 | | 0.13 |
| Loans | - | 105.48 | 105.48 | | 105.48 | | 105.48 |
| Others | - | 14.02 | 14.02 | | 14.02 | | 14.02 |
| **Current financial assets** | | | | | | | |
| Trade receivables | - | 296.21 | 296.21 | | | | |
| Cash and cash equivalents | - | 224.26 | 224.26 | | | | |
| Other bank balances | - | 103.44 | 103.44 | | | | |
| Loans | - | 1,793.47 | 1,793.47 | | | | |
| Others | - | 164.77 | 164.77 | | | | |
| Derivative asset | 8.72 | | 8.72 | | 8.72 | | 8.72 |
| | **11.67** | **2,701.78** | **2,713.45** | | **128.35** | **2.95** | **131.30** |
| **Non-current financial liabilities** | | | | | | | |
| Borrowings | - | 20,505.76 | 20,505.76 | | 20,505.76 | | 20,505.76 |
| Other non-current financial liabilities | - | 32.46 | 32.46 | | 32.46 | | 32.46 |
| **Current financial liabilities** | | | | | | | |
| Borrowings | - | 3,005.67 | 3,005.67 | | | | |
| Trade payables | - | 846.70 | 846.70 | | | | |
| Other financial liabilities | - | 3,020.06 | 3,020.06 | | | | |
| Derivative liability | 104.56 | - | 104.56 | | 104.56 | | 104.56 |
| | **104.56** | **27,410.65** | **27,515.21** | | **20,642.78** | | **20,642.78** |

### Note 48
### Financial instruments - Fair values and risk management

**(Rs in million)**

| | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| **31 March 2016 - Proforma** | **FVTPL** | **Amortised Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Non-current financial assets** | | | | | | | |
| Investment in Equity shares | 331.40 | - | 331.40 | | | 331.40 | 331.40 |
| Other non-current investments | - | 142.84 | 142.84 | | 142.84 | | 142.84 |
| Loans | - | 117.17 | 117.17 | | 117.17 | | 117.17 |
| **Current financial assets** | | | | | | | |
| Trade receivables | - | 181.38 | 181.38 | | | | |
| Cash and cash equivalents | - | 210.02 | 210.02 | | | | |
| Other bank balances | - | 131.82 | 131.82 | | | | |
| Loans | - | 1,378.12 | 1,378.12 | | | | |
| Others | - | 145.55 | 145.55 | | | | |
| | **331.40** | **2,306.90** | **2,638.30** | | **260.01** | **331.40** | **591.41** |
| **Non-current financial liabilities** | | | | | | | |
| Borrowings | - | 19,022.83 | 19,022.83 | | 19,022.83 | | 19,022.83 |
| Other non-current financial liabilities | - | 53.03 | 53.03 | | 53.03 | | 53.03 |
| **Current financial liabilities** | | | | | | | |
| Borrowings | - | 2,388.29 | 2,388.29 | | | | |
| Trade payables | - | 651.89 | 651.89 | | | | |
| Other financial liabilities | - | 2,211.59 | 2,211.59 | | | | |
| Derivative liability | 107.15 | | 107.15 | | 107.15 | | 107.15 |
| | **107.15** | **24,327.63** | **24,434.78** | | **19,183.01** | | **19,183.01** |

| | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| **31 March 2015 - Proforma** | **FVTPL** | **Amortised Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Non-current financial assets** | | | | | | | |
| Investment in Equity shares | 0.01 | - | 0.01 | | | 0.01 | 0.01 |
| Other non-current investments | - | 128.40 | 128.40 | | 128.40 | | 128.40 |
| Loans | - | 110.81 | 110.81 | | 110.81 | | 110.81 |
| **Current financial assets** | | | | | | | |
| Trade receivables | - | 100.82 | 100.82 | | | | |
| Cash and cash equivalents | - | 174.19 | 174.19 | | | | |
| Other bank balances | - | 138.73 | 138.73 | | | | |
| Loans | - | 1,074.74 | 1,074.74 | | | | |
| Others | - | 130.89 | 130.89 | | | | |
| | **0.01** | **1,858.58** | **1,858.59** | | **239.21** | **0.01** | **239.22** |
| **Non-current financial liabilities** | | | | | | | |
| Borrowings | - | 15,386.92 | 15,386.92 | | 15,386.92 | | 15,386.92 |
| Other non-current financial liabilities | - | 26.62 | 26.62 | | 26.62 | | 26.62 |
| **Current financial liabilities** | | | | | | | |
| Borrowings | - | 1,731.42 | 1,731.42 | | | | |
| Trade payables | - | 596.63 | 596.63 | | | | |
| Other financial liabilities | - | 4,304.31 | 4,304.31 | | | | |
| Derivative liability | 60.49 | | 60.49 | | 60.49 | | 60.49 |
| | **60.49** | **22,045.90** | **22,106.39** | | **15,474.03** | | **15,474.03** |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

**Note 48**
**Financial instruments - Fair values and risk management**

**(Rs in million)**

| | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| **31 March 2014 - Proforma** | **FVTPL** | **Amortised Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Non-current financial assets** | | | | | | | |
| Investment in Equity shares | 0.01 | - | 0.01 | | | 0.01 | 0.01 |
| Other non-current investments | - | 115.40 | 115.40 | | 115.40 | | 115.40 |
| Loans | - | 71.53 | 71.53 | | 71.53 | | 71.53 |
| **Current financial assets** | | | | | | | |
| Trade receivables | - | 156.98 | 156.98 | | | | |
| Cash and cash equivalents | - | 926.46 | 926.46 | | | | |
| Other bank balances | - | 96.64 | 96.64 | | | | |
| Loans | - | 1,923.47 | 1,923.47 | | | | |
| Others | - | 300.95 | 300.95 | | | | |
| | **0.01** | **3,591.43** | **3,591.44** | | **186.93** | **0.01** | **186.94** |
| **Non-current financial liabilities** | | | | | | | |
| Borrowings | - | 14,205.70 | 14,205.70 | | 14,205.70 | | 14,205.70 |
| Other non-current financial liabilities | - | 20.20 | 20.20 | | 20.20 | | 20.20 |
| **Current financial liabilities** | | | | | | | |
| Borrowings | - | 1,337.05 | 1,337.05 | | | | |
| Trade payables | - | 589.31 | 589.31 | | | | |
| Other financial liabilities | - | 2,389.06 | 2,389.06 | | | | |
| | **-** | **18,541.32** | **18,541.32** | | **14,225.90** | | **14,225.90** |

**(ii) Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include :
- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach.
- the fair value for the currency swap is determined using forward exchange rate for balance maturity
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date for residual maturity.

- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. 'The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

The investments included in level 3 of the fair value hierarchy have been valued using the discounted cash flow technique to arrive at the fair value.

**(iii) Fair value measurements using significant unobservable inputs (level 3)**

Reconciliation of level 3 fair values

| | **FVTPL equity shares** |
|---|---|
| Balance at April 1, 2017 | 2.95 |
| Additions during the year | 40.09 |
| Balance at March 31, 2018 | 43.04 |
| | |
| Balance at April 1, 2016 | 331.40 |
| Sale / disposal during the year | (328.45) |
| Balance at March 31, 2017 | 2.95 |
| | |
| Balance at April 1, 2015 - Proforma | 0.01 |
| Additions during the year | 331.39 |
| Balance at March 31, 2016 | 331.40 |
| | |
| Balance at April 1, 2014 - Proforma | 0.01 |
| Change in fair value | - |
| Balance at March 31, 2015 - Proforma | 0.01 |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

### Note 48
### Financial instruments - Fair values and risk management

**(Rs in million)**

**(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 | | | | |
|---|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
| Discount rate | 21.00% | 21.00% | 21.00% | - | - |
| Capitalisation rate | 11.00% | 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 | | | | | |
|---|---|---|---|---|---|---|
| | 31 March 2018 | | 31 March 2017 | | 31 March 2016- Proforma | |
| | Increase by 100bps | Decrease by 100bps | Increase by 100bps | Decrease by 100bps | Increase by 100bps | Decrease by 100bps |
| Discount rate | (0.05) | 0.05 | (0.05) | 0.05 | (8.09) | 8.62 |
| Capitalisation rate | (0.05) | 0.06 | (0.05) | 0.06 | (8.36) | 10.03 |

**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.

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 48
### Financial instruments – Fair values and risk management *(Continued)*

**(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 sale limits are established for each customer (as applicable), reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

**Impairment**

The ageing of trade and other receivables that were not impaired was as follows.

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Neither past due not impaired | | | | | |
| Past due not impaired | | | | | |
| 1-90 days | 421.34 | 267.39 | 156.84 | 76.03 | 128.74 |
| 90-180 days | 57.98 | 13.16 | 15.55 | 13.73 | 14.49 |
| 180-365 days | 48.20 | 14.29 | 6.78 | 4.08 | 6.27 |
| More than 365 days | 28.00 | 10.58 | 8.50 | 11.72 | 13.50 |
| Total | **555.52** | **305.43** | **187.67** | **105.56** | **163.00** |

**The movement in the allowance for impairment in respect of other receivables during the year was as follows:**

| | March 31, 2018 | March 31, 2017 | March 31, 2016 - Proforma | March 31, 2015 - Proforma | March 31, 2014 - Proforma |
|---|---|---|---|---|---|
| Balance as at April 1 | 9.22 | 6.29 | 4.74 | 6.02 | 2.99 |
| Impairment loss recognised / (reversed) | (5.92) | 2.45 | 0.69 | (1.56) | 3.03 |
| Amounts written off | 0.52 | 0.48 | 0.86 | 0.28 | - |
| Balance as at March 31 | **3.82** | **9.22** | **6.29** | **4.74** | **6.02** |

**(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.

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Financial instruments – Fair values and risk management *(Continued)*

### Note 48

**(C) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity risk is managed by Company through effective fund management. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through foreign currency borrowings and other debt instruments.

**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.

| | | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| **March 31, 2018** | **Carrying amount** | **Total** | **< 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 & derivative contracts) | 256.34 | 256.34 | 256.34 | - | - | - |
| Issued financial guarantee contract on behalf of related parties* | | | | | | |
| **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** | **28,296.82** | **37,378.18** | **8,111.79** | **4,789.60** | **17,249.46** | **7,227.33** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

**Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)**

**(Rs. in million)**

**Financial instruments – Fair values and risk management *(Continued)***

**Note 48**

| | | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| **March 31, 2017** | **Carrying amount** | **Total** | **< 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) | 23,111.28 | 33,382.96 | 4,597.17 | 5,082.33 | 12,317.33 | 11,386.13 |
| Security deposits | 28.90 | 28.90 | - | 28.90 | - | - |
| Retention money | 3.56 | 3.56 | - | 3.56 | - | - |
| **Current, non-derivative financial liabilities** | | | | | | |
| Borrowings | 3,005.67 | 3,005.67 | 3,005.67 | - | - | - |
| Trade payables | 846.70 | 846.70 | 846.70 | - | - | - |
| Other current financial liabilities (excluding current maturity of long term debt & derivative contracts) | 414.55 | 414.55 | 414.55 | - | - | - |
| Issued financial guarantee contract on behalf of related parties* | | | | | | |
| **Derivative financial liabilities** | | | | | | |
| Currency swap | 40.18 | 40.18 | 40.18 | - | - | - |
| Interest rate swap | 23.73 | 23.73 | 23.73 | - | - | - |
| Forward exchange contract (gross settled) | | | | | | |
| - Outflow | 1,391.45 | 1,391.45 | 1,391.45 | - | - | - |
| - Inflow | (1,296.77) | (1,296.77) | (1,296.77) | - | - | - |
| **Total** | **27,569.25** | **37,840.93** | **9,022.68** | **5,114.79** | **12,317.33** | **11,386.13** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Financial instruments – Fair values and risk management *(Continued)*

**Note 48**

| March 31, 2016 - Proforma | Carrying amount | Contractual cash flows Total | < 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) | 20,923.22 | 32,112.27 | 3,991.03 | 4,150.85 | 11,415.40 | 12,554.98 |
| Security deposits | 13.45 | 13.45 | - | 13.45 | - | - |
| Retention money | 39.58 | 39.58 | - | 39.58 | - | - |
| **Current, non-derivative financial liabilities** | | | | | | |
| Borrowings | 2,388.29 | 2,388.29 | 2,388.29 | - | - | - |
| Trade payables | 651.89 | 651.89 | 651.89 | - | - | - |
| Other current financial liabilities (excluding current maturity of long term debt & derivative contracts) | 311.20 | 311.20 | 311.20 | - | - | - |
| Issued financial guarantee contract on behalf of related parties* | | | | | | |
| **Derivative financial liabilities** | | | | | | |
| Currency swap | 104.45 | 107.15 | 107.15 | - | - | - |
| Interest rate swap | 2.70 | - | - | - | - | - |
| **Total** | **24,434.78** | **35,623.83** | **7,449.56** | **4,203.88** | **11,415.40** | **12,554.98** |

| March 31, 2015 - Proforma | Carrying amount | Contractual cash flows Total | < 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) | 18,907.69 | 26,601.65 | 7,071.52 | 3,579.93 | 7,811.68 | 8,138.52 |
| Security deposits | 15.85 | 15.85 | - | 15.85 | - | - |
| Retention money | 10.77 | 10.77 | - | 10.77 | - | - |
| **Current, non-derivative financial liabilities** | | | | | | |
| Borrowings | 1,731.42 | 1,731.42 | 1,731.42 | - | - | - |
| Trade payables | 596.63 | 596.63 | 596.63 | - | - | - |
| Other current financial liabilities (excluding current maturity of long term debt & derivative contracts) | 723.05 | 723.05 | 723.05 | - | - | - |
| Issued financial guarantee contract on behalf of related parties* | | | | | | |
| **Derivative financial liabilities** | | | | | | |
| Currency swap | 46.07 | 46.07 | 46.07 | - | - | - |
| Interest rate swap | 14.42 | 14.42 | 14.42 | - | - | - |
| **Total** | **22,045.90** | **29,739.86** | **10,183.11** | **3,606.55** | **7,811.68** | **8,138.52** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Financial instruments – Fair values and risk management *(Continued)*

### Note 48

| March 31, 2014 - Proforma | Carrying amount | Total | < 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) | 16,177.88 | 22,645.04 | 3,552.82 | 6,412.81 | 7,931.90 | 4,747.51 |
| Security deposits | 15.39 | 15.39 | - | 15.39 | - | - |
| Retention money | 4.81 | 4.81 | - | 4.81 | - | - |
| **Current, non-derivative financial liabilities** | | | | | | |
| Borrowings | 1,337.05 | 1,337.05 | 1,337.05 | - | - | - |
| Trade payables | 589.31 | 589.31 | 589.31 | - | - | - |
| Other current financial liabilities (excluding current maturity of long term debt & derivative contracts) | 415.28 | 415.28 | 415.28 | - | - | - |
| Issued financial guarantee contract on behalf of related parties* | | | | | | |
| **Derivative financial liabilities** | | | | | | |
| Forward exchange contract (gross settled) | | | | | | |
| - Outflow | 24.65 | 1.60 | 1.60 | | | |
| - Inflow | (23.05) | - | - | | | |
| **Total** | **18,541.32** | **25,008.48** | **5,896.06** | **6,433.01** | **7,931.90** | **4,747.51** |

The gross outflows / (inflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

* Guarantees issued by the Company on behalf of subsidiaries and associates are with respect to borrowings raised by the respective subsidiary/joint ventures and associates. These amounts will be payable on default by the concerned parties. As of the reporting date, none of the subsidiaries have defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantees (refer note 51).

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Financial instruments – Fair values and risk management *(Continued)*

### Note 48

**(D) Market risk**

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivative to manage market risk.

**(E) Currency risk**

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of 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. Following are the derivative financial instruments outstanding:

| Particulars | Buy / Sell | Currency | Cross Currency | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|---|---|---|
| Forward contract | Buy | USD | INR | USD 20 million | USD 20 million | Nil | Nil | USD 0.38 Million |
| Currency swap | Buy | INR | USD | Nil | USD 14.31 million | USD 14.31 million | USD 14.31 million | 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.

The amounts reflected in the table blow represents the INR exposure to the respective currency

| | March 31, 2018 | | | March 31, 2017 | | |
|---|---|---|---|---|---|---|
| | **USD** | **EUR** | **GBP** | **USD** | **EUR** | **GBP** |
| **Financial liabilities** | | | | | | |
| Foreign currency loans (including interest accrued) | 5,000.06 | - | - | 5,696.26 | - | - |
| Trade payables | 331.09 | 0.74 | - | 264.67 | 0.12 | - |
| Buyers' credit | 249.76 | 2.53 | - | 231.11 | 13.43 | 7.19 |
| | **5,580.91** | **3.27** | **-** | **6,192.04** | **13.55** | **7.19** |
| **Derivatives** | | | | | | |
| Foreign currency forward exchange contract | (1,300.88) | - | - | (1,296.77) | - | - |
| Currency swap | - | - | - | 890.00 | - | - |
| | **(1,300.88)** | **-** | **-** | **(406.77)** | **-** | **-** |
| **Net exposure** | **4,280.03** | **3.27** | **-** | **5,785.27** | **13.55** | **7.19** |

| | March 31, 2016 - Proforma | | | March 31, 2015 - Proforma | | |
|---|---|---|---|---|---|---|
| | **USD** | **EUR** | **GBP** | **USD** | **EUR** | **GBP** |
| **Financial liabilities** | | | | | | |
| Foreign currency loans (including interest accrued) | 3,819.96 | - | - | 5,477.28 | - | - |
| Trade payables | 185.51 | 0.23 | - | 181.69 | 3.95 | - |
| Buyers' credit | 640.00 | 53.30 | 8.47 | 580.44 | 59.07 | 8.22 |
| | **4,645.47** | **53.53** | **8.47** | **6,239.41** | **63.02** | **8.22** |
| **Derivatives** | | | | | | |
| Foreign currency forward exchange contract | | | | - | | |
| Currency swap | (890.00) | - | - | (890.00) | - | - |
| | **(890.00)** | **-** | **-** | **(890.00)** | **-** | **-** |
| **Net exposure** | **3,755.47** | **53.53** | **8.47** | **5,349.41** | **63.02** | **8.22** |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Financial instruments – Fair values and risk management *(Continued)*

**Note 48**

The amounts reflected in the table blow represents the INR exposure to the respective currency

| | March 31, 2014 - Proforma | | | | |
|---|---|---|---|---|---|
| | USD | EUR | GBP | SGD | RM |
| **Financial liabilities** | | | | | |
| Foreign currency loans (including interest accrued) | 4,538.28 | - | - | - | - |
| Trade payables | 190.06 | 21.56 | 0.03 | 0.09 | 0.13 |
| Buyers' credit | 255.68 | 58.82 | - | 62.59 | - |
| | **4,984.02** | **80.39** | **0.03** | **62.68** | **0.13** |
| **Derivatives** | | | | | |
| Foreign currency forward exchange contract | (23.05) | - | - | - | - |
| | **(23.05)** | **-** | **-** | **-** | **-** |
| **Net exposure** | **4,960.97** | **80.39** | **0.03** | **62.68** | **0.13** |

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| | Profit or loss before tax | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2018 | | March 31, 2017 | | March 31, 2016 - Proforma | |
| **Effect in INR (before tax)** | **Strengthening** | **Weakening** | **Strengthening** | **Weakening** | **Strengthening** | **Weakening** |
| USD (1% movement) | 42.80 | (42.80) | 57.85 | (57.85) | 37.55 | (37.55) |
| EUR (1% movement) | 0.03 | (0.03) | 0.14 | (0.14) | 0.54 | (0.54) |
| GBP (1% movement) | - | - | 0.07 | (0.07) | 0.08 | (0.08) |
| | **42.83** | **(42.83)** | **58.06** | **(58.06)** | **38.17** | **(38.17)** |

| | Profit or loss before tax | | | |
|---|---|---|---|---|
| | March 31, 2015 - Proforma | | March 31, 2014 - Proforma | |
| **Effect in INR (before tax)** | **Strengthening** | **Weakening** | **Strengthening** | **Weakening** |
| USD (1% movement) | 53.49 | (53.49) | 49.61 | (49.61) |
| EUR (1% movement) | 0.63 | (0.63) | 0.80 | (0.80) |
| GBP (1% movement) | 0.08 | (0.08) | 0.00 | (0.00) |
| SGD (1% movement) | - | - | 0.63 | (0.63) |
| RM (1% movement) | - | - | 0.00 | (0.00) |
| | **54.21** | **(54.21)** | **51.04** | **(51.04)** |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

### Note 48
### Financial instruments – Fair values and risk management *(Continued)*

**(Rs in million)**

**(F) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The 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**

| | |
|---|---|
| March 31, 2018 | USD 48.65 million |
| March 31, 2017 | USD 63 million |
| March 31, 2016 - Proforma | USD 30 million |
| March 31, 2015 - Proforma | USD 60 million |
| March 31, 2014 - Proforma | USD 60 million |

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

| | | | *Carrying amount* | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
| **Fixed-rate instruments** | | | | | |
| ***Loans given*** | | | | | |
| Loans to related parties | **(2,342.16)** | (1,779.16) | (1,368.35) | (1,099.46) | (1,916.23) |
| ***Non current borrowings*** | | | | | |
| Vehicle loan from bank | **5.21** | 15.85 | 24.69 | 35.13 | 6.31 |
| Non-cumulative redeemable preference shares | **160.00** | 160.00 | - | - | - |
| ***Current borrowings*** | | | | | |
| Loan from directors | **-** | 74.00 | - | - | - |
| Loan from related parties other than directors | **692.29** | 2,571.46 | 938.32 | 745.75 | 240.25 |
| Buyer's credit | **252.29** | 251.73 | 686.73 | 658.96 | 377.09 |
| **Total** | **(1,232.37)** | **1,293.88** | **281.39** | **340.38** | **(1,292.58)** |
| **Variable-rate instruments** | | | | | |
| ***Non current borrowings*** | | | | | |
| Rupee term loans from banks | **12,760.60** | 12,433.93 | 8,229.92 | 4,403.05 | 5,448.65 |
| Rupee term loans from financial institutions | **5,975.65** | 4,815.63 | 7,002.72 | 5,551.43 | 4,266.50 |
| Foreign currency term loans from banks | **3,250.07** | 3,080.35 | 3,765.50 | 5,397.31 | 4,484.24 |
| Current maturity of long term debt | **3,467.40** | 2,605.52 | 1,900.39 | 3,520.77 | 1,972.18 |
| ***Current borrowings*** | | | | | |
| Cash credit / overdraft accounts from banks | **433.19** | 108.48 | 763.24 | 326.71 | 546.27 |
| From financial institution | **-** | - | - | - | 173.44 |
| Less : Interest rate swaps | **(3,164.40)** | (4,084.83) | (1,989.99) | (3,754.25) | (3,605.99) |
| **Total** | **22,722.51** | **18,959.08** | **19,671.78** | **15,445.02** | **13,285.29** |
| **TOTAL** | **21,490.14** | **20,252.96** | **19,953.17** | **15,785.40** | **11,992.71** |

**Fair value sensitivity analysis for fixed-rate instruments**

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in *Ind AS 107, Financial Instruments : Disclosures*, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

| | **Profit or loss before tax** | |
|---|---|---|
| | **100 bps increase** | **100 bps decrease** |
| March 31, 2018 | (227.23) | 227.23 |
| March 31, 2017 | (189.59) | 189.59 |
| March 31, 2016 - Proforma | (196.72) | 196.72 |
| March 31, 2015 - Proforma | (154.45) | 154.45 |
| March 31, 2014 - Proforma | (132.85) | 132.85 |

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

**(Rs. in million)**

### Note 49
### Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings, less cash and cash equivalents and bank deposits. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows:

| **Particulars** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| Total borrowings | 26,996.70 | 26,116.95 | 23,311.51 | 20,639.11 | 17,514.93 |
| Less : Cash and cash equivalents | 294.27 | 224.26 | 210.02 | 174.19 | 926.46 |
| Less : Bank deposits | 21.50 | 103.44 | 131.82 | 138.73 | 96.64 |
| **Adjusted net debt** | **26,680.93** | **25,789.25** | **22,969.67** | **20,326.19** | **16,491.83** |
| Total equity | 5,223.00 | 5,018.24 | 5,491.59 | 6,647.41 | 6,831.56 |
| Adjusted net debt to adjusted equity ratio | 5.11 | 5.14 | 4.18 | 3.06 | 2.41 |

### Note 50
### Segment reporting

As per the exemption under Ind AS 108 *"Operating Segments",* the disclosure for the segment reporting has been presented as part of the restated consolidated summary financial information.

## Annexure VI - Notes to Restated Standalone Summary Financial Information *(Continued)*

### Note 51
### Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

**List of related parties**

| Relationship | Name of party<br>March 31, 2018 | March 31, 2017 | March 31, 2016<br>Proforma | March 31, 2015<br>Proforma | March 31, 2014<br>Proforma |
|---|---|---|---|---|---|
| **Subsidiary** | - | - | Sycamore Properties Private Limited (Upto November 28, 2015) | Sycamore Properties Private Limited | Sycamore Properties Private Limited |
| | Grandwell Properties And Leasing Private Limited (Upto 31 Mar 18) | Grandwell Properties & Leasing Private Limited | Grandwell Properties & Leasing Private Limited | Grandwell Properties & Leasing Private Limited | Grandwell Properties & Leasing Private Limited |
| | Chalet Hotels & Properties (Kerala) Private Limited | Chalet Hotels & Properties(Kerala) Private Limited | Chalet Hotels & Properties(Kerala) Private Limited | Chalet Hotels & Properties(Kerala) Private Limited | Chalet Hotels & Properties(Kerala) Private Limited |
| | - | - | - | Strength Real Estate Private Limited (Indirect Subsidiary) (From August 18,2014 to September 30,2014) | - |
| | Magna Warehousing & Distribution Private Limited (Upto March 31, 2018) | Magna Warehousing & Distribution Private Limited | Magna Warehousing & Distribution Private Limited | Magna Warehousing & Distribution Private Limited | Magna Warehousing & Distribution Private Limited |
| **Associates** | - | Genext Hardware & Parks Private Limited (Upto October 31, 2016) | Genext Hardware & Parks Private Limited | Genext Hardware & Parks Private Limited | Genext Hardware & Parks Private Limited |
| | - | - | Intime Properties Private Limited (Upto March 31, 2016) | Intime Properties Private Limited | Intime Properties Private Limited |
| | - | - | - | - | Sundew Properties Limited (Upto July 28, 2014) |
| | - | - | - | Starshine Warehousing & Logistics Private Limited (from August 18, 2014 to September 30, 2014) | - |

## Annexure VI - Notes to Restated Standalone Summary Financial Information *(Continued)*

### Note 51
### Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: *(Continued)*

**List of related parties**

| Relationship | Name of party | | | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
| **Key Managerial Personnel /Relative (KMP)** | Sanjay Sethi -Managing Director & CEO (Resigned w.e.f. from October 1, 2017) (Appointed w.e.f. February 9, 2018) | Sanjay Sethi -Managing Director & CEO | Sanjay Sethi -Managing Director & CEO | Sanjay Sethi -Managing Director & CEO (from January 2, 2015) | - |
| | - | - | - | Suresh Singaravelu - Managing Director & CEO (Upto May 31, 2014) (Non Executive Director from June 1,2014) (Resigned w.e.f. January 2, 2015) | Suresh Singaravelu - Managing Director & CEO |
| | Ramesh M. Valecha , Non-Executive Director (from August 1, 2017) (Executive Director upto July 31, 2017) (Resigned w.e.f. May 2, 2018) | Ramesh M. Valecha - Executive Director | Ramesh M. Valecha - Executive Director | Ramesh M. Valecha - Executive Director | Ramesh M. Valecha - Executive Director |
| | Rajeev Newar, Executive Director (from August 3, 2017) | - | - | - | - |
| | Chandru L Raheja, Non-Executive Director (Resigned w.e.f. April 26, 2018) | Chandru L Raheja, Non-Executive Director | Chandru L Raheja, Non-Executive Director | Chandru L Raheja, Non-Executive Director | Chandru L Raheja, Non-Executive Director |
| | Ravi C Raheja, Non-Executive Director | Ravi C Raheja, Non-Executive Director | Ravi C Raheja, Non-Executive Director | Ravi C Raheja, Non-Executive Director | Ravi C Raheja, Non-Executive Director |
| | Neel C Raheja, Non-Executive Director | Neel C Raheja, Non-Executive Director | Neel C Raheja, Non-Executive Director | Neel C Raheja, Non-Executive Director | Neel C Raheja, Non-Executive Director |
| | Rajeev Chopra, Non-Executive Director (from June 1, 2017)(Resigned w.e.f. May 2, 2018) | - | - | - | - |
| | Roshan M. Chopra, relative of director | - | - | - | - |
| | Arthur De Haast, Independent Director (from August 3, 2017) | - | - | - | - |
| | Joseph Conrad D'Souza, Independent Director | Joseph Conrad D'Souza, Independent Director | Joseph Conrad D'Souza, Independent Director | Joseph Conrad D'Souza, Independent Director | Joseph Conrad D'Souza, Independent Director |
| | Hetal Gandhi, Independent Director | Hetal Gandhi, Independent Director | Hetal Gandhi, Independent Director | Hetal Gandhi, Independent Director | Hetal Gandhi, Independent Director |
| | - | - | - | Rusi Nusserwanji Sethna, Non-Executive Director (Resigned w.e.f. May 11, 2014) | Rusi Nusserwanji Sethna, Non-Excutive Director |
| | Christabelle Baptista, Company Secretary | Christabelle Baptista, Company Secretary | Christabelle Baptista, Company Secretary | Christabelle Baptista, Company Secretary | Christabelle Baptista, Company Secretary |

**Annexure VI - Notes to Restated Standalone Summary Financial Information *(Continued)***

**Note 51**
**Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: *(Continued)***

**List of related parties**

| | | | | | |
|---|---|---|---|---|---|
| **Enterprises Controlled/ Jointly controlled by KMPs** | Brookfields Agro & Development Private Limited | Brookfields Agro & Development Private Limited | Brookfields Agro & Development Private Limited | Brookfields Agro & Development Private Limited | Brookfields Agro & Development Private Limited |
| | Cavalcade Properties Private Limited | Cavalcade Properties Private Limited | Cavalcade Properties Private Limited | Cavalcade Properties Private Limited | Cavalcade Properties Private Limited |
| | Convex Properties Private Limited | Convex Properties Private Limited | Convex Properties Private Limited | Convex Properties Private Limited | Convex Properties Private Limited |
| | Grange Hotels And Properties Private Limited | Grange Hotels And Properties Private Limited | Grange Hotels And Properties Private Limited | Grange Hotels And Properties Private Limited | Grange Hotels And Properties Private Limited |
| | - | - | Horizonview Properties Private Limited | Horizonview Properties Private Limited | Horizonview Properties Private Limited |
| | Immense Properties Private Limited | Immense Properties Private Limited | Immense Properties Private Limited | Immense Properties Private Limited | Immense Properties Private Limited |
| | - | - | Newfound Properties & Leasing Private Limited | Newfound Properties & Leasing Private Limited | Newfound Properties & Leasing Private Limited |
| | Novel Properties Private Limited | Novel Properties Private Limited | Novel Properties Private Limited | Novel Properties Private Limited | Novel Properties Private Limited |
| | Pact Real Estate Private Limited | Pact Real Estate Private Limited | Pact Real Estate Private Limited | Pact Real Estate Private Limited | Pact Real Estate Private Limited |
| | Paradigm Logistics & Distribution Private Limited | Paradigm Logistics & Distribution Private Limited | Paradigm Logistics & Distribution Private Limited | Paradigm Logistics & Distribution Private Limited | Paradigm Logistics & Distribution Private Limited |
| | Sustain Properties Private Limited | Sustain Properties Private Limited | Sustain Properties Private Limited | - | - |
| | Sycamore Properties Private Limited | Sycamore Properties Private Limited | Sycamore Properties Private Limited (from November 28, 2015) | - | - |
| | Aqualine Real Estate Private Limited | Aqualine Real Estate Private Limited | Aqualine Real Estate Private Limited | - | - |
| | Feat Properties Private Limited | Feat Properties Private Limited | Feat Properties Private Limited | - | - |
| | - | - | KRC Infrastructure And Projects Private Limited | - | - |
| | Carin Properties Private Limited | Carin Properties Private Limited | | - | - |
| | Flabbergast Properties Private Limited | Flabbergast Properties Private Limited | | - | - |
| | The Residency Hotels Private Limited | | | | |
| | Sundew Real Estate Private Limited | Sundew Real Estate Private Limited | | | |
| | K Raheja Corp Advisory Services (Cyprus) Private Limited | K Raheja Corp Advisory Services (Cyprus) Private Limited | K Raheja Corp Advisory Services (Cyprus) Private Limited | K Raheja Corp Advisory Services (Cyprus) Private Limited | K Raheja Corp Advisory Services (Cyprus) Private Limited |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

**Annexure VI - Notes to Restated Standalone Summary Financial Information *(Continued)***

**Note 51**
**Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: *(Continued)***

**List of related parties**

| | | | | | |
|---|---|---|---|---|---|
| **Shareholders of the Company** | Anbee Constructions LLP | Anbee Constructions LLP | Anbee Constructions LLP (formerly Anbee Constructions Private Limited upto March 17, 2016) | Anbee Constructions Private Limited | Anbee Constructions Private Limited |
| | - | Avacado Properties And Trading (India) Private Limited (Upto December 21, 2016) | Avacado Properties And Trading (India) Private Limited | Avacado Properties And Trading (India) Private Limited | Avacado Properties And Trading (India) Private Limited |
| | Cape Trading LLP | Cape Trading LLP | Cape Trading LLP (formerly known as Cape Trading Private Limited upto March 17, 2016) | Cape Trading Private Limited | Cape Trading Private Limited |
| | Capstan Trading LLP | Capstan Trading LLP | Capstan Trading LLP (formerly known as Capstan Trading Private Limited upto March 17, 2016) | Capstan Trading Private Limited | Capstan Trading Private Limited |
| | Casa Maria Properties LLP | Casa Maria Properties LLP | Casa Maria Properties LLP (formerly known as Casa Maria Properties Private Limited upto March 17, 2016) | Casa Maria Properties Private Limited | Casa Maria Properties Private Limited |
| | Ivory Properties And Hotels Private Limited | Ivory Properties And Hotels Private Limited | Ivory Properties And Hotels Private Limited | Ivory Properties And Hotels Private Limited | Ivory Properties And Hotels Private Limited |
| | K. Raheja Corp Private Limited | K. Raheja Corp Private Limited | K. Raheja Corp Private Limited | K. Raheja Corp Private Limited | K. Raheja Corp Private Limited |
| | K. Raheja Private Limited | K. Raheja Private Limited | K. Raheja Private Limited | K. Raheja Private Limited | K. Raheja Private Limited |
| | Palm Shelter Estate Development LLP | Palm Shelter Estate Development LLP | Palm Shelter Estate Development LLP (formerly known as Palm Shelter Estate Development Private Limited upto March 17, 2016) | Palm Shelter Estate Development Private Limited | Palm Shelter Estate Development Private Limited |
| | Raghukool Estate Development LLP | Raghukool Estate Development Private Limited | Raghukool Estate Development LLP (formerly known as Raghukool Estate Development Private Limited upto March 18, 2016) | Raghukool Estate Development Private Limited | Raghukool Estate Development Private Limited |
| | Touchstone Properties And Hotels Private Limited | Touchstone Properties And Hotels Private Limited | Touchstone Properties And Hotels Private Limited | Touchstone Properties And Hotels Private Limited | Touchstone Properties And Hotels Private Limited |
| | Ivory Property Trust | | | | |
| | Genext Hardware & Parks Private Limited | Genext Hardware & Parks Private Limited (from December 22, 2016) | | | |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to Restated Standalone Summary Financial Information *(Continued)*

### Note 51
### Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: *(Continued)*

**List of related parties**

| | | | | | |
|---|---|---|---|---|---|
| **Other Related parties** | - | Gigaplex Estate Private Limited | | - | - |
| | Imperial Serviced Offices & Property Management Private Limited | | Imperial Serviced Offices Private Limited | - | Imperial Serviced Offices Private Limited |
| | Inorbit Malls (India) Private Limited | Inorbit Malls (India) Private Limited | Inorbit Malls (India) Private Limited | Inorbit Malls (India) Private Limited | Inorbit Malls (India) Private Limited |
| | K Raheja Corporate Services Private Limited | K Raheja Corporate Services Private Limited | K Raheja Corporate Services Private Limited | K Raheja Corporate Services Private Limited | K Raheja Corporate Services Private Limited |
| | K Raheja IT Park (Hyderabad) Limited | K Raheja IT Park (Hyderabad) Limited (formerly known as K Raheja IT Park (Hyderabad) Private Limited upto November 8, 2016) | K Raheja IT Park (Hyderabad) Private Limited | K Raheja IT Park (Hyderabad) Private Limited | K Raheja IT Park (Hyderabad) Private Limited |
| | - | - | - | - | Matrix Integrated Facilities & Property Management Private Limited |
| | Mindspace Business Parks Private Limited | Mindspace Business Parks Private Limited | Mindspace Business Parks Private Limited (formerly known as Serene Properties Private Limited upto November 23, 2015) | Serene Properties Private Limited | Serene Properties Private Limited |
| | - | Stargaze Properties Private Limited | Stargaze Properties Private Limited | Stargaze Properties Private Limited | Stargaze Properties Private Limited |
| | Sundew Properties Limited | Sundew Properties Private Limited | Sundew Properties Private Limited | Sundew Properties Private Limited | - |
| | Trion Properties Private Limited | Trion Properties Private Limited | Trion Properties Private Limited | Trion Properties Private Limited | Trion Properties Private Limited |
| | - | - | - | Opul Constructions Private Limited | - |
| | | | | | Sustain Properties Private Limited |
| | - | Ivory Property Trust | Ivory Property Trust | - | - |
| | - | - | Powai Developers (Division of K. Raheja Corp Private Limited) | - | - |
| | - | Horizon View Properties Private Limited | - | - | - |
| | Intime Properties Limited | Intime Properties Limited | - | - | - |
| | | KRC Infrastructure And Projects Private Limited | - | - | - |
| | Newfound Properties & Leasing Private Limited | Newfound Properties & Leasing Private Limited | - | - | - |
| | Challenge Properties Private Limited | - | - | - | - |

**Note 51**
**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:**

**Related party disclosures for year ended March 31, 2018** **(Rs. in million)**

| Sr.no | Particulars | Subsidiaries | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties |
|---|---|---|---|---|---|
| 1 | Dividend received | - | - | - | -* |
| 2 | Interest income from instruments measured at amortised cost | - | - | - | 173.54 |
| 3 | Miscellaneous income | - | - | - | 11.35 |
| 4 | Sale of services - Lease rent | - | - | - | 0.98 |
| 5 | Sale of Investment | - | - | - | 0.10 |
| 6 | Sales of services - Rooms income, Food, beverages and smokes | - | - | 1.22 | 12.68 |
| 7 | Other expense | - | - | 4.82 | 60.92 |
| 8 | Director sitting fees | - | - | 0.40 | - |
| 9 | Salaries, wages and bonus | - | - | 52.27 | - |
| 10 | Interest expenses | - | - | - | 65.94 |
| 11 | Loans given | 246.50 | - | 2.00 | 6,923.70 |
| 12 | Loans repaid | 240.00 | - | 82.08 | 6,357.44 |
| 13 | Deposit received | - | - | - | 1.90 |
| 14 | Guarantees given on behalf of the Company | - | - | 870.36 | - |
| | **Balances outstanding as at the year-end** | | | | |
| 15 | Trade receivables | - | - | - | 0.39 |
| 16 | Loans receivable | 6.50 | - | 1.42 | 2,153.33 |
| 17 | Interest receivable | 9.11 | - | - | 171.81 |
| 18 | Loans payable | - | - | - | 628.00 |
| 19 | Interest payable | - | - | - | 64.29 |
| | **Amount less than Rs. 0.01 million* | | | | |

**Significant transactions with material related parties for year ended March 31, 2018**

| Sr.no | Particulars | Subsidiaries | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties |
|---|---|---|---|---|---|
| 1 | **Loans given** | | | | |
| | Chalet Hotels & Properties (Kerala) Private Limited | 246.50 | - | - | - |
| | Immense Properties Private Limited | - | - | - | 120.10 |
| | Ivory Properties And Hotels Private Limited | - | - | - | 450.00 |
| | Ivory Property Trust | - | - | - | 1,781.60 |
| | K. Raheja Private Limited | - | - | - | 4,572.00 |
| 2 | **Loans repaid** | | | | |
| | Chalet Hotels & Properties (Kerala) Private Limited | 240.00 | - | - | - |
| | Immense Properties Private Limited | - | - | - | 289.00 |
| | Ivory Properties And Hotels Private Limited | - | - | - | 449.50 |
| | Ivory Property Trust | - | - | - | 3,168.20 |
| | K. Raheja Private Limited | - | - | - | 2,450.74 |
| 3 | **Loans receivable** | | | | |
| | K. Raheja Private Limited | - | - | - | 2,152.00 |
| 4 | **Loans payable** | | | | |
| | Newfound Properties & Leasing Private Limited | - | - | - | 628.00 |
| 5 | **Guarantees given on behalf of the Company** | | | | |
| | Neel C. Raheja | - | - | 870.36 | - |
| 6 | **Guarantees outstanding** | | | | |
| | Neel C. Raheja | - | - | 870.36 | - |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

**Note 51**
**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:** ***(Continued)***

**Related party disclosures for year ended March 31, 2017** **(Rs. in million)**

| Sr.no | Particulars | Subsidiaries | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties |
|---|---|---|---|---|---|
| 1 | Dividend received | - | -* | - | - |
| 2 | Interest income from instruments measured at amortised cost | - | - | - | 219.48 |
| 3 | Sale of services - Lease rent | - | - | - | 0.98 |
| 4 | Sale of Investment | - | - | - | 3,769.20 |
| 5 | Sales of services - Rooms income, Food, beverages and smokes | - | 1.20 | - | 809.86 |
| 6 | Other expense | - | 1.09 | - | 49.90 |
| 7 | Interest expenses | - | - | - | 9.56 |
| 8 | Director sitting fees | - | - | 0.19 | - |
| 9 | Salaries, wages and bonus | - | - | 51.99 | - |
| 10 | Deposit given | - | - | - | 5.00 |
| 11 | Deposit received | - | 11.98 | - | - |
| 12 | Loans taken | - | - | 74.00 | 1,149.71 |
| 13 | Loans given | - | - | - | 7,354.03 |
| 14 | Loans repaid | - | - | 2.50 | 7,588.77 |
| 15 | Purchase of property, plant and equipment | - | - | - | 2.05 |
| 16 | Guarantees given on behalf of the Company | - | - | 432.28 | - |
| | **Balances outstanding as at the year-end** | - | | | |
| 17 | Trade receivables | - | - | - | 2.75 |
| 18 | Trade payables | - | - | - | 4.55 |
| 19 | Deposits outstanding as at the year-end | - | 10.25 | - | 31.98 |
| 20 | Investments | 0.19 | - | - | 0.73 |
| 21 | Balances outstanding as at the year-end | - | - | 74.00 | - |
| 22 | Loans given | - | - | 7.50 | 1,587.07 |
| 23 | Interest receivable | - | - | - | 184.59 |
| 24 | Loans taken | - | 1,925.73 | - | 628.00 |
| 25 | Interest payable | - | - | - | 17.73 |
| | **Amount less than Rs. 0.01 million* | | | | |

**Significant transactions with material related parties for year ended March 31, 2017**

| Sr.no | Particulars | Subsidiaries | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties |
|---|---|---|---|---|---|
| 1 | **Sales of services - Rooms income, Food, beverages and smokes** | | | | |
| | Ivory Property Trust | - | - | - | 794.37 |
| 2 | **Loans given** | | | | |
| | Ivory Property Trust | - | - | - | 3,445.33 |
| | K. Raheja Private Limited | - | - | - | 1,249.50 |
| | Pact Real Estate Private Limited | - | - | - | 1,000.00 |
| | Immense Properties Private Limited | - | - | - | 550.00 |
| | KRC Infrastructure And Projects Private Limited | - | - | - | 500.00 |
| | Convex Properties Private Limited | - | - | - | 400.00 |
| | Horizonview Properties Private Limited | - | - | - | 209.20 |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

**Note 51**
**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: *(Continued)***

**Significant transactions with material related parties for year ended March 31, 2017 (Continued)**

| Sr.no | Particulars | Subsidiaries | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties |
|---|---|---|---|---|---|
| 3 | **Sale of investments** | | | | |
| | Ivory Property Trust | - | - | - | 3,769.20 |
| 4 | **Loans taken** | | | | |
| | Gigaplex Estate Private Limited | - | - | - | 521.50 |
| | Newfound Properties & Leasing Private Limited | - | - | - | 628.21 |
| 5 | **Loans repaid** | | | | |
| | Immense Properties Private Limited | - | - | - | 381.00 |
| | Ivory Property Trust | - | - | - | 2,058.00 |
| | K. Raheja Private Limited | - | - | - | 2,518.86 |
| | Pact Real Estate Private Limited | - | - | - | 1,000.00 |
| | Gigaplex Estate Private Limited | - | - | - | 521.50 |
| | Horizonview Properties Private Limited | - | - | - | 209.20 |
| | Convex Properties Private Limited | - | - | - | 400.00 |
| | KRC Infrastructure And Projects Private Limited | - | - | - | 500.00 |
| 6 | **Loans given** | | | | |
| | Immense Properties Private Limited | - | - | - | 169.00 |
| | Ivory Property Trust | - | - | - | 1,387.33 |
| 7 | **Loans taken** | | | | |
| | Genext Hardware & Parks Private Limited | - | 1,925.73 | - | |
| | Newfound Properties & Leasing Private Limited | - | - | - | 628.00 |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

### Note 51
### Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: *(Continued)*

**Related party disclosures for year ended March 31, 2016**

| Sr.no | Particulars | Subsidiaries | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties |
|---|---|---|---|---|---|
| 1 | Dividend received | - | 7.90 | - | - |
| 2 | Interest income from instruments measured at amortised cost | 23.01 | 17.66 | - | 18.81 |
| 3 | Sale of services - Lease rent | - | - | - | 0.98 |
| 4 | Sale of other assets | - | - | - | 8.51 |
| 5 | Sale of Investment | - | - | 0.10 | 543.27 |
| 6 | Sale of Material | - | - | - | 1.54 |
| 7 | Sales of services - Rooms income, Food, beverages and smokes | 2.29 | 0.35 | 0.51 | 7.78 |
| 8 | Interest expenses | - | - | - | 113.87 |
| 9 | Other expense | - | 1.26 | - | 46.40 |
| 10 | Director sitting fees | - | - | 0.19 | - |
| 11 | Salaries, wages and bonus | - | - | 53.96 | - |
| 12 | Project support services and other expenses | - | - | - | 2.50 |
| 13 | Purchase of property, plant and equipment | - | - | - | 1.76 |
| 14 | Loans taken | - | - | - | 5,279.24 |
| 15 | Loans given | 283.10 | 430.60 | - | 1,300.10 |
| 16 | Loans repaid | 383.40 | 1,212.69 | - | 5,169.36 |
| 17 | Guarantees given by the Company | - | 2,706.68 | - | - |
| | **Balances outstanding as at the year-end** | | | | |
| 18 | Trade receivables | - | - | - | 2.19 |
| 19 | Trade payables | - | - | - | 5.23 |
| 20 | Deposits outstanding as at the year-end | - | - | - | 26.98 |
| 21 | Investments Outstanding | - | 3,315.83 | - | - |
| 22 | Loans receivable | - | - | 10.00 | 1,300.10 |
| 23 | Interest receivable | 22.53 | 17.30 | - | 18.42 |
| 24 | Loans Payable | - | - | - | 824.60 |
| 25 | Interest payable | - | - | - | 113.72 |
| 26 | Guarantees given by the Company | - | 2,706.68 | - | - |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

**Note 51**
**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:** ***(Continued)***

**Significant transactions with related parties for year ended March 31, 2016**

| Sr.no | Particulars | Subsidiaries | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties |
|---|---|---|---|---|---|
| 1 | **Loans given** | | | | |
| | Chalet Hotels & Properties (Kerala) Private Limited | 283.10 | - | - | |
| | Genext Hardware & Parks Private Limited | - | 430.60 | - | - |
| | K. Raheja Private Limited | - | - | - | 1,300.10 |
| 2 | **Sale Of Investment** | | | | |
| | Ivory Property Trust | - | - | - | 543.27 |
| 3 | **Loans taken** | | | | |
| | Mindspace Business Parks Private Limited | - | - | - | 2,861.34 |
| | K. Raheja Corporate Services Private Limited | - | - | - | 2,417.90 |
| 4 | **Loans repaid** | | | | |
| | Chalet Hotels & Properties (Kerala) Private Limited | 383.40 | - | - | |
| | Genext Hardware & Parks Private Limited | - | 1,212.68 | - | - |
| | Mindspace Business Parks Private Limited | - | - | - | 2,282.90 |
| | K. Raheja Corporate Services Private Limited | - | - | - | 2,871.74 |
| 5 | **Investments Outstanding** | | | | |
| | Genext Hardware & Parks Private Limited | - | 2,974.83 | - | - |
| | Intime Properties Limited | - | 340.99 | - | - |
| 6 | **Loans Payable** | | | | |
| | Mindspace Business Parks Private Limited | - | - | - | 578.44 |
| | K. Raheja Corporate Services Private Limited | - | - | - | 246.16 |
| 7 | **Loans receivable** | | | | |
| | K. Raheja Private Limited | - | - | - | 1,300.10 |
| 8 | **Guarantees given by the Company** | | | | |
| | Genext Hardware & Parks Private Limited | - | 2,706.68 | - | - |
| 9 | **Guarantees outstanding** | | | | |
| | Genext Hardware & Parks Private Limited | - | 2,706.68 | - | - |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

**Note 51**
**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:** ***(Continued)***

**Related party disclosures for year ended March 31, 2015**

| Sr.no | Particulars | Subsidiaries | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties |
|---|---|---|---|---|---|
| 1 | Dividend received | - | 1.32 | - | - |
| 2 | Interest income from instruments measured at amortised cost | 13.24 | 179.11 | - | 28.15 |
| 3 | Sale of services - Lease rent | | | | 0.99 |
| 4 | Sale of Investment | - | 582.22 | - | - |
| 5 | Sale of Material | - | - | - | 0.13 |
| 6 | Sales of services - Rooms income, Food, beverages and smokes | - | 0.57 | 0.01 | 4.57 |
| 7 | Sale of other assets | - | - | - | 3.94 |
| 8 | Interest expenses | - | - | - | 51.74 |
| 9 | Other expense | - | 0.28 | - | 33.16 |
| 10 | Director sitting fees | - | - | 0.18 | - |
| 11 | Salaries, wages and bonus | - | - | 48.44 | - |
| 12 | Loans taken | - | - | - | 960.00 |
| 13 | Loans given | 21.72 | 1,071.73 | 10.00 | 1,302.23 |
| 14 | Loans repaid | 0.12 | 1,695.50 | - | 1,802.23 |
| 15 | Deposit given | 0.20 | - | 0.04 | 10.03 |
| 16 | Deposit received | 0.20 | - | - | - |
| 17 | Project support services and other expenses | - | - | - | 30.00 |
| 18 | Guarantees given by the Company | 2,772.67 | - | - | - |
| 19 | Short-term investment made | 3.34 | - | | |
| 20 | Short-term investment written off | 3.34 | - | | |
| | **Balances outstanding as at the year-end** | | | | |
| 21 | Trade receivables | - | - | - | 0.04 |
| 22 | Trade payables | - | - | - | 10.07 |
| 23 | Deposits outstanding as at the year-end | - | - | - | 26.98 |
| 24 | Outstanding Investment | - | 3,868.50 | - | - |
| 25 | Loans Receivable | 115.21 | 782.09 | 10.00 | - |
| 26 | Interest receivable | 13.24 | 179.11 | - | - |
| 27 | Loans Payable | - | - | - | 700.00 |
| 28 | Interest payable | - | - | - | 45.75 |
| 29 | Guarantees given by the Company | 2,772.67 | - | - | - |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

### Note 51
### Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: *(Continued)*

**Significant transactions with related parties for year ended March 31, 2015**

| Sr.no | Particulars | Subsidiaries | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties |
|---|---|---|---|---|---|
| 1 | **Interest income from instruments measured at amortised cost** | | | | |
| | Genext Hardware & Parks Private Limited | | 179.11 | | |
| 2 | **Loans given** | | | | |
| | Ivory Properties And Hotels Private Limited | - | - | - | 240.00 |
| | Genext Hardware & Parks Private Limited | - | 1,071.73 | - | - |
| | Newfound Properties & Leasing Private Limited | - | - | - | 1,062.23 |
| 3 | **Sale Of Investment** | | | | |
| | Genext Hardware & Parks Private Limited | - | 582.22 | - | - |
| 4 | **Loans taken** | | | | |
| | K. Raheja Corp Private Limited | - | - | - | 260.00 |
| | K. Raheja Corporate Services Private Limited | - | - | - | 700.00 |
| 5 | **Loans repaid** | | | | |
| | Ivory Properties And Hotels Private Limited | - | - | - | 240.00 |
| | K. Raheja Corp Private Limited | - | - | - | 500.00 |
| | Genext Hardware & Parks Private Limited | | 1,695.50 | | |
| | Newfound Properties & Leasing Private Limited | - | - | - | 1,062.23 |
| 6 | **Interest receivable** | | | | |
| | Genext Hardware & Parks Private Limited | - | 179.11 | - | - |
| 7 | **Oustanding Investments** | | | | |
| | Genext Hardware & Parks Private Limited | - | 2,974.83 | - | - |
| | Intime Properties Limited | - | 893.66 | - | - |
| 8 | **Loans Payable** | | | | |
| | K. Raheja Corporate Services Private Limited | - | - | - | 700.00 |
| 9 | **Loans Receivable** | | | | |
| | Genext Hardware & Parks Private Limited | - | 782.09 | - | - |
| | Chalet Hotels & Properties (Kerala) Private Limited | 100.30 | - | - | - |
| 10 | **Guarantees given by the Company** | | | | |
| | Genext Hardware & Parks Private Limited | - | 2,772.67 | - | - |
| 11 | **Guarantees outstanding** | | | | |
| | Genext Hardware & Parks Private Limited | - | 2,772.67 | - | - |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

### Note 51
### Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: *(Continued)*

**Related party disclosures for Year ended March 31, 2014**

| Sr.no | Particulars | Subsidiaries | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties |
|---|---|---|---|---|---|
| 1 | Interest income from instruments measured at amortised cost | 10.87 | - | - | 90.74 |
| 2 | Sale of services - Lease rent | - | - | - | 0.97 |
| 3 | Sale of Investment | - | - | - | 433.34 |
| 4 | Sales of services - Rooms income, Food, beverages and smokes | - | 0.32 | -* | 5.83 |
| 5 | Other expense | 0.89 | - | - | 63.05 |
| 6 | Director sitting fees | - | - | 0.15 | - |
| 7 | Salaries, wages and bonus | - | - | 41.35 | - |
| 8 | Loans given | 19.50 | - | - | 271.73 |
| 9 | Loans repaid | - | - | - | 3,719.81 |
| 10 | Project support services and other expenses | - | - | - | 39.96 |
| 11 | Purchase of property, plant and equipment | 0.34 | - | - | - |
| 12 | Deposit received | - | - | - | 0.23 |
| 13 | Advance received | - | 0.14 | - | - |
| 14 | Purchase of Investments | - | 4,299.01 | - | - |
| 15 | Guarantees given by the Company | - | 2,954.84 | - | - |
| | **Balances outstanding as at the year-end** | | | | |
| 16 | Trade receivables | 0.06 | - | - | 0.26 |
| 17 | Trade payables | - | - | 0.03 | 4.85 |
| 18 | Deposits outstanding as at the year-end | - | - | - | 16.94 |
| 19 | Outstanding Investment | 0.29 | 4,299.01 | - | - |
| 20 | Loans Receivable | 93.60 | 1,652.92 | - | - |
| 21 | Interest Receivable | 9.59 | 160.11 | - | - |
| 23 | Interest Rayable | | | | 0.25 |
| 24 | Loans Payable | - | - | - | 240.00 |
| 25 | Guarantees outstanding | - | 2,954.84 | - | - |
| | **Amount less than Rs. 0.01 million* | | | | |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information *(Continued)*

**Note 51**
**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:** ***(Continued)***

**Significant transactions with material related parties for year ended March 31, 2014**

| Sr.no | Particulars | Subsidiaries | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties |
|---|---|---|---|---|---|
| 1 | **Sale of investments** | | | | |
| | Inorbit Malls (India) Private Limited | - | - | - | 433.34 |
| 2 | **Loans given** | | | | |
| | Stargaze Properties Private Limited | - | - | - | 173.00 |
| 3 | **Loans repaid** | | | | |
| | K. Raheja Private Limited | - | - | - | 885.00 |
| | Mindspace Business Parks Private Limited | - | - | - | 855.50 |
| | Newfound Properties & Leasing Private Limited | - | - | - | 559.09 |
| | Horizonview Properties Private Limited | - | - | - | 461.50 |
| | Convex Properties Private Limited | - | - | - | 261.50 |
| | Stargaze Properties Private Limited | - | - | - | 233.44 |
| | Immense Properties Private Limited | - | - | - | 155.00 |
| | Brookfields Agro & Development Private Limited | - | - | - | 130.00 |
| | Sustain Properties Private Limited | | | - | 95.07 |
| 4 | **Purchase of Investments** | | | | |
| | Genext Hardware & Parks Private Limited | - | 2,816.94 | - | - |
| | Intime Properties Limited | - | 893.66 | - | - |
| | Sundew Properties Limited | - | 588.41 | - | - |
| 5 | **Outstanding Investment** | | | | |
| | Genext Hardware & Parks Private Limited | - | 2,816.94 | - | - |
| | Intime Properties Limited | - | 893.66 | - | - |
| | Sundew Properties Limited | - | 588.41 | - | - |
| 6 | **Loans Payable** | | | | |
| | K. Raheja Corp Private Limited | - | - | - | 240.00 |
| 7 | **Loans Receivable** | | | | |
| | Genext Hardware & Parks Private Limited | - | 1,652.92 | - | - |
| 8 | **Interest receivable** | | | | |
| | Genext Hardware & Parks Private Limited | - | 160.11 | - | - |
| 9 | **Guarantees given by the Company** | | | | |
| | Genext Hardware & Parks Private Limited | - | 2,954.84 | - | - |
| 10 | **Guarantees outstanding** | | | | |
| | Genext Hardware & Parks Private Limited | - | 2,954.84 | - | - |

**(Rs. in million)**

## Annexure VI - Notes to Restated Standalone Summary Financial Information (Continued)

### Note 52
### Disclosure as per Guidance Note on Accounting for Real Estate Transactions

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|---|---|---|---|---|---|
| Gross Project Revenue recognised as revenue | 102.13 | 111.44 | 77.39 | 104.64 | 179.09 |
| 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 respect of all projects in progress as at | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Aggregate amount of cost incurred to date | 70.66 | 76.49 | 45.98 | 71.65 | 391.91 |
| Advances received as at | 1,026.35 | 1,274.25 | 1,469.77 | 1,633.13 | 2,180.10 |
| Income received in advance (net) as at | 208.36 | 334.94 | 381.03 | 403.76 | 509.64 |
| Amount of work in progress as at | 3,031.94 | 3,020.34 | 3,026.65 | 2,988.18 | 2,657.78 |
| Less: Provision for impairment | (376.65) | (376.65) | (376.65) | (376.65) | (376.65) |
| Amount of work in progress, (net) | 2,655.29 | 2,643.69 | 2,650.00 | 2,611.53 | 2,281.13 |

### Note 53
### Bengaluru residential project

Amounts related to the Bengaluru residential project carried under inventories and trade receivables are as under

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Inventories | 3,031.94 | 3,020.34 | 3,026.65 | 2,988.18 | 2,657.78 |
| Less: Provision for impairment | (376.65) | (376.65) | (376.65) | (376.65) | (376.65) |
| Inventories, net | 2,655.29 | 2,643.69 | 2,650.00 | 2,611.53 | 2,281.13 |
| Trade receivables | 32.46 | 32.46 | 32.46 | 32.46 | 32.46 |
| Income received in advance (unearned revenue) | 208.36 | 334.94 | 381.03 | 403.76 | 509.64 |
| Advances from customers towards sale of residential flats | 967.91 | 1,268.14 | 1,469.77 | 1,627.98 | 2,151.92 |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

### Note 54
### First time adoption

The Restated statement of assets and liabilities of the Company as at March 31, 2018 and March 31, 2017 and the Restated statement of profit and loss, the Restated statement of changes in equity and the restated statement of cash flows for the years ended March 31, 2018 and March 31 2017 and restated other financial information (together referred as 'restated financial information') 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.

The Company has elected to present all five years as per Ind AS/Proforma Ind AS. The restated financial information for the years ended March 31, 2016, 2015 and 2014 has been prepared on Proforma basis (i.e. "Proforma Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS financial information for the year ended March 31, 2016, 2015 and 2014, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS financial information as of and for the years ended March 31, 2016, 2015, and 2014 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2016).

In addition to the adjustments carried herein, the Company has also made material restatement adjustments in accordance with SEBI Circular and Guidance note on reports in company prospectuses issued by ICAI (refer Annexure VII). Together these constitute the restated standalone summary financial information.

**Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1 **Business combination exemption:**
The Company has applied the exemption as provided in Ind AS 101 in relation to Ind AS 103, "Business Combinations" for business combinations consummated prior to the date of transition (April 1, 2016). Pursuant to this exemption, goodwill arising from business combination has been stated at the carrying amount under previous GAAP IND AS 103 will be applied prospectively to business combinations occurring after its transition date.

2 **Investment in subsidiaries and associates**
As permitted by Ind AS 101, for measuring investment in subsidiaries and associates, the Company has considered their previous GAAP carrying amount as their deemed cost as at 1 April 2016. For the purpose of Proforma Ind AS financial information, the Company has used carrying amount as per previous GAAP as at March 31, 2016, 2015 and 2014 to be the value of Investments for such respective years.

3 **Property, plant and equipment**
As permitted by Ind AS 101, the Company has chosen to reflect the fair value of all freehold land as of April 1, 2016 as their respective deemed cost. All other items of property, plant and equipment have been measured as per the requirements of Ind AS 16 "Property, Plant and Equipment" retrospectively.

4 **Intangible assets and investment property**
As permitted by IND AS 101, the Company has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2016 for all the items of intangible assets and investment property. For the purpose of Proforma Ind AS financial information for the year ended March 31, 2016, 2015 and 2014, the Company has provided the depreciation based on the estimated useful life of respective years.

5 **Classification and measurement of financial assets and financial liabilities**
Ind AS 101 requires an entity to assess classification of financial assets and financial liabilities on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets and financial liabilities accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets and financial liabilities based on facts and circumstances that exist on the date of transition. Measurement of the financial assets and financial liabilities accounted at amortised cost has been done retrospectively except where the same is impracticable.

6 **Estimates**
On assessment of the estimate made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions as at that date.

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

### Note 54
### First time adoption of Ind AS

**(Rs. in million)**

**A. Reconciliation between previous GAAP and Ind AS**

**(I) Reconciliation of Equity as previously reported under IGAAP and Ind AS**

| Particulars | Notes to first time adoption | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **(i) Total Equity as per previous GAAP** | | **7,545.89** | **1,622.73** | **3,671.25** | **4,830.68** |
| **(ii) Ind AS adjustments / prior period adjustments** | | | | | |
| Fair valuation of land treated as deemed cost | 1 | - | 5,186.49 | 5,186.49 | 3,916.84 |
| Accounting for transaction costs on borrowings as per effective interest method | 2 | 83.52 | 114.51 | 90.81 | 118.92 |
| Fair value movement of FVTPL investments | 3 | 1.22 | (9.60) | - | - |
| Investment in preference shares measured at amortised cost | 4 | - | 38.14 | 23.71 | 10.77 |
| Accounting of EPCG Scheme as a government grant, including depreciation impact | 5 | 378.70 | 198.69 | 153.64 | 165.71 |
| Business combination of Magna Warehousing & Distribution Private Limited (Magna) | 6 | (144.66) | (9.61) | (1.09) | 8.91 |
| Net assets acquired of hotel and retail undertaking from Genext Hardware & Parks Private Limited (Genext) under Court scheme reflected from appointed date i.e. November 1, 2016 | 7 | (1,809.16) | - | - | - |
| Deferred tax on above adjustments, as applicable | 8 | (249.90) | (106.18) | (84.60) | (96.75) |
| Deferred tax impact on brought forward business losses and unabsorbed depreciation | 8 | 865.20 | 635.32 | 116.20 | 114.13 |
| Deferred tax impact on fair valuation and indexation benefit on land | 8 | (775.27) | (1,257.59) | (1,259.66) | (1,001.48) |
| Deferred tax impact on investments held for sale | 8 | 0.03 | 110.30 | - | - |
| Deferred tax impact on indexation benefit on investment property | 8 | 94.66 | 64.72 | 54.12 | 43.82 |
| **Total Ind AS adjustments / prior period adjustments *** | | **(1,555.66)** | **4,965.19** | **4,279.62** | **3,280.87** |
| **(iii) Total restated adjustments (refer Annexure VII)** | | **(971.99)** | **(1,096.33)** | **(1,303.46)** | **(1,279.99)** |
| **(iv) Total equity as per Restated Summary Statement of Assets and Liabilities (i + ii + iii)** | | **5,018.24** | **5,491.59** | **6,647.41** | **6,831.56** |

* The Ind AS adjustments reflected for adjustment with equity as of April 1, 2016 are consistent with those made as part of the first Ind AS financial statements of the Company. The adjusted net worth of the Company so arrived at shall differ from the total equity as per Restated Summary Statement of Assets and Liabilities to the extent of the restatement adjustments identified in the table above and explained as part of Annexure VII.

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

**Note 54**
**First time adoption of Ind AS**

(II) **Reconciliation of net profit after tax/total comprehensive income (as applicable) as previously reported under IGAAP and Ind AS**

**(Rs. in million)**

| Particulars | Notes to first time adoption | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **(i) Net profit after tax as per previous GAAP** | | **736.67** | **(2,048.52)** | **(1,159.43)** | **(635.63)** |
| **(ii) Ind AS Adjustments / prior period adjustments** | | | | | |
| Accounting for transaction costs on borrowings as per effective interest method | 2 | (30.99) | 23.69 | (28.11) | 50.47 |
| Fair value movement of FVTPL investments | 3 | 10.82 | (9.60) | - | - |
| Investment in preference shares measured at amortised cost | 4 | (38.14) | 14.43 | 12.94 | 10.77 |
| Accounting of EPCG Scheme as a government grant, including depreciation impact | 5 | 180.01 | 45.05 | (12.07) | 48.34 |
| Business combination of Magna Warehousing & Distribution Private Limited (Magna) | 6 | (135.05) | (8.52) | (9.98) | (5.92) |
| Net assets transferred out of Hotel and Retail undertaking from Magna Warehousing & Distribution Private Limited (Magna) under Court scheme reflected from appointed date i.e. April 1, 2013 | 7 | (34.29) | - | - | - |
| Deferred tax on above adjustments, as applicable | 8 | (143.74) | (21.57) | 12.14 | (33.59) |
| Deferred tax impact on brought forward business losses and unabsorbed depreciation | 8 | 229.88 | 519.12 | 2.06 | 114.13 |
| Deferred tax impact on fair valuation and indexation benefit on land | 8 | 482.32 | 28.06 | 29.52 | 24.11 |
| Deferred tax impact on investments held for sale | 8 | (110.27) | 110.30 | - | - |
| Deferred tax impact on indexation benefit on investment property | 8 | 29.94 | 10.60 | 10.31 | 8.38 |
| **Total Ind AS adjustments / prior period adjustments** | | **440.49** | **711.56** | **16.81** | **216.69** |
| **(iii) Total restated adjustments (refer Annexure VII)** | | **124.37** | **207.11** | **(23.49)** | **(664.33)** |
| **(iv) Total comprehensive income as per Restated Summary Statement of Profit and Loss (i +ii +iii )** | | **1,301.53** | **(1,129.85)** | **(1,166.11)** | **(1,083.27)** |

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

### Note 54
### First time adoption of Ind AS

(III) **Impact of Ind AS adoption on the Restated Summary Statement of Cash Flows**

There were no material differences between the restated summary statement of cash flows and cash flow statement under previous GAAP (as adjusted for the impact of the demerger of hotel & retail undertaking from Magna and merger of hotel & retail undertaking from Genext - refer Note 41).

(IV) **Notes to First time adoption:**

The Company has followed the same accounting policy choice as initially adopted on transition date i.e. April 1, 2016 while preparing Proforma Restated Financial Information for the years ended March 31, 2016, March 31, 2015, March 31, 2014 and as at April 1, 2013. Accordingly, suitable restatement adjustments are made to the retained earnings as at March 31, 2016, March 31, 2015, March 31, 2014 and April 1, 2013.

1 **Fair valuation of land treated as deemed cost**

On the date of transition the Company has chosen to reflect the fair value of all freehold land as of April 1, 2016 as their respective deemed cost. All other items of property, plant and equipment have been measured as per the requirements of Ind AS 16 "Property, Plant and Equipment" retrospectively. The impact of both these adjustments has been considered through retained earnings and corresponding assets/liabilities, as appropriate. The fair value has been determined with reference to residual value approach which also involves determining the business value of the respective hotel building. The fair value so determined is categorised as Level 3 in accordance with the requirements of Ind AS 113. The key unobservable inputs used for determination of the fair value referred to above includes the rate used for discounting (12.10%) and growth rate (5%).

The fair value of land taken as deemed cost on transition date has been pushed back for restated standalone financial statements as per the Guidance note on Reports in Company Prospectus (revised 2016) issued by the Institute of Chartered Accountants of India. The fair value as on transition date is basis the land parcels and subsequent capitalisations made to the cost of land (for purchase of additonal FSI) till such date (i.e. April 1, 2016). For the purpose of pushback of such fair value, proportionate fair value of such additions made is calculated based on the ratio of cost (adjusted for inflation) incurred for purchase of such additions to the total cost of such land. The fair value of such additions has been considered in their respective years of purchase by the company.

2 **Accounting for transaction costs on borrowings as per effective interest method**

Under previous GAAP, directly attributable transaction costs were charged to the Statement of Profit or Loss or capitalised as part of property, plant and equipment in the year of disbursement of the loan. As per the requirements of Ind AS, the Company has measured the borrowings at amortised cost (including the directly attributable transaction costs) based on the effective interest rate of the borrowings. Accordingly, suitable restatement adjustments have been made in the Restated Summary Statement of Profit and Loss and Property, plant and equipment.

3 **Fair value movement of FVTPL investments**

Under previous GAAP, non-current investments were carried at cost less provision for diminution (other than temporary). Under Ind AS, investment in equity shares (other than subsidiaries and associates) are measured at fair value, with fair value changes being routed through the Summary Statement of Profit and Loss.

4 **Investment in preference shares measured at amortised cost**

Under previous GAAP, non-current investments in preference shares were carried at cost less provision for diminution (other than temporary). Under Ind AS, investment in 0.001% non-cumulative redeemable preference shares of Genext Hardware & Parks Private Limited are measured at amortised cost as per Ind AS 109. Accordingly, suitable restatement adjustments have been made in the Restated Summary Statement of Profit and Loss and Investment in preference shares.

5 **Accounting of EPCG Scheme as a government grant, including depreciation impact**

The Company under the EPCG scheme has received grants from the Government in form of waiver of import duty on purchase of capital goods. These, however are conditional on the Company achieving specified future export obligations.

Under previous GAAP, the Company recognised its property, plant and equipment at the net cost i.e. the import duty was excluded from the cost of the property, plant and equipment and adjusted directly with the export benefits. Under Ind AS, the Company has recognised the value of import duty waiver as part of the cost of the property, plant and equipment with the corresponding impact to deferred grant. The deferred grant is recognised in Restated Summary Statement of Profit and Loss on fulfilment of the respective export obligation.

6 **Business combination of Magna Warehousing & Distribution Private Limited (refer note 42)**

The Board of Directors of the Company at its meeting held on January 5, 2017, approved the merger of Magna Warehousing & Distribution Private Limited ("Transferor Company"), its wholly owned subsidiary, with the Company ("Transferee Company") under Section 230 to 232 of the Companies Act, 2013, with effect from November 01, 2016, ("the Appointed Date") subject to obtaining necessary approvals of National Company Law Tribunal (NCLT) at Mumbai and Bangalore. The said Scheme received the approval of the National Company Law Tribunal (NCLT) at Mumbai and Bangalore and other statutory and regulatory authorities on March 21, 2018 and has become effective from April 1, 2018. The merger is accounted as per the 'Pooling of Interest' method as prescribed in the Scheme. Further since this is a common control transaction, the financial statements in respect of prior periods have been restated from the earliest period presented.

7 **Merger of Genext Hardware & Parks Private Limited (refer note 42)**

The Board of Directors at their meeting held on January 5, 2017, had approved the merger proposal and approved the "Scheme of Arrangement" to merge the Hotel Undertaking and the Retail Undertaking at Bengaluru from Genext under Section 230 to 232 of the Companies Act, 2013, with effect from November 1, 2016, (“the Appointed Date”) subject to obtaining necessary approvals of the Shareholders, Honourable High Court of Karnataka at Bangalore and Honourable High Court of Bombay and other statutory and regulatory authorities. The Scheme has become effective from October 1, 2017 and has been given effect to from the appointed date (in line with the accounting treatment prescribed in the Scheme).

8 **Deferred tax**

Previous GAAP requires deferred tax to be recognised with reference to the income statement approach. Ind AS 12 requires entities to determine deferred taxes with reference to the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax related adjustments in relation to certain items such as fair valuation of land, indexation benefit on land, indexation benefit on investment property, fair value of investments which were not required to be considered under the income statement approach.

Further, under the previous GAAP, deferred tax asset on carry forward business losses and unabsorbed depreciation was recognised only on existence of virtual certainty of taxable profits. The application of Ind AS 12 approach has resulted in recognition of deferred tax assets in case of reasonable certainty. The deferred tax impact of all Ind AS adjustments (as applicable) has also been considered.

## Annexure VI-Notes to the Restated Standalone Summary Financial Information (Continued)

**Note 54**
**First time adoption of Ind AS**

9 **Other reclassification adjustments**

**A) Actuarial gain and loss**
Under previous GAAP, the company recognised remeasurement on defined benefit plans of the company were recognised in the statement of Profit or Loss. However, as per the requirements of Ind AS, the company has recognised these in Other comprehensive income.

**B) Investment property**
As per the requirements of Ind AS 40, the company has reclassified land and building held with the intention to earn rental income as Investment property and Investment Property under construction.

The above reclassification adjustments do not have any impact on the reconciliations given above.

**(V) Reconciliation of Equity as at April 1, 2013**
As specified in the Guidance Note, the equity balance computed under Proforma Standalone Ind AS financial information for the year ended March 31, 2016 (i.e. equity under Indian GAAP as at April 1, 2015, 2014 and 2013 adjusted for impact of Ind AS 101 items and after considering profit or loss for the years ended March 31, 2016, 2015 and 2014 with adjusted impact due to Ind AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2015, 2014 and 2013. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Standalone Ind AS financial statements has not been carried forward to the opening Standalone Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is below:

| Particulars | Notes to first time adoption | April 1, 2013 Proforma |
|---|---|---|
| **A. Total equity as per audited financial statements as per previous GAAP** | | **5,466.31** |
| **Ind AS Adjustments** | | |
| Fair valuation of land treated as deemed cost on transition to Ind AS | 1 | **3,743.29** |
| Amortised measurement of borrowings including related depreciation impact | 2 | **68.45** |
| Government grant on EPCG Scheme including related depreciation impact | 5 | **117.37** |
| Business combination of Magna Warehousing & Distribution Private Limited (Magna) | 6 | **24.31** |
| Deferred tax on above adjustments, as applicable | 8 | **(63.16)** |
| Deferred tax impact on fair valuation and indexation benefit on land | 8 | **(1,036.69)** |
| Deferred tax impact on indexation benefit on investment property | 8 | **35.44** |
| **B. Total Ind AS adjustments** | | **2,889.01** |
| **C. Total impact of restatement adjustments (refer Annexure VII)** | | **(615.90)** |
| **E. Total equity as per restated financial information (A + B + C)** | | **7,739.42** |

## Annexure VI - Notes to the Restated Standalone Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 55**
**Disclosure under Section 186 of the Act**

The operations of the Company are classified as 'infrastructure facilities' as defined under Schedule VI to the Act. Accordingly, the disclosure requirements specified in sub-section 4 of Section 186 of the Act in respect of loans given, guarantee given or security provided and the related disclosures on purposes/ utilisation by recipient companies, are not applicable to the Company.

Details of investments made during the year ended March 31, 2018 as per section 186(4) of the Act:

| **Name of entity** | **March 31, 2017** | **Investments made** | **Investments redeemed / sold** | **March 31, 2018** |
|---|---|---|---|---|
| Grandwell Properties and Leasing Private Limited | 0.10 | - | 0.10 | **-** |
| Chalet Hotels and Properties (Kerala) Private Limited | 0.09 | - | - | **0.09** |
| Stargaze Properties Private Limited | 0.01 | - | - | **0.01** |
| Intime Properties Limited | 0.72 | - | - | **0.72** |
| Krishna Valley Power Private Limited | - | 8.64 | - | **8.64** |
| Sahyadri Renewable Energy Private Limited | - | 31.45 | - | **31.45** |
| Renew Wind Power Energy (AP) Limited | 1.00 | - | - | **1.00** |
| National Saving Certificates | 0.13 | - | - | **0.13** |

Details of investments made during the year ended March 31, 2017 as per section 186(4) of the Act:

| **Name of entity** | **March 31, 2016** | **Investments made** | **Investments redeemed / sold** | **March 31, 2017** |
|---|---|---|---|---|
| Grandwell Properties and Leasing Private Limited | 0.10 | - | - | **0.10** |
| Chalet Hotels and Properties (Kerala) Private Limited | 0.09 | - | - | **0.09** |
| Stargaze Properties Private Limited | 0.01 | - | - | **0.01** |
| Genext Hardware & Parks Private Limited (equity shares) | 2,816.94 | - | 2,816.94 | **-** |
| Genext Hardware & Parks Private Limited (preference shares) | 157.89 | | 157.89 | **-** |
| Intime Properties Limited | 340.99 | - | 340.27 | **0.72** |
| Renew Wind Power Energy (AP) Limited | - | 1.00 | - | **1.00** |
| National Saving Certificates | 0.13 | - | - | **0.13** |

Details of investments made during the year ended March 31, 2016 as per section 186(4) of the Act:

| **Name of entity** | **March 31, 2015** | **Investments made** | **Investments redeemed / sold** | **March 31, 2016** |
|---|---|---|---|---|
| Grandwell Properties and Leasing Private Limited | 0.10 | - | - | **0.10** |
| Chalet Hotels and Properties (Kerala) Private Limited | 0.09 | - | - | **0.09** |
| Sycamore Properties Private Limited | 0.10 | - | 0.10 | **-** |
| Stargaze Properties Private Limited | 0.01 | - | - | **0.01** |
| Genext Hardware & Parks Private Limited (equity shares) | 2,816.94 | - | - | **2,816.94** |
| Genext Hardware & Parks Private Limited (preference shares) | 157.89 | - | - | **157.89** |
| Intime Properties Limited | 893.66 | - | 552.67 | **340.99** |
| National Saving Certificates | 0.13 | - | - | **0.13** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Standalone Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 55**
**Disclosure under Section 186 of the Act**

Details of investments made during the year ended March 31, 2015 as per section 186(4) of the Act:

| Name of entity | March 31, 2014 | Investments made | Investments redeemed / sold | March 31, 2015 |
|---|---|---|---|---|
| Grandwell Properties and Leasing Private Limited | 0.10 | - | - | **0.10** |
| Chalet Hotels and Properties (Kerala) Private Limited | 0.09 | - | - | **0.09** |
| Sycamore Properties Private Limited | 0.10 | - | - | **0.10** |
| Stargaze Properties Private Limited | 0.01 | - | - | **0.01** |
| Genext Hardware & Parks Private Limited (equity shares) | 2,816.94 | - | - | **2,816.94** |
| Genext Hardware & Parks Private Limited (preference shares) | 157.89 | - | - | **157.89** |
| Intime Properties Limited | 893.66 | - | - | **893.66** |
| Sundew Properties Limited | 588.41 | - | 588.41 | **-** |
| National Saving Certificates | 0.07 | 0.06 | - | **0.13** |

As per our examination 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.U55101MH1986PLC038538)

**Aniruddha Godbole**
*Partner*
Membership No: 105149

**Sanjay Sethi**
*Managing Director & CEO*
(DIN 00641243)

**Rajeev Newar**
*Executive Director & CFO*
(DIN 00468125)

**Christabelle Baptisa**
*Company Secretary*
Membership No: A17817

Mumbai
June 12, 2018

Mumbai
June 12, 2018

## Annexure VII: Statement of Adjustments to Audited Financial Statements

**(Rs. in million)**

Summarised below are the restatement adjustments made to the equity of the audited financial statements of the Company for the years ended March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 and balance sheet as at April 1, 2013 and their consequential impact on the equity of the Company:

| Particulars | Notes | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **A. Total equity as per audited financial statements as per previous GAAP** | | **7,545.89** | **1,622.73** | **3,671.25** | **4,830.68** |
| **B. Total Ind AS adjustments (refer note 54 of Annexure VI)** | | **(1,555.66)** | **4,965.19** | **4,279.62** | **3,280.87** |
| **C. Total equity as per Ind AS (A+B)** | | **5,990.23** | **6,587.92** | **7,950.87** | **8,111.55** |
| **D. Adjustments:** | | | | | |
| **Material restatement adjustments** | | | | | |
| **(i) Audit qualifications** | | - | - | - | - |
| **Total:** | | - | - | - | - |
| **(ii) Adjustments due to prior period items / other adjustments** | | | | | |
| Reversal of revenue on account of cancellation of flats of residential project at Bengaluru | 3(c) | (63.62) | (97.61) | (123.46) | (249.23) |
| Adjustments due to change in status of residential project at Bengaluru | 3(b) | (1,521.72) | (1,453.92) | (1,381.72) | (1,299.13) |
| Adjustments for short / excess provision for income taxes | 3(d) | - | (2.85) | (2.85) | (5.67) |
| Adjustment for cost of mitigation program compensation | 3(e) | (87.39) | (279.20) | (301.48) | (211.14) |
| Adjustment for deferred tax | 3(f) | 241.07 | - | - | - |
| **Total restatement adjustments** | | **(1,431.66)** | **(1,833.58)** | **(1,809.51)** | **(1,765.17)** |
| **(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable** | | | | | |
| Deferred tax impact on restatement adjustments | 3(g) | 459.67 | 737.25 | 506.05 | 485.18 |
| **Total:** | | **459.67** | **737.25** | **506.05** | **485.18** |
| **D. Total impact of adjustments (i + ii+iii)** | | **(971.99)** | **(1,096.33)** | **(1,303.46)** | **(1,279.99)** |
| **E. Total equity as per audited restated summary financial information as per Ind AS (C+D)** | | **5,018.24** | **5,491.59** | **6,647.41** | **6,831.56** |

Summarised below are the restatement adjustments made to the net profit/(loss) of the audited financial statements of the Company for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and their impact on the profit / (loss) of the Company:

**(Rs. in million)**

| Particulars | Notes | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| **A. Net profit after tax as per audited financial statements as per previous GAAP** | | **NA** | **736.67** | **(2,048.52)** | **(1,159.43)** | **(635.63)** |
| **B. Total Ind AS adjustments (refer note 54 of Annexure VI)** | | **NA** | **440.49** | **711.56** | **16.81** | **216.69** |
| **C. Net profit after tax as per Ind AS (A+B)** | | **(993.95)** | **1,177.16** | **(1,336.96)** | **(1,142.62)** | **(418.94)** |
| **D. Adjustments:** | | | | | | |
| **Material restatement adjustments** | | | | | | |
| **(i) Audit qualifications** | | - | - | - | - | - |
| **Total:** | | - | - | - | - | - |
| **(ii) Adjustments due to prior period items / other adjustments** | | | | | | |
| Export benefits entitlements written off | 3(a) | - | - | - | - | 58.42 |
| Adjustments due to change in status of residential project at Bengaluru | 3(b) | 1,521.72 | (67.81) | (72.20) | (82.59) | (1,006.60) |
| Reversal of revenue on account of cancellation of flats of residential project at Bengaluru | 3(c) | 63.62 | 33.99 | 25.85 | 125.77 | 17.87 |
| Adjustments for short / excess provision for income taxes | 3(d) | - | 2.85 | - | 2.77 | (7.51) |
| Adjustment for cost of mitigation program compensation | 3(e) | 87.39 | 191.81 | 22.28 | (90.34) | 108.09 |
| Adjustment for deferred tax | 3(f) | - | 241.07 | - | - | - |
| **Total:** | | **1,672.73** | **401.91** | **(24.07)** | **(44.39)** | **(829.73)** |
| **(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable** | | | | | | |
| Deferred tax impact on restatement adjustments | 3(g) | (459.71) | (277.54) | 231.18 | 20.90 | 165.40 |
| **Total:** | | **(459.71)** | **(277.54)** | **231.18** | **20.90** | **165.40** |
| **D. Total impact of adjustments (i + ii + iii)** | | **1,213.02** | **124.37** | **207.11** | **(23.49)** | **(664.33)** |
| **F. Net Profit after tax as per restated financial information (C + D)** | | **219.08** | **1,301.53** | **(1,129.85)** | **(1,166.11)** | **(1,083.27)** |

## Annexure VII: Statement of Adjustments to Audited Financial Statements

**(Rs. in million)**

**Notes to Adjustments**

**1. Adjustments for audit qualification: None**

**2. Material regrouping**

Appropriate adjustments have been made in the Restated Summary Statements of Assets and Liabilities, Profit and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company for the year ended March 31, 2018.

**3. Material restatement adjustments**

**(a) Export benefit entitlements written off**

The Company recognises income in respect of duty credit entitlement arising from export sales under the "Served from India Scheme" 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 utilised within a specified benefit period, by way of adjustment against duties payable on purchase of capital equipments, spare parts and consumables. Unutilised export entitlement is written off in the year in which the time period of utilisation of such licenses expires. The Company had written off export entitlement receivable during the year ended March 31, 2014 on expiry of the utilisation period.
For the purpose of these restated financial information, the Company has appropriately adjusted this in the year in which the duty credit entitlement was first recognised. Adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of the retained earnings as per restated financial information as at April 1, 2013. .

**(b) Adjustments due to change in status of residential project at Bengaluru**

In view of Hindustan Aeronautics Limited (HAL's) raising an objection with regards to the permissible height and pursuant to the interim order passed by the Hon. Karnataka High Court ('the Court') in the petition filed by the Company, in respect of the Company's residential project at Bengaluru during the year 2013-14, the Company suspended and limited the vertical construction of all wings up to a particular height, pending outcome of the matter.

Further, pending the outcome of the proceedings and a final closure of the matter, the Company had decided to suspend revenue recognition based on the percentage completion method and has also been derecognising profits on cancellation of flats previously sold. Pursuant to a subsequent order passed by the Court for conduct of an Aeronautical Study by the Airports Authority of India [AAI], AAI conducted the required Aeronautical Study and filed its report in January 2015, confirming that the full height of the then completed building-wings does not adversely affect aircraft operations. HAL has filed objections to the Aeronautical Study Report of AAI, and the matter is currently sub-judice.

Since the litigation has prolonged and is yet to be concluded, the Company explored the option of restructuring the construction plan in consultation with the relevant stakeholders to achieve a mutually beneficial solution. Consequently, during the year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Holding Company, decided that the Company should proactively consider re-commencement of construction upto permissible limit and engage with the buyers above 10th floor for evaluating possible options. Accordingly, the Company has reassessed the estimated cost of completion of the project upto the 10th floor as per the aforementioned plan and has recorded the following adjustments as exceptional items during the year ended March 31, 2018:

i) Provision towards impairment of super structure of Rs 350 million and expected cost of alteration of super structure of Rs 250 million have been adjusted during the year ended March 31, 2014, being the year in which the litigation had initiated.

ii) Provision for cost of mitigation program compensation of Rs 555 million for expected cancellations for flats above 10th floor, net of compensation already provided for has been adjusted to the respective year to which interest cost relates. Adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of the retained earnings as per restated financial information as at April 1, 2013.

iii) Impact of revised estimated cost of completion of the project on the net realisable value of inventory resulting in write down of Rs 25 million has been adjusted during the year ended March 31, 2014, being the year in which the litigation had initiated.

The auditors' reports for the years ended March 31, 2017 and March 31, 2016 included an Emphasis of Matters papragraph in respect of the amounts related to the residential project at Bengaluru (inventories aggregating to Rs 2,659.87 million and Rs 2,533.02 million and trade receivables of Rs 9.12 million and Rs 6.77 million as at March 31, 2017 and March 31, 2016 respectively. The Company has made necessary adjustments to inventories and trade receivables in these Restated Standalone Summary Financial Information as per the aforementioned plan.

The auditors' reports for the year ended March 31, 2014 included an Emphasis of Matters papragraph in respect of the residential project at Bengaluru for which the Company had not recognized profits during the year on flats sold above 40 meters, derecognized profits on sales of previous years that have been cancelled during the year, the Company had recompensed flat owners, in accordance with mitigation plan, with payments on account of the delay in completion of the project and additionally provision for estimated loss on account of cancellation in the subsequent year was been made in the accounts. The Group has made necessary adjustments in these Restated Standalone Summary Financial Information as per the aforementioned plan.

**(c) Reversal of revenue on account of cancellation of flats of residential project at Bengaluru**

The Company reversed the revenue and derecognised margins, in respect of its residential project at Bengaluru, in the respective year of cancellation. Further, during the year ended March 31, 2018, as mentioned in paragraph b) above, the Company reversed revenue and margins aggregating Rs 524 million and Rs 122 million respectively, in respect of the flats for all wings above 40 meters and also recognised additional revenue and incremental cost of sale of residential flats aggregating Rs 42.02 million and Rs 278.03 million respectively due to revision of the estimated percentage of completion.
The Company, on restatement, has adjusted the cancellations / revenue reversals in the year in which the revenue and margins were originally recognised. Adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of the retained earnings as per restated financial information as at April 1, 2013.

## Annexure VII: Statement of Adjustments to Audited Financial Statements

**(Rs. in million)**

**(d) Prior period tax adjustments**
Excess and short provision for income taxes pertaining to earlier years, based on intimations / orders / received / returns filed, accounted for during the years ended March 31, 2017 of Rs 7.50 million and March 31, 2014 of Rs 2.85 million respectively has been adjusted in the respective financial years to which it pertains. The Company had also written off MAT credit of Rs 2.7 million during the year ended March 31, 2015. The adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of retained earnings as per restated financial information as at April 1, 2013.

**(e) Adjustment for cost related to mitigation program compensation**
The Company has recorded additional compensation net of goodwill compensation, in respect of its residential project at Bengaluru, in the respective year of cancellation.
The Company, on restatement, has adjusted the additional compensation cost net of goodwill compensation to the year to which the same pertains as it relates to period cost and is payable for period of delay. Adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of the retained earnings as per restated financial information as at April 1, 2013.

**(f) Adjustment for deferred tax**
The Company has recognised deferred tax credit pertaining to incorrect computation in deferred taxes for the year ended March 31, 2017. The Company, on restatement, has adjusted the deferred tax credit in the financial statements as of and for the year ended March 31, 2017.

**(g) Deferred tax impact**
Deferred tax has been computed on adjustments made as detailed above and has been adjusted in the restated financial information for the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. The adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of retained earnings as per restated financial information as at April 1, 2013.

### Non-adjusting items

**1. Emphasis of matters in the Auditors' report which do not require any corrective adjustments in the Restated Financial Information**

**a) Leasehold land at Vashi**
For the years ended March 31, 2018, March 31, 2017 and March 31, 2016: the auditors' report has drawn attention in respect of the hotel building purchased, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the standalone Ind AS financial statements as at and for the year ended March 31, 2018 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to Rs 506 million, Rs 535 million and Rs 574 million as at March 31, 2018, March 31, 2017 and April 1, 2016 respectively (refer Annexure VI, Note 4 and 10).

**b) Acquisition of Hotel and Retail division at Bengaluru from Genext Hardware & Parks Private Limited**
For the year ended March 31, 2018, the auditors' report has drawn attention in respect of the Scheme of Arrangement ('the Scheme') between Genext Hardware & Parks Private Limited ('Genext') and the Company for demerger of the Hotel undertaking and Retail undertaking ('demerged undertaking') of Genext which has been approved by the National Company Law Tribunal ('NCLT') at Mumbai and Bengaluru and other regulatory authorities on September 11, 2017, with effect from the Appointed date specified in the Scheme i.e. November 1, 2016. The Scheme has been accounted in the manner prescribed by the NCLT order i.e. the book values of the assets, liabilities and reserves of the demerged undertaking of Genext as of November 1, 2016 have been recorded by the Company and the identity of the reserves have been maintained. The excess of the book value of the net assets and reserves of the demerged undertaking of Genext acquired over the face value of the shares issued by the Company amounting to Rs. 189.53 million has been debited to Goodwill in accordance with the Scheme. This accounting treatment is different from that prescribed under Ind AS 103 on Business Combination (refer Annexure VI, note 42).

**2. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Financial Information**

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ('CARO') issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the years ended March 31, 2018, March 31, 2017 and March 31, 2016, the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the year ended 31 March 2015 and the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India under sub-section (4A) of Section 227 of the Companies Act, 1956 for the year ended 31 March 2014. Certain statements/comments included in the annexure to the Auditors' report on the financial statements (i.e. CARO), which do not require any adjustments in the Restated Financial Information are reproduced below in respect of the financial statements presented:

**For the year ended March 31, 2018**

**Clause (i) (c)**
According to the information and explanations given to us and based on the examination of the registered transfer deeds provided to us and based on confirmations directly received by us from the lenders where the title deeds have been mortgaged as security for loans taken from Banks and financial institutions, we report that, the title deeds, of immovable properties comprising of freehold land and buildings as listed in Notes 2 and 4 of the standalone Ind AS financial statements, are held in the name of the Company, except as stated in the table below:

| Land / building | Number of cases | Freehold | Notes in the standalone Ind AS financial statements | Gross block (Rs. in million) | Net block (Rs in million) | Remarks |
|---|---|---|---|---|---|---|
| Building | 1 | Freehold | *2* | 958.78 | 449.27 | Refer note 43 (c) in the standalone Ind AS financial statements in respect of the matter which is presently under litigation |
| Land | 1 | Freehold | *2* | 286.64 | 286.64 | Acquired as part of Scheme of arrangement (Refer note 42 (b) to the standalone Ind AS financial statements), pending to be transferred in the name of the Company. |
| Building | 1 | Freehold | *2* | 1,978.10 | 1,500.45 | |
| Land | 1 | Freehold | *4* | 337.12 | 337.12 | |
| Building | 1 | Freehold | *4* | 1,779.00 | 1,328.98 | |
| Land | 1 | Freehold | *4* | 80.01 | 80.01 | Acquired as part of Scheme of arrangement (Refer note 42 (a) to the standalone Ind AS financial statements), pending to be transferred in the name of the Company. |
| Building | 1 | Freehold | *4* | 893.38 | 842.22 | |

**Annexure VII: Statement of Adjustments to Audited Financial Statements**

**(Rs. in million)**

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

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

**Clause (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 Employees' State Insurance, Income-tax, Sales tax, Service tax and Duty of excise dues have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases.

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

**Annexure VII: Statement of Adjustments to Audited Financial Statements**

**(Rs. in million)**

**Clause (vii) (b)**

According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Duty of excise and Goods and Service tax which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Service tax, Duty of customs and Value added tax have not been deposited as on 31 March 2018 by the Company on account of disputes:

| Name of the statute | Nature of the dues | Demand Rupees in million | Amount deposited on account of demand (Rs. in million) | Financial year (F.Y.) to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Finance Act 1994 (Service Tax) | Denial of CENVAT credit of service tax paid for Marriott Executive Apartment. | 53.62 | - | FY 2004-05 to FY 2010-11 | Order-in-Appeal awaited from the CESTAT, Mumbai |
| Finance Act 1994 (Service Tax) | Demand for service tax under reverse charge mechanism on expenditure in foreign currency. | 17.7 | - | April 2006 to March 2008 | Order-in-Appeal awaited from the CESTAT, Mumbai |
| Finance Act 1994 (Service Tax) | Service tax demand on treating In-room dining and Mini-bar services as 'Accommodation' instead of 'Restaurant Services' by Service tax Department. | 6.53 | - | FY 2012-13 to FY 2014-15 | Order-in-Appeal awaited from the Commissioner (Appeals- Hyderabad) |
| Finance Act 1994 (Service Tax) | Denial of input credit on services relating to rent a cab service | 4.73 | - | FY 2012-13 to FY 2014-15 | Commissioner (Appeals), Mumbai |
| Finance Act 1994 (Service Tax) | Demand for service tax on Telephone services and Laundry wet cleaning service treated as accommodation services | 3.89 | - | May 2011 to June 2012 | Commissioner (Appeals), Hyderabad |
| Finance Act 1994 (Service Tax) | Letter demanding Interest on Cenvat credit availed not utilised raised by the service tax department | 3.2 | - | Oct-2006 to Apr 2008 | Assistant Commissioner of Service Tax, Hyderabad |
| Finance Act 1994 (Service Tax) | Show cause letter on treating In-room dining and Mini-bar services as 'Accommodation' instead of 'Restaurant Services' by Service tax Department | 3.07 | - | Oct 2014 to June 2017 | Commissioner CGST, Bangalore |
| Finance Act 1994 (Service Tax) | Show cause notice on denial of cenvat credit on garden maintenance | 1.98 | - | 2012-13 to 2015-16 | Commissioner CGST, Mumbai |
| Finance Act 1994 (Service Tax) | Audit query letter received treating In-room dining and Mini-bar services as 'Accommodation' instead of 'Restaurant Services' by Service tax Department | 1.44 | - | Feb 2013 to Sept 2014 | Commissioner CGST, Bangalore |
| Finance Act 1994 (Service Tax) | Demand of penalty for non-payment of service tax on reimbursement of Travel Agent's Commission | 0.41 | - | FY 2012-13 to FY 2014-15 | Commissioner (Appeals), Hyderabad |
| Foreign Trade Policy (Duty of customs) | Recovery of SFIS benefits granted to | 5.74 | - | FY 2016-17 | Karnataka High Court |
| Maharashtra VAT Act,2002 | Joint Commissioner has included Service Tax in the Gross Turnover and charged VAT on the same. However, the same demand is not included in the Demand Notice as the same is covered under Section 23(8) of MVAT Act. | 9.35 | - | FY 2012-13 | Joint Commissioner Appeals LTU-2 |
| Andhra Pradesh VAT | Demanding VAT on sale of cocktail | 1.76 | 0.22 | FY 2013-14 to 2015-16 | Asst.Commissioner (CT) LTU |
| Andhra Pradesh VAT | Demanding VAT on sale of cocktail | 1.59 | 0.4 | FY 2010-11 to 2012-13 | Deputy Commissioner, Hyderabad |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VII: Statement of Adjustments to Audited Financial Statements

**(Rs. in million)**

**For the year ended March 31, 2017**

**Clause (i) (c)**

According to the information and explanations given to us and based on the examination of the registered transfer deed provided to us, we report that, the title deeds, of such immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been mortgaged as security for loans taken from Banks and financial institutions are held in the name of the Company based on confirmations directly received by us from the lenders / parties. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company. Attention is however invited to Footnote (2) to note 13(a) regarding the leasehold land on which the Company's Four Points by Sheraton Hotel - Vashi (Navi Mumbai) has been built, which is presently under litigation.

**Clause (vii) (c)**
According to the information and explanations given to us, in respect of statutory dues:
Details of dues of Service tax, Provident fund and Value added tax which have not been deposited as at March 31, 2017 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Amount (Rs in million) | Period to which it relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Telangana VAT Act | VAT on cocktails | 1.70 * | FY 2013-14 to FY 2015-16 | Telangana VAT Assistant Deputy Commissioner |
| Employees Provident Funds and Miscellaneous Provisions Act | Computation of Provident Fund | 3.78 | FY 2008-09 to FY 2010-11 | Bombay High Court |
| | Computation of Provident Fund | 3.00 | November 2011 to November, 2014 | PF Regional Commissioner |
| Finance Act 1994 (Service Tax) | Service Tax - CENVAT credit disallowed | 5.77 | FY 2012-13 to FY 2014-15 | Additional Commissioner, Service Tax |
| | | 109.09 | FY 2004-05 to FY 2010-11 | Appellate Tribunal |
| | Service Tax demand on foreign currency expenditure under reverse mechanism charge | 17.48 | FY 2003-04 to FY 2007-08 | Superintendent, service tax |
| | Service Tax demand on wrong availment of CENVAT Credit | 3.20 | October 2006 to April 2008 | Assistant Commissioner, Service Tax |
| | Service Tax demand for Laundry and telephone charges | 3.35 | May 2011 to June 2012 | Commissioner Appeals, Service tax |

^ Net of Rs 0.04 million paid under protest
* Net of Rs 0.02 million paid under protest

**For the year ended March 31, 2016**

**Clause (i) (c)**
According to the information and explanations given to us and based on the examination of the registered transfer deed provided to us, we report that, the title deeds, of such immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been mortgaged as security for loans taken from Banks and financial institutions are held in the name of the Company based on confirmations directly received by us from the lenders I parties. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company. Attention is however invited to Footnote (2) to note 13(a) regarding the leasehold land on which the Company's Four Points by Sheraton Hotel - Vashi (Navi Mumbai) has been built, which is presently under litigation.

**Clause (iii) (b)**
According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
(b) The schedule of repayment of principal has not been stipulated. The schedule of payment of interest has been stipulated and receipts of interest have been regular as per stipulations, except for a loan granted to one party where interest of Rs. 17.66 million was paid after a delay of 80 days.

**Clause (vii) (c)**
According to the information and explanations given to us, in respect of statutory dues:
Details of dues of Service tax, Excise duty, Provident fund and Value added tax which have not been deposited as at March 31, 2016 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Amount (Rs. in million) | Period to which it relates | Forum where the dispute is pending |
|---|---|---|---|---|
| MVAT Act, 2002 | VAT – levy of interest u/s 30 (2) of MVAT Act, 2002 | 8.40 | FY 2006-07 to 2007-08 | Joint Commissioner of Sales Tax – Appeals II |
| Telangana VAT Act | VAT – disallowance of VAT credit on LPG expense | 0.26* | FY 2011-12 to FY 2012-13 | Appellate Deputy Commissioner (CT) Hyderabad Rural |
| | VAT on cocktails | 1.19 ^ | FY 2010-11 to FY 2012-13 | Telangana VAT Appellate Tribunal |
| Finance Act 1994 (Service Tax) | Service Tax - CENVAT credit disallowed | 19.33 | FY 20 1l-12 to FY 2014-15 | Additional Commissioner, Service Tax |
| | | 99.71 | FY 2004-05 to FY 2010-11 | Appellate Tribunal |
| | Service Tax demand on foreign currency expenditure under reverse mechanism charge | 14.48 | FY 2003-04 to FY 2007-08 | Superintendent, service tax |
| | Service Tax demand for Laundry and telephone charges | 3.22 | May 2011 to June | Commissioner |
| | | - | 2012 | Appeals, Service |
| | | - | | Tax |
| Employees Provident Funds and Miscellaneous Provisions Act | Computation of Provident Fund | 3.78 | FY 2008-09 to FY 2010-11 | Bombay High Court |

* Net of Rs 0.33 million paid under protest
^ Net of Rs 0.40 million paid under protest

## Annexure VII: Statement of Adjustments to Audited Financial Statements

**(Rs. in million)**

**For the year ended March 31, 2015**

**Clause (iii) (c)**

In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification, other than at the hotel at Sahar (Mumbai) which commenced operations in February 2015 and in respect of which systems for recording of receipt and issue of stocks are being put in place.

**Clause (v)**

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories other than at the Sahar Hotel (refer clause (iii) (c) above) and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system, except as stated in clause (iii) (c) above.

**Clause (vii) (c)**

According to the information and explanations given to us, in respect of statutory dues:

Details of dues of Service tax and Sales tax which have not been deposited as at March 31, 2015 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Amount (Rs. in million) | Period to which it relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Service Tax Rules, 1994 | Service Tax | 91.13 | FY 2003-04 to F.Y. 2010-11 & April 2011 | CESTAT |
| Service Tax Rules, 1994 | Service Tax | 12.80 | FY 2003-04 to 2007-08 | Commissioner Service Tax |
| MVAT Act, 2002 | Sales Tax | 8.40 | FY 2006-07 to 2008-09 | Joint Commissioner of Sales Tax |
| APVAT Act, 2005 | Sales Tax | 0.26 | FY 2011-12 to FY 2012-13 | Deputy Commissioner, Commercial Tax |

**Clause (viii)**

The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth. The Company has incurred cash losses during the financial year, there were no cash losses incurred by the Company in the immediately preceding financial year.

**For the year ended March 31, 2014**

**Clause (ix) (c)**

According to the information and explanations given to us, in respect of statutory dues:

Details of dues of Service tax and Sales tax which have not been deposited as at March 31, 2014 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Amount (Rs. in million) | Period to which it relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Service Tax Rules, 1994 | Service Tax | 83.70 | FY 2003-04 to F.Y. 2010-11 & April 2011 | CESTAT |
| Service Tax Rules, 1994 | Service Tax | 11.45 | FY 2003-04 to 2007-08 | Commissioner Service Tax |
| MVAT Act, 2002 | Sales Tax | 8.40 | FY 2006-07 to 2008-09 | Joint Commissioner of Sales Tax |
| Income Tax Act· 1961 | Income tax | 0.07 | AY 2011-12 | CIT (Appeals) |

**Clause (x)**

The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth. The Company has incurred cash losses during the financial year, there were no cash losses incurred by the Company in the immediately preceding financial year.

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VII: Statement of Adjustments to Audited Financial Statements

**(Rs. in million)**

**Reconciliation of Equity as at April 1, 2013**

As specified in the Guidance Note, the equity balance computed under Proforma Standalone Ind AS financial information for the year ended March 31, 2016 (i.e. equity under Indian GAAP as at April 1, 2015, 2014 and 2013 adjusted for impact of Ind AS 101 items and after considering profit or loss for the years ended March 31, 2016, 2015 and 2014 with adjusted impact due to Ind AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2015, 2014 and 2013. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Standalone Ind AS financial statements has not been carried forward to the opening Standalone Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Note 54 of Annexure VI.

| Particulars | Footnotes to Note 54 of Annexure VI | April 1, 2013 Proforma |
|---|---|---|
| **A. Total equity as per audited financial statements as per previous GAAP** | | **5,466.31** |
| **B. Total Ind AS adjustments (refer note 54 of Annexure VI)** | | **2,889.01** |
| **C. Adjustments:** | | |
| **Material restatement adjustments** | | |
| **(i) Audit qualifications** | | |
| **Total:** | | **-** |
| **(ii) Other material adjustments:** | | |
| **Restatement adjustments:** | | |
| Export benefits entitlements written off | (a) | **(58.42)** |
| Reversal of margin on account of cancellation of flats of residential project at Bengaluru | (c) | **(267.11)** |
| Adjustment for cost of mitigation program compensation | (e) | **(319.23)** |
| Adjustments for short / excess provision for income taxes | (d) | **1.89** |
| Adjustments due to change in status of residential project at Bengaluru | (b) | **(292.52)** |
| **(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable** | | |
| Deferred tax impact on restatement adjustments | (g) | **319.49** |
| **C. Total impact of adjustments (i + ii + iii)** | | **(615.90)** |
| **D. Total equity as per restated financial information (A + B + C)** | | **7,739.42** |

Chalet Hotels Limited
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## Annexure VIII - Restated Standalone Summary Statement of Other Income

**(Rs. in million)**

| **Particulars** | **Nature (Recurring/ Non-recurring)** | **For the year ended March 31, 2018** | **For the year ended March 31, 2017** | **For the year ended March 31, 2016 Proforma** | **For the year ended March 31, 2015 Proforma** | **For the year ended March 31, 2014 Proforma** |
|---|---|---|---|---|---|---|
| Profit on sale of investments | Non- recurring | 4.63 | 1,356.67 | - | - | - |
| Interest income from instruments measured at amortised cost | Recurring | 190.30 | 246.94 | 108.74 | 261.79 | 331.45 |
| Gain on foreign exchange fluctuation (net) | Recurring | 4.63 | 169.50 | - | - | - |
| Net mark to market gain on derivative contracts | Recurring | 21.54 | - | - | - | - |
| Profit on sale of fixed assets (net) | Recurring | 1.23 | 3.84 | 0.03 | 1.80 | 12.02 |
| Dividend received | Recurring | 0.00 | 0.00 | 7.90 | 1.32 | - |
| Export benefits and entitlements | Recurring | | 42.25 | | | |
| Interest on income tax refund | Recurring | - | 13.61 | - | - | - |
| Miscellaneous income | Recurring | 17.45 | 41.79 | 44.43 | 18.44 | 7.76 |
| **Total other income as per previous GAAP** | | **239.79** | **1,874.60** | **161.10** | **283.35** | **351.23** |
| *Add/Less: Ind AS adjustments* | | | | | | |
| Business combination of Magna Warehousing & Distribution Private Limited | | 7.32 | (75.53) | (35.31) | (27.14) | (27.54) |
| Business combination of Genext Hardware & Parks Private Limited | | - | 97.63 | - | - | - |
| Reclassification of export benefits income from other income to revenue from operation | | - | (42.25) | - | - | - |
| Interest Income from amortised cost measurement of preference shares | | - | 17.29 | 14.43 | 12.94 | 10.77 |
| **Total Ind AS adjustments** | | **7.32** | **(2.86)** | **(20.88)** | **(14.20)** | **(16.77)** |
| **Total other income as per Ind AS** | | **247.11** | **1,871.75** | **140.22** | **269.15** | **334.46** |
| *Add/Less: Other adjustments* | | | - | - | - | - |
| **Total other adjustments** | | **-** | **-** | **-** | **-** | **-** |
| Total restated other income | | 247.11 | 1,871.75 | 140.22 | 269.15 | 334.46 |

**Notes:**

(i) The figures disclosed above are based on the Restated Standalone Summary Statement of Profit and Loss.

(ii) The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

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## Annexure IX - Restated Standalone Summary Statement of Accounting Ratios

**(Rs. in million)**

| Sr. No. | Particulars | For the year March 31, 2018 | For the year March 31, 2017 | For the year March 31, 2016 Proforma | For the year March 31, 2015 Proforma | For the year March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| 1 | Net profit / (loss) available to equity shareholders (Rs. in million) | 204.42 | 1,301.40 | (1,131.11) | (1,163.51) | (1,080.15) |
| 2 | Weighted average number of basic equity shares outstanding during the year | 17,10,95,293 | 15,99,31,174 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 |
| 3 | Weighted average number of diluted equity shares outstanding during the year | 17,10,95,293 | 15,99,31,174 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 |
| 4 | Net worth for equity shareholders (Rs. in million) | 5,223.00 | 5,018.24 | 5,491.59 | 6,647.41 | 6,831.56 |
| 5 | Accounting ratios: | | | | | |
| | Basic earnings per share (1)/(2) | 1.19 | 8.14 | (7.43) | (7.65) | (7.10) |
| | Diluted earnings per Share (1)/(3) | 1.19 | 8.14 | (7.43) | (7.65) | (7.10) |
| | Return on net worth for equity shareholders (1)/(4) | 3.91% | 25.93% | -20.60% | -17.50% | -15.81% |
| | Net asset value per share (Rs.) (4)/(2) | 30.53 | 31.38 | 36.10 | 43.69 | 44.90 |

**Note:**

1 The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

2 The ratios have been computed as follows:

a) Earning Per Share (Basic) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

b) Earning Per Share (Diluted) = $\frac{\text{Restated Profit for the year}}{\text{Weighted average number of diluted potential equity shares outstanding during the year}}$

c) Return on Net worth (%) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Restated net worth at the end of the year}}$

d) Net Asset Value per Share (Rs.) = $\frac{\text{Restated net worth at the end of the year}}{\text{Weighted average number of equity shares outstanding during the year}}$

3 Net worth for ratios mentioned in point 4 is = Equity share capital + Reserves and surplus (including Securities Premium, General Reserve and Retained earnings). Retained earnings includes impact of fair valuation of land on transition to Ind AS (net of related tax impact): Rs. 3,710.05 million (March 31 2017: Rs. 3,724.38 million, March 31, 2016: Rs. 3,724.38 million, March 31, 2015: Rs. 3,750.36 million, March 31, 2014: Rs. 2,868.51 million)

4 Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the 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.

5 The Company does not have any revaluation reserves or extra-ordinary items.

6 Earnings per share calculations are in accordance with Indian Accounting Standard 33 (Ind AS 33) - Earnings per share.

Chalet Hotels Limited
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**Annexure X - Restated Standalone Summary Statement of Capitalisation**

**(Rs. in million)**

| **Particulars** | **Pre-issue as at March 31, 2018** | **As Adjusted for issue** |
|---|---|---|
| **Debt:** | | **(refer note ii below)** |
| Long term borrowings | 22,151.53 | [.] |
| Short term borrowings | 1,377.77 | [.] |
| Current portion of secured long term borrowings, included in other current financial liabilities | 3,467.40 | [.] |
| **Total debt (A)** | **26,996.70** | |
| | | |
| **Shareholders funds:** | | |
| Equity share capital | 1,710.95 | [.] |
| Reserves and surplus | 3,512.05 | [.] |
| **Total shareholders funds (B)** | **5,223.00** | |
| **Total debt / shareholder fund (A/B)** | **5.17** | **[.]** |

**Notes:**
i)The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

ii) The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure XI: Restated Standalone Summary Statement of Tax Shelter

**(Rs. in million)**

| **Particulars** | **For the year ended March 31, 2018** | **For the year ended March 31, 2017** | **For the year ended March 31, 2016 Proforma** | **For the year ended March 31, 2015 Proforma** | **For the year ended March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| A. Profit before tax as restated standalone statement of profit and loss | 144.60 | 818.18 | (1,666.27) | (1,307.78) | (1,400.79) |
| B. Company's domestic tax rate | 34.61% | 34.61% | 34.61% | 34.61% | 33.99% |
| **C. Tax using the Company's domestic tax rate** | 50.04 | 283.16 | (576.66) | (452.60) | (476.13) |
| ***Tax impact of permanent differences due to:*** | | | | | |
| Expenses not allowed under tax | 28.00 | 30.14 | 25.81 | 22.29 | 300.64 |
| Income not subject to tax | (1.55) | (36.36) | (3.56) | (1.19) | - |
| Utlisation of brought forward losses | (67.31) | - | - | - | - |
| Change in tax rate | 4.42 | - | - | (4.80) | - |
| Difference in applicable tax rates | 11.41 | (1.25) | 1.12 | - | - |
| Others | - | 18.58 | - | - | (3.30) |
| **D. Total Tax impact of permanent differences** | (25.02) | 11.12 | 23.37 | 16.29 | 297.34 |
| ***Tax impact of timing differences due to:*** | | | | | |
| Property, plant and equipment | 14.14 | (1,450.68) | 1,985.37 | (2,239.41) | 44.06 |
| Investment property | 20.44 | (5.24) | 10.60 | 10.31 | 8.38 |
| Assets classified as held for sale | 0.01 | (110.27) | 110.30 | - | - |
| Real estate inventory | 7.86 | 46.08 | 33.08 | 118.27 | 199.67 |
| Tax deductions under section 35 AD | 22.59 | 2,560.46 | (2,309.10) | - | - |
| Adjustment for deferred taxes (prior period) | - | (241.07) | - | - | - |
| Investments | (0.00) | (2.50) | 2.22 | (2.11) | 2.11 |
| Provisions | 33.68 | (20.79) | 12.90 | 4.74 | 146.17 |
| Borrowings | 12.14 | 7.34 | (17.62) | 7.50 | (17.28) |
| Indexation of land and investment property | (118.51) | (526.51) | (38.66) | (39.83) | (32.50) |
| Indexation of equity instruments | - | - | (115.29) | (4.48) | (3.73) |
| Other current liabilities | (176.03) | (152.15) | (75.85) | (165.08) | (40.74) |
| Recognition of previously unrecognised tax losses | (44.40) | (116.19) | - | (2.92) | - |
| Deferred tax asset not recognised on current year's loss | 33.67 | 103.97 | 699.11 | 2,637.54 | 8.51 |
| Other items | 169.38 | (386.73) | 256.25 | 111.78 | (70.86) |
| **E. Total Tax impact of timing differences** | **(25.04)** | **(294.27)** | **553.28** | **436.29** | **243.79** |
| **F. Net adjustments (D+E)** | (50.06) | (283.15) | 576.65 | 452.58 | 541.13 |
| **G. Tax Liability (C+F)** | **-** | **-** | **-** | **-** | **65.00** |

Notes:

(i) The figures disclosed above are based on the Restated Standalone Summary Financial Information of the Company

(ii) The above statement has been prepared based on the tax computations for the respective years. The figures for year ended March 31, 2018 is based on the provisional computations of total income prepared by the Company and are subject to any changes that may be considered at the time of filing of the return of income.

(iii) The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure XII - Restated Standalone Summary Statement of Dividend

**(Rs. in million)**

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Number of equity shares | 17,10,95,293 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 |
| Face value (Rs.) | 10 | 10 | 10 | 10 | 10 |
| Dividend per equity share (in Rs.) | Nil | Nil | Nil | Nil | Nil |
| Rate of dividend | Nil | Nil | Nil | Nil | Nil |
| Dividend tax rate | Nil | Nil | Nil | Nil | Nil |
| Total dividend (in Rs.) | Nil | Nil | Nil | Nil | Nil |

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Number of preference shares | 1,600 | Nil | Nil | Nil | Nil |
| Face value (Rs.) | 1,00,000 | Nil | Nil | Nil | Nil |
| Dividend per preference share (in Rs.) | Nil | Nil | Nil | Nil | Nil |
| Rate of dividend | 0.00% | Nil | Nil | Nil | Nil |
| Dividend tax rate | Nil | Nil | Nil | Nil | Nil |
| Total dividend (in Rs.) | Nil | Nil | Nil | Nil | Nil |

**Notes:**

1. The Non-cumulative redeemable preference shares were issued pursuant to the Scheme of Arrangement to demerge the Hotel Undertaking and the Retail Undertaking of Genext Hardware & Parks Private Limited ("Transferor Company") with the Company ("Transferee Company") under Section 230 to 232 of the Companies Act, 2013, with effect from November 01, 2016, ("the Appointed Date") subject to obtaining necessary approvals of National Company Law Tribunal (NCL T) at Mumbai. The Scheme has become effective October 1, 2017.

These shares are entitled to dividend at the rate of 0.001% per annum. The Company has incurred losses during the financial year ended March 31, 2018 and accordingly has not declared any dividend on the same.

2. The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Financial Statements appearing in Annexure VII.

**Private and confidential**

The Board of Directors
**Chalet Hotels Limited**
(*formerly known as Chalet Hotels Private Limited*)
Raheja Tower, Plot No. C-30, Block 'G'
Next to Bank of Baroda, Bandra Kurla Complex
Bandra East
Mumbai 400 051

Dear Sirs,

1) We have examined, as appropriate (refer paragraphs 5, 6 and 7 below), the attached Restated Consolidated Summary Financial Information of Chalet Hotels Limited *(formerly known as Chalet Hotels Private Limited)* (the "Company" or the "Holding company") and its subsidiaries, (collectively referred to as "the Group") and of its associate, which comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the summary of significant accounting policies, read together with the annexures and notes thereto and other restated financial information explained in paragraph 9 below (collectively, the 'Restated Consolidated Summary Financial Information"), for the purpose of inclusion in the offer document prepared by the Holding company in connection with its proposed initial public offer of Equity shares by way of fresh issue and an offer for sale by the existing shareholders ('the proposed issue'). The Restated Consolidated Summary Financial Information has been approved by the Board of Directors of the Company prepared in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
(b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of the Securities and Exchange Board of India Act, 1992 ("SEBI ICDR Regulations"); and
(c) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Note").

2) The preparation of the Restated Consolidated Summary Financial Information is the responsibility of the Management of the Holding company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

3) We have examined such Restated Consolidated Summary Financial Information after taking into consideration:

   (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 15 May 2018 in connection with the proposed issue of equity shares of the Company; and
   (b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI') ("The Guidance Note").

4) This Restated Consolidated Summary Financial Information has been compiled by the management as follows:

   (a) As at and for the year ended 31 March 2018: From the audited consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2018, prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their Board meeting held on 12 June 2018;

   (b) As at and for the year ended 31 March 2017: From the comparative period (i.e. as at and for the year ended 31 March 2017) for the audited consolidated Ind AS financial statements of the Group as at and for the year ended 31 March 2018, prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their Board meeting held on 12 June 2018. The comparative period as at and for the year ended 31 March 2017 has been restated based on the audited consolidated financial statements of the Group as at and for the year ended 31 March 2017 prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the other relevant provisions of the Act, which had been approved by the Board of Directors at their Board meeting held on 3 August 2017. These audited consolidated financial statements of the Group as at and for the year ended 31 March 2017 have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS consolidated financial statements of the Group as at and for the year ended 31 March 2018 and form the comparative period of the said first Ind AS consolidated financial statements of the Group; and

(c) As at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014: From the audited consolidated financial statements of the Group and its associate as at and for the years ended 31 March 2016 and 31 March 2015, prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the other relevant provisions of the Act, which had been approved by the Board of Directors at their Board meetings held on 3 August 2016 and 17 December 2015 respectively. From the audited special purpose consolidated financial statements of the Group as at and for the year ended 31 March 2014, prepared in accordance with the Accounting standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006 and which have been approved by the Board of Directors at their Board meeting held on 12 June 2018. These audited consolidated financial statements of the Group and its associate as at and for each of the years ended 31 March 2016 and 31 March 2015 and the special purpose audited consolidated financial statements of the Group as at and for the year ended 31 March 2014 have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS consolidated financial statements of the Group for the year ended 31 March 2018. These Restated Consolidated Summary Financial Information as at and for each of the years ended 31 March 2016, 31 March 2015 and 31 March 2014 is referred to as “the Proforma Ind AS Restated Consolidated Summary Financial Information”.

5) We did not audit the financial information of two subsidiaries, whose financial information reflect total assets of Rs 170.75 million and net assets of Rs (103.60) million as at 31 March 2018, total revenues of Rs 0.07 million and net cash inflows of Rs 0.33 million, as considered in the Restated Consolidated Summary Financial Information. This financial information has been audited by Nayan Parikh & Co. and G. M. Kapadia & Co. (together ‘other auditors’) whose reports have been furnished to us for the purpose of the consolidation, and our opinion on the Restated Consolidated Summary Financial Information, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and our report, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion on the Restated Consolidated Summary Financial Information, is not modified in respect of the above matter with respect to our reliance on the work done. The Consolidated Financial Statements of the Group as at and for the year ended 31 March 2017, were audited by Deloitte Haskins & Sells LLP who expressed an unmodified opinion on the consolidated financial statements on 3 August 2017 which has been relied on to prepare the Restated Consolidated Summary Financial Information for 31 March 2017.

6) The audit of the financial information of the two subsidiaries included in the Group’s consolidated financial statements as at and for each of the years ended 31 March 2018 and 31 March 2017 was conducted by other auditors, and accordingly reliance has been placed on the Restated Summary Financial Information of the aforesaid subsidiaries, examined by them as at and for each of the years ended 31 March 2018 and 31 March 2017. The examination report on the Restated Consolidated Summary Financial Information for the years ended 31 March 2018 and 31 March 2017, in so far as it relates to the aforementioned subsidiaries, is based solely on the reports dated 25 May 2018 submitted by Nayan Parikh & Co. and by G. M. Kapadia & Co. These auditors have also confirmed that the Restated Summary Financial Information for the aforementioned subsidiaries as at and for the years ended 31 March 2018 and 31 March 2017:

(a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

(b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(c) do not contain any extra-ordinary items that need to be disclosed separately, other than those presented in the Restated Summary Financial Information and do not contain any qualifications requiring adjustments.

7) The audit of the Group's consolidated financial statements as at and for each of the years ended 31 March 2016, 31 March 2015 and 31 March 2014 was conducted by previous auditors, Deloitte Haskins & Sells LLP, and accordingly reliance has been placed on the Restated Consolidated Summary Financial Information examined by them as at and for each of the years ended 31 March 2016, 31 March 2015 and 31 March 2014. The examination report included for these years ended 31 March 2016, 31 March 2015 and 31 March 2014 is based solely on the report dated 12 June 2018 submitted by Deloitte Haskins & Sells LLP. Deloitte Haskins & Sells LLP have also confirmed that the Restated Consolidated Summary Financial Information as at and for the years ended 31 March 2016, 31 March 2015 and 31 March 2014:

(a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

(b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

(c) do not contain any extra-ordinary items that need to be disclosed separately, other than those presented in the Restated Consolidated Summary Financial Information and do not contain any qualifications requiring adjustments.

8) Based on our examination and in accordance with the requirements of the Act, the SEBI ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, read together with paragraph 4 above and for reliance placed on the reports of the previous auditors and other auditors as referred to in paragraphs 5, 6 and 7 above, we report that:

(a) The Restated Consolidation Summary Statement of Assets and Liabilities of the Group and its associate, as at 31 March 2016, 31 March 2015 and 31 March 2014 examined and reported upon by the previous auditors, Deloitte Haskins & Sells LLP, on which reliance has been placed by us, and as at 31 March 2018 and 31 March 2017 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in the Statement of Adjustments to the Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Consolidated Summary Financial Information.

(b) The Restated Consolidated Summary Statement of Profit and Loss of the Group and its associate for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 examined and reported upon by the previous auditors, Deloitte Haskins & Sells LLP, on which reliance has been placed by us, and for the years ended 31 March 2018 and 31 March 2017 examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to the Audited Consolidated Financial Statements appearing in Annexure VII of the Restated Consolidated Summary Financial Information.

(c) The Restated Consolidated Summary Statement of Changes in Equity of the Group and its associate for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 examined and reported upon by the previous auditors, Deloitte Haskins & Sells LLP, on which reliance has been placed by us, and for the years ended 31 March 2018 and 31 March 2017 examined by us, as set out in Annexure III to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to the Audited Consolidated Summary Financial Statements appearing in Annexure VII of the Restated Consolidated Summary Financial Information.

(d) The Restated Consolidated Summary Statement of Cash flows of the Group and its associate for the years ended 31 March 2016, 31 March 2015 and 31 March 2014 examined and reported upon by the previous auditors, Deloitte Haskins & Sells LLP, on which reliance has been placed by us, and for the years ended 31 March 2018 and 31 March 2017 examined by us, as set out in Annexure IV to this report, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the Statement of Adjustments to the Audited Consolidated Summary Financial Statements appearing in Annexure VII of the Restated Consolidated Summary Financial Information.

(e) Based on the above and according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors Deloitte Haskins & Sells LLP, for the respective years, and on reports submitted by other auditors, we further report that the Restated Consolidated Summary Financial Information:

   i. have been made after incorporating adjustments for change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;
   ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
   iii. do not contain any exceptional items that need to be disclosed separately other than those presented in the Restated Consolidated Summary Financial Information in the respective financial years and do not contain any qualifications requiring adjustments.

9) We have also examined the following Restated Consolidated Summary Financial Information of the Group and its associate as set out in the Annexures prepared by the management of the Company and approved by the Board of Directors, on 12 June 2018, for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 (in respect of the years ended 31 March 2016, 31 March 2015 and 31 March 2014 this information has been included based upon the examination reports submitted by previous auditors, Deloitte Haskins & Sells LLP, and relied upon by us and in respect of the two subsidiaries for the years ended 31 March 2018 and 31 March 2017 this information has been included based upon the examination reports submitted by the other auditors and relied upon by us):

    (i) Basis of preparation and Significant Accounting Policies as enclosed in Annexure V;

    (ii) Notes to the Restated Consolidated Summary Financial Information as enclosed in Annexure VI;

    (iii) Statement of Adjustments to the Audited Consolidated Financial Statements as enclosed in Annexure VII;

    (iv) Restated Consolidated Summary Statement of Other Income, as enclosed in Annexure VIII;

    (v) Restated Consolidated Summary Statement of Accounting ratios, as enclosed in Annexure IX;

    (vi) Restated Consolidated Summary Statement of Capitalisation, as enclosed in Annexure X;

    (vii) Restated Consolidated Summary Statement of Tax Shelter, as enclosed in Annexure XI ; and

    (viii) Restated Consolidated Summary Statement of Dividend, as enclosed in Annexure XII.

***10) Emphasis of Matter***

We draw attention to the following matters in the Notes to the Restated Consolidated Summary Financial Information:

**As at and for the year ended 31 March 2018:**

A. Note 41 (b) in respect of the Scheme of Arrangement ('the Scheme') between Genext Hardware & Parks Private Limited ('Genext') and the Company for demerger of the Hotel undertaking and Retail undertaking ('demerged undertaking') of Genext which has been approved by the National Company Law Tribunal ('NCLT') at Mumbai and Bengaluru and other regulatory authorities on 11 September 2017, with effect from the Appointed date specified in the Scheme i.e. 1 November 2016. The Scheme has been accounted in the manner prescribed by the NCLT order i.e. the book values of the assets, liabilities and reserves of the demerged undertaking of Genext as of 1 November 2016 have been recorded by the Company and the identity of the reserves have been maintained. The excess of the book value of the net assets and reserves of the demerged undertaking of Genext acquired over the face value of the shares issued by the Company amounting to Rs 189.53 million has been debited to Goodwill in accordance with the Scheme. This accounting treatment is different from that prescribed under Ind AS 103 on Business Combination.

**10) *Emphasis of Matter (Continued)***

**As at and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016:**

B. 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 Restated Consolidated Summary Financial Information as at and for the year ended 31 March 2018 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to Rs 506 million, Rs 535 million and Rs 574 million as at 31 March 2018, 31 March 2017 and 31 March 2016 respectively.

**As at and for the years ended 31 March 2017 and 31 March 2016:**

C. Note 36 regarding suspension of construction activity and sale of flats at the Company's Bengaluru Residential Project. At 31 March 2017 and 31 March 2016 amounts related to the project carried under inventories was Rs 2,659.87 million and Rs 2,533.02 million and under trade receivables was Rs 9.12 million and Rs 6.77 million respectively. No provision against these amount was considered necessary by the Company at that stage.

**As at and for the year ended 31 March 2014:**

D. Note 36, wherein pursuant to an interim order passed by the High Court of Karnataka following an objection raised by Hindustan Aeronautical Limited, during the year the Company had to stop construction activity at the Bengaluru project and sale of further flats for all wings, above 40 meters.

   Pending the outcome of proceedings and a final closure of the matter, the Company had not recognised profits during the year on flats sold above 40 meters and had derecognized profits on sales of previous years that had been cancelled during the year. The Company had also recompensed flat owners, in accordance with a litigation plan framed by the Company for customers, with payments on account of the delay in completion of the project as a result of the above matter. Additionally provision for estimated loss on account of cancellation in the subsequent year had been made in the accounts.

Our report is not qualified in respect of these matters.

11) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13) Our report is intended solely for use of the management and for inclusion in the offer document to be filed with Securities and Exchange Board of India, and stock exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India in connection with the proposed issue of Equity Shares of the Company by way of fresh issue and an offer for sale by the existing shareholders. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Aniruddha Godbole**
*Partner*
Membership No: 105149
Mumbai
12 June 2018

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

### Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities

**(Rs. in million)**

| | *Notes to Annexure VI* | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Non-current assets** | | | | | | |
| Property, plant and equipment | *2* | **21,210.77** | 21,706.06 | 19,302.22 | 19,369.27 | 11,118.52 |
| Capital work-in-progress | *3* | **218.23** | 211.50 | 316.11 | 487.62 | 5,716.13 |
| Investment property | *4* | **6,736.65** | 6,424.19 | 4,525.03 | 3,502.95 | 1,596.36 |
| Goodwill | *5* | **226.11** | 226.11 | 36.58 | 36.68 | 36.68 |
| Other intangible assets | *6* | **18.53** | 29.78 | 37.92 | 40.94 | 6.25 |
| Financial assets | | | | | | |
| (i) Investments | *7* | **43.17** | 3.08 | 474.24 | 128.41 | 115.41 |
| (ii) Loans | *8* | **114.05** | 105.48 | 117.17 | 110.81 | 156.42 |
| (iii) Others | *9* | **50.00** | - | - | - | - |
| Deferred tax assets (net) | *23* | **947.39** | 976.84 | 829.23 | 443.71 | 402.43 |
| Other non-current assets | *10* | **74.71** | 93.79 | 98.46 | 234.79 | 276.79 |
| Non-current tax assets (net) | | **462.99** | 339.00 | 213.62 | 165.64 | 81.59 |
| **Total non current assets** | | **30,102.60** | **30,115.83** | **25,950.58** | **24,520.82** | **19,506.58** |
| **Current assets** | | | | | | |
| Inventories | *11* | **3,115.80** | 3,190.85 | 3,257.56 | 3,217.34 | 2,947.90 |
| Financial assets | | | | | | |
| (i) Trade receivables | *12* | **551.70** | 296.20 | 181.38 | 100.64 | 156.98 |
| (ii) Cash and cash equivalents | *13a* | **295.21** | 228.30 | 214.75 | 179.27 | 927.72 |
| (iii) Bank balances other than (ii) above | *13b* | **21.50** | 103.44 | 131.82 | 138.73 | 96.64 |
| (iv) Loans | *14* | **2,349.29** | 1,793.47 | 1,355.59 | 971.76 | 1,834.99 |
| (v) Others | *15* | **402.56** | 187.51 | 145.55 | 130.89 | 300.95 |
| Other current assets | *16* | **321.31** | 311.30 | 268.95 | 225.14 | 195.52 |
| **Total current assets** | | **7,057.37** | **6,111.07** | **5,555.60** | **4,963.77** | **6,460.70** |
| **Assets classified as held for sale** | *17* | **-** | **-** | **2,870.27** | **3,763.93** | **4,346.15** |
| **TOTAL ASSETS** | | **37,159.97** | **36,226.90** | **34,376.45** | **33,248.52** | **30,313.43** |
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity** | | | | | | |
| Equity share capital | *18* | **1,710.95** | 1,521.42 | 1,521.42 | 1,521.42 | 1,521.42 |
| Other equity | *19* | **3,244.11** | 3,149.03 | 3,649.41 | 4,799.03 | 5,083.58 |
| **Total equity** | | **4,955.06** | **4,670.45** | **5,170.83** | **6,320.45** | **6,605.00** |
| **Non current liabilities** | | | | | | |
| Financial liabilities | | | | | | |
| (i) Borrowings | *20* | **22,151.53** | 20,505.76 | 19,022.83 | 15,387.03 | 14,205.80 |
| (ii) Others | *21* | **151.77** | 118.98 | 53.03 | 26.62 | 15.39 |
| Provisions | *22* | **38.11** | 57.62 | 55.74 | 51.19 | 36.80 |
| Deferred tax liabilities (net) | *23* | **636.01** | 703.09 | 1,082.56 | 1,205.54 | 1,022.13 |
| Other non-current liabilities | *24* | **28.08** | 21.15 | - | - | - |
| **Total non current liabilities** | | **23,005.50** | **21,406.60** | **20,214.16** | **16,670.38** | **15,280.12** |
| **Current liabilities** | | | | | | |
| Financial liabilities | | | | | | |
| (i) Borrowings | *25* | **1,634.16** | 3,247.45 | 2,583.17 | 1,807.68 | 1,414.45 |
| (ii) Trade payables | *26* | **858.80** | 846.74 | 651.89 | 598.71 | 589.42 |
| (iii) Other financial liabilities | *27* | **3,761.64** | 3,038.13 | 2,318.85 | 4,302.42 | 2,394.15 |
| Other current liabilities | *28* | **1,986.15** | 1,868.99 | 2,218.26 | 2,377.71 | 2,839.43 |
| Provisions | *29* | **958.66** | 1,148.54 | 1,219.29 | 1,171.17 | 1,190.86 |
| **Total current liabilities** | | **9,199.41** | **10,149.85** | **8,991.46** | **10,257.69** | **8,428.31** |
| **TOTAL EQUITY AND LIABILITIES** | | **37,159.97** | **36,226.90** | **34,376.45** | **33,248.52** | **30,313.43** |

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination 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.U55101MH1986PLC038538)

**Aniruddha Godbole**
*Partner*
Membership No: 105149

**Sanjay Sethi**
*Managing Director & CEO*
(DIN. 00641243)

**Rajeev Newar**
*Executive Director & CFO*
(DIN 00468125)

**Christabelle Baptisa**
*Company Secretary*
Membership No: A17817

Mumbai
June 12, 2018

Mumbai
June 12, 2018

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure II - Restated Consolidated Summary Statement of Profit and Loss

(Rs. in million)

| | Notes to Annexure VI | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| Revenue from operations | *30* | **8,938.16** | 7,373.54 | 5,824.57 | 4,414.53 | 5,011.31 |
| Other income | *31* | **356.98** | 1,871.83 | 151.04 | 256.02 | 334.65 |
| **Total income (A)** | | **9,295.14** | **9,245.37** | **5,975.61** | **4,670.55** | **5,345.96** |
| **Expenses** | | | | | | |
| Real estate development costs | *32(a)* | **194.80** | 207.99 | 253.57 | 349.97 | 1,088.33 |
| Food and beverages consumed | *32(b)* | **765.65** | 667.35 | 603.85 | 426.81 | 409.02 |
| Operating supplies consumed | *32(c)* | **256.17** | 218.40 | 190.06 | 306.04 | 122.04 |
| Employee benefits expense | *33* | **1,295.59** | 1,188.25 | 1,067.20 | 861.80 | 679.73 |
| Other expenses | *35* | **3,268.87** | 2,655.07 | 2,301.99 | 1,827.99 | 1,720.00 |
| **Total expenses (B)** | | **5,781.08** | **4,937.06** | **4,416.67** | **3,772.61** | **4,019.12** |
| **Earnings before interest, depreciation, amortisation and tax (adjusted EBITDA) before exceptional items (C) (A-B)** | | **3,514.06** | 4,308.31 | 1,558.94 | 897.94 | 1,326.84 |
| Depreciation and amortisation expenses | *2,4,6* | **1,116.33** | 1,269.76 | 988.08 | 617.68 | 595.96 |
| Finance costs | *34* | **2,119.21** | 2,179.58 | 2,158.69 | 1,605.73 | 1,368.80 |
| **Profit/(loss) before exceptional items and tax (D)** | | **278.52** | **858.97** | **(1,587.83)** | **(1,325.47)** | **(637.92)** |
| **Exceptional items (E)** | *36* | **(54.08)** | **(67.81)** | **(72.20)** | **(82.59)** | **(770.59)** |
| **Profit/(loss) from continuing operations before share of profit of equity accounted investees and income tax (F) (D+E)** | | **224.44** | **791.16** | **(1,660.03)** | **(1,408.06)** | **(1,408.51)** |
| **Share of profit of equity accounted investees (net of income tax) (G)** | | **-** | - | - | (0.04) | - |
| **Profit/(loss) from continuing operations before income tax (H) (F+G)** | | **224.44** | **791.16** | **(1,660.03)** | **(1,408.10)** | **(1,408.51)** |
| **Tax expense (I):** | | **(59.82)** | (483.22) | (535.14) | (144.19) | (320.46) |
| 1. Current tax | *23* | **-** | - | - | - | 65.19 |
| 2. Deferred tax credit | *23* | **(59.82)** | (483.22) | (535.14) | (144.19) | (385.65) |
| **Profit/(loss) for the year (J) (H-I)** | | **284.26** | **1,274.38** | **(1,124.89)** | **(1,263.91)** | **(1,088.05)** |
| **Other comprehensive income/(expense) (K)** | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | |
| Remeasurements of the defined benefit plans | | **22.54** | 0.20 | 1.93 | (3.98) | (4.73) |
| Income tax on above | | **(7.88)** | (0.07) | (0.67) | 1.38 | 1.61 |
| **Other comprehensive income/(expense) for the year, net of tax** | | **14.66** | **0.13** | **1.26** | **(2.60)** | **(3.12)** |
| **Total comprehensive income/(expense) for the year (L) (J+K)** | | **298.92** | **1,274.51** | **(1,123.63)** | **(1,266.51)** | **(1,091.17)** |
| **Profit/(loss) attributable to :** | | | | | | |
| Owners of the Company | | **284.26** | **1,274.38** | **(1,124.89)** | **(1,263.91)** | **(1,088.05)** |
| **Other comprehensive income/(expense) attributable to :** | | | | | | |
| Owners of the Company | | **14.66** | **0.13** | **1.26** | **(2.60)** | **(3.12)** |
| **Total comprehensive income/(expense) attributable to :** | | | | | | |
| Owners of the Company | | **298.92** | **1,274.51** | **(1,123.63)** | **(1,266.51)** | **(1,091.17)** |
| **XI. Earnings per equity share** | | | | | | |
| Basic and diluted earnings per share | *37* | **1.66** | **7.97** | **(7.39)** | **(8.31)** | **(7.15)** |

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination 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.U55101MH1986PLC038538)

**Aniruddha Godbole**
*Partner*
Membership No: 105149

**Sanjay Sethi**
*Managing Director & CEO*
(DIN. 00641243)

**Rajeev Newar**
*Executive Director & CFO*
(DIN 00468125)

**Christabelle Baptisa**
*Company Secretary*
Membership No: A17817

Mumbai
June 12, 2018

Mumbai
June 12, 2018

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

**(Rs. in million)**

## Annexure III - Restated Consolidated Summary Statement of Changes in Equity

**(a) Equity share capital**

| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Balance at the beginning of the reporting year | **1521.42** | 1521.42 | 1521.42 | 1521.42 | 1521.42 |
| Shares issued during the year | **189.53** | - | - | - | - |
| Balance at the end of the reporting year | **1,710.95** | **1,521.42** | **1,521.42** | **1,521.42** | **1,521.42** |

**(b) Other equity**

| | Attributable to the owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | Shares pending allotment | Capital Reserve | Securities Premium Account | General reserve | Retained earnings* | Total |
| **Balance at March 31, 2017** | **189.53** | **0.16** | **1,418.13** | **35.78** | **1,505.43** | **3,149.03** |
| **Total comprehensive income for the year** | | | | | | |
| Profit for the year | - | - | - | - | **284.26** | **284.26** |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | **14.66** | **14.66** |
| **Total comprehensive income for the year** | - | - | - | - | **298.92** | **298.92** |
| ***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 March 31, 2018** | - | **0.16** | **1,418.13** | **35.78** | **1,790.03** | **3,244.10** |
| | | | | | | |
| **Balance at March 31, 2016** | | **0.16** | **992.60** | - | **2,656.65** | **3,649.41** |
| **Total comprehensive income for the year** | | | | | | |
| Profit for the year | - | - | - | - | 1,274.38 | **1,274.38** |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | 0.13 | **0.13** |
| **Total comprehensive income for the year** | - | - | - | - | **1,274.51** | **1,274.51** |
| ***Others*** | | | | | | |
| Acquired in business combination (refer note 41) | - | - | 425.53 | 35.78 | (2,425.73) | (1,964.42) |
| Share pending allotment | 189.53 | - | - | - | | - |
| **Balance at March 31, 2017** | **189.53** | **0.16** | **1,418.13** | **35.78** | **1,505.43** | **3,149.03** |
| **Balance at March 31, 2015 - Proforma** | - | **0.05** | **992.60** | - | **3,806.38** | **4,799.03** |
| **Total comprehensive income for the year** | | | | | | |
| (Loss) for the year | - | - | - | - | (1,124.89) | **(1,124.89)** |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | 1.26 | **1.26** |
| **Total comprehensive income for the year** | - | - | - | - | **(1,123.63)** | **(1,123.63)** |
| ***Others*** | | | | | | - |
| Impact of change in tax rate on fair valuation of land | - | - | - | - | (25.99) | **(25.99)** |
| Transferred from surplus in Statement of Profit and Loss on redemption of preference shares | - | - | - | - | (0.11) | **(0.11)** |
| Transfer to Capital Reserve | - | 0.11 | - | - | - | **0.11** |
| **Balance at March 31, 2016 - Proforma** | | **0.16** | **992.60** | - | **2,656.65** | **3,649.41** |
| **Balance at March 31, 2014 - Proforma** | | **0.05** | **992.60** | - | **4,090.93** | **5,083.58** |
| **Total comprehensive income for the year** | | | | | | |
| (Loss) for the year | - | - | - | - | (1,263.91) | **(1,263.91)** |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | (2.60) | **(2.60)** |
| **Total comprehensive income for the year** | - | - | - | - | **(1,266.51)** | **(1,266.51)** |
| ***Others*** | | | | | | |
| Fair valuation of land (net of tax) | - | - | - | - | 981.96 | **981.96** |
| **Balance at March 31, 2015 - Proforma** | - | **0.05** | **992.60** | - | **3,806.38** | **4,799.03** |
| **Balance at April 1, 2013 - Proforma** | | **0.05** | **992.60** | - | **4,997.45** | **5,990.10** |
| **Total comprehensive income for the year** | | | | | | |
| (Loss) for the year | - | - | - | - | (1,088.05) | **(1,088.05)** |
| Remeasurements of defined benefit plans (net of tax) | - | - | - | - | (3.12) | **(3.12)** |
| **Total comprehensive income for the year** | - | - | - | - | **(1,091.17)** | **(1,091.17)** |
| ***Others*** | | | | | | |
| Fair valuation of land (net of tax) | - | - | - | - | 134.24 | 134.24 |
| Impact of change in tax rate on fair valuation of land | - | - | - | - | 50.41 | 50.41 |
| **Balance at March 31, 2014 - Proforma** | - | **0.05** | **992.60** | - | **4,090.93** | **5,083.58** |

* Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact): Rs. 3,710.05 million (March 31 2017: Rs. 3,724.37 million, March 31, 2016: Rs. 3,724.37 million, March 31, 2015: 3,750.36 million, March 31, 2014: 2,868.51 million)

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination 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.U55101MH1986PLC038538)

**Aniruddha Godbole**
*Partner*
Membership No: 105149

**Sanjay Sethi**
*Managing Director & CEO*
(DIN. 00641243)

**Rajeev Newar**
*Executive Director & CFO*
(DIN 00468125)

**Christabelle Baptisa**
*Company Secretary*
Membership No: A17817

Mumbai
June 12, 2018

Mumbai
June 12, 2018

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure IV - Restated Consolidated Summary Statement of Cash Flows

(Rs. in million)

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES :** | | | | | |
| **Profit/(loss) before tax** | **224.44** | 791.16 | (1,660.03) | (1,408.10) | (1,408.51) |
| Adjustments for : | | | | | |
| Interest income | **(197.39)** | (245.99) | (65.04) | (234.26) | (313.37) |
| Depreciation and amortisation | **1,116.33** | 1,269.76 | 988.08 | 617.68 | 595.96 |
| Finance costs | **2,119.21** | 2,179.58 | 2,158.69 | 1,605.73 | 1,368.80 |
| Profit on sale of fixed assets(net) | **(1.23)** | (3.85) | (0.17) | (1.80) | (12.05) |
| Profit on sale of investments | **(114.57)** | (1,301.24) | (46.10) | - | - |
| Provision for estimated / actual cancellation and alteration cost | **54.08** | 67.81 | 72.20 | 82.59 | 770.59 |
| Dividend received | **-** | - | (7.90) | (1.32) | - |
| Provision for impairment loss | **-** | 0.99 | 0.97 | 160.94 | - |
| Fixed assets written off | **-** | 29.96 | 0.52 | - | - |
| Bad debts written off | - | 0.48 | 0.86 | 0.28 | - |
| Provision for doubtful debts | **7.85** | 1.38 | 1.55 | - | - |
| Export benefits and entitlements | **(10.00)** | (314.74) | (95.14) | (8.90) | (256.05) |
| Loss on sale of investment/written off | **-** | - | 5.78 | 6.19 | 4.60 |
| Provision for impairment on export benefits and entitlements | **-** | 0.96 | - | - | - |
| Provision for mark to market on derivative contract | **(72.39)** | (11.31) | 46.66 | 60.49 | - |
| Unrealised exchange loss | **16.33** | (129.59) | 1.63 | 6.01 | 84.92 |
| Fair value change on instruments measured at FVTPL | **-** | (10.82) | 9.60 | - | - |
| Others | **0.53** | (8.85) | (7.67) | (87.86) | 26.83 |
| **Total** | **2,918.75** | **1,524.53** | **3,064.52** | **2,205.76** | **2,270.23** |
| **Adjustments:** | | | | | |
| (Increase) / decrease in trade receivables and loans and advances | **(470.93)** | (58.15) | (477.27) | 186.35 | (11.04) |
| (Increase) in inventories : hospitality & others | **13.49** | 7.45 | (16.14) | (2.40) | (5.23) |
| Decrease in inventories : property developments | **61.56** | 211.39 | 8.70 | 231.68 | 267.16 |
| Increase / (decrease) in trade payables & other liabilities | **240.21** | (43.04) | 121.52 | (218.74) | 179.43 |
| Refund of advances received from customers - towards sale of residential flats | **(374.48)** | (353.99) | (199.92) | (1,032.78) | (331.96) |
| **Total** | **(530.15)** | **(236.34)** | **(563.11)** | **(835.89)** | **98.36** |
| Direct taxes paid | **(123.99)** | (67.11) | (47.98) | (84.73) | (27.27) |
| **NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)** | **2,489.05** | **2,012.24** | **793.40** | **(122.96)** | **932.81** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES :** | | | | | |
| Purchase of fixed assets (including capital work in progress, capital creditors and capital advances) | **(622.05)** | (1,145.80) | (1,788.89) | (3,198.68) | (2,905.89) |
| Proceeds from sale of fixed assets | **12.96** | 6.91 | 19.37 | 6.70 | 12.86 |
| Purchase of investments (including investment property and investment property under construction | **(477.40)** | (89.71) | (187.44) | (296.03) | (4,760.23) |
| Proceeds from sale of investments | **114.57** | 4,675.40 | 543.37 | 582.22 | 433.34 |
| Proceeds from short term investments | **-** | - | - | - | (5.22) |
| Dividend received | **-** | 0.00 | 7.90 | 1.32 | - |
| Loans given | **(7,170.20)** | (8,373.10) | (1,730.70) | (2,143.72) | (1,249.49) |
| Loans repaid | **6,622.81** | 7,970.00 | 1,212.69 | 2,997.73 | 6,099.81 |
| Inter corporate deposit repaid | **-** | - | - | - | 276.49 |
| Fixed deposits (placed) / matured | **(50.00)** | 6.61 | - | - | 75.00 |
| Interest income received | **197.39** | 122.60 | 195.01 | 196.58 | 850.80 |
| Margin money received / (placed) (net) | **81.94** | 76.49 | 5.90 | (42.09) | (39.91) |
| **NET CASH GENERATED (USED IN) / FROM INVESTING ACTIVITIES (B)** | **(1,289.98)** | **3,249.39** | **(1,722.78)** | **(1,895.97)** | **(1,212.42)** |

## Annexure IV - Restated Consolidated Summary Statement of Cash Flows *(Continued)*

**(Rs. in million)**

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **C. CASH FLOW FROM FINANCING ACTIVITIES :** | | | | | |
| Proceeds from long-term borrowings | **5,200.00** | 2,557.66 | 9,100.00 | 4,722.24 | 4,194.53 |
| Repayment of long-term borrowings | **(2,725.19)** | (4,410.32) | (7,276.30) | (2,183.91) | (1,634.01) |
| Redemption of preference share capital | **-** | - | (0.11) | - | - |
| Short term borrowings (net) | **(1,938.74)** | (540.75) | 612.99 | 538.83 | (1,683.01) |
| Interest received | **-** | - | - | - | (192.93) |
| Interest and finance charges paid | **(2,102.88)** | (2,240.28) | (1,906.19) | (1,587.12) | (1,314.25) |
| **NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)** | **(1,566.81)** | **(4,633.70)** | **530.39** | **1,490.04** | **(629.67)** |
| **NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)** | **(367.74)** | **627.94** | **(398.99)** | **(528.89)** | **(909.29)** |
| **CASH AND CASH EQUIVALENTS - OPENING BALANCE** | **119.82** | (548.49) | (147.44) | 381.45 | 1,310.68 |
| On account of merger (refer note 41) | **-** | 40.37 | - | - | - |
| Less: Impact of sale of subsidiary / Transferred pursuant to Scheme of Arrangement | **109.94** | - | (2.05) | - | (19.94) |
| **CASH AND CASH EQUIVALENTS - CLOSING BALANCE** | **(137.98)** | **119.82** | **(548.49)** | **(147.44)** | **381.45** |

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 | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Cash and cash equivalents (refer note 13a) | **295.21** | 228.30 | 214.75 | 179.27 | 927.72 |
| Less: Cash credit / overdraft accounts from banks (refer note 25) | **(433.19)** | (108.48) | (763.24) | (326.71) | (546.27) |
| **Cash and cash equivalents as per restated consolidated summary statement of cash flows above** | **(137.98)** | **119.82** | **(548.49)** | **(147.44)** | **381.45** |

| 3 The movement of borrowings as per Ind AS 7 is as follows: | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Opening borrowings | **23,111.28** | 20,923.22 | 18,907.80 | 16,177.98 | 13,323.64 |
| Proceeds from long-term borrowings | **5,200.00** | 2,557.66 | 9,100.00 | 4,722.24 | 4,194.53 |
| Repayment of long-term borrowings | **(2,725.19)** | (4,410.32) | (7,276.30) | (2,183.91) | (1,634.01) |
| Non-cash adjustments | **32.84** | (24.21) | 191.72 | 191.49 | 373.82 |
| Adjustment on account of mergers (refer note 41) | **-** | 4,064.93 | - | - | (80.00) |
| **Closing borrowings** | **25,618.93** | **23,111.28** | **20,923.22** | **18,907.80** | **16,177.98** |

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination 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.U55101MH1986PLC038538)

**Aniruddha Godbole**
*Partner*
Membership No: 105149

**Sanjay Sethi**
*Managing Director & CEO*
(DIN. 00641243)

**Rajeev Newar**
*Executive Director & CFO*
(DIN 00468125)

**Christabelle Baptisa**
*Company Secretary*
Membership No: A17817

Mumbai
June 12, 2018

Mumbai
June 12, 2018

## Annexure V: Basis of preparation and Significant Accounting Policies

### 1. Basis of preparation and presentation

The Restated Consolidated Summary Statement of Assets and Liabilities of Chalet Hotels Limited as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, the Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and Restated Other Consolidated Financial Information (together referred as 'Restated Consolidated Summary Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable. The Restated Consolidated Summary Financial Information have been compiled by the Group from:

1 The Audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 ('Audited Consolidated Financial Statements') prepared under previous generally accepted accounting principles followed in India ('Previous GAAP' or 'Indian GAAP').

   The Restated Consolidated Financial Information for these years along with respective underlying schedules and notes are "Proforma Restated Consolidated Ind AS Financial Information", and in accordance with the requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and the Guidance note on Reports in Company Prospectuses (revised 2016) ("Guidance Note"), issued by Institute of Chartered Accountants of India ('the ICAI').

   The Company has followed the same accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016 while preparing Restated Standalone Financial Information for the years ended March 31, 2016, March 31, 2015 and March 31, 2014. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Restated Consolidated Ind AS Financial Information as of and for the years ended March 31, 2016, March 31, 2015 and March 31, 2014; and

2 The Audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2018, and March 31, 2017 prepared under Ind AS (as at and for the year ended March 31, 2017, it is in accordance with Ind AS being comparative period for year ended March 31, 2018).

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 2. Basis of preparation and presentation (continued)

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Group has presented a reconciliation from the presentation of Restated Consolidated Summary Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP" or "Indian GAAP") to Ind AS for Restated Consolidated Shareholders' equity as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and April 1, 2013 and of the Restated Consolidated Summary Statement of profit and loss for the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (Refer Note 54 to Annexure VII).

The Restated Consolidated Summary Financial Information has been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an offer for sale, to be filed by the Company with the Securities and Exchange Board of India, Registrar of Companies, Mumbai and the concerned Stock Exchange in accordance with the requirements of:

a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Act;

b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the "SEBI regulations"); and

c) Guidance Note on reports in Company Prospectuses (revised 2016) issued by the Institute of Chartered Accountants of India.

These Restated Consolidated Summary Financial Information have been compiled by the Group from the Audited Consolidated Financial Statements and:

- there were no changes in accounting policies under Previous GAAP during the years of these financial statements,
- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited consolidated financial statements of the Group as at and for the year ended March 31, 2018 prepared under Ind AS and the requirements of the SEBI Regulations, and the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

## Annexure V: Basis of preparation and Significant Accounting Policies

## 2. Basis of preparation and presentation (continued)

### A. Basis of measurement

The Restated Consolidated Summary Financial Information has been prepared on a historical cost basis, except for the following:

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

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

### B. Functional and presentation currency

The Restated Consolidated Summary Financial Information 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.

### C. Use of estimates and judgements

While preparing the Restated Consolidated Summary Financial Information 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 restated consolidated summary statement of assets and liabilities date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

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

Judgement, estimates and assumptions are required in particular for:

- **Evaluation of percentage completion for the purpose of revenue recognition**
  Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the restated consolidated summary financial information for the period in which such changes are determined.

## Annexure V: Basis of preparation and Significant Accounting Policies

## 2. Basis of preparation and presentation *(continued)*

### C. Use of estimates and judgements *(continued)*

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

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

- **Recognition of deferred tax assets**
  Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

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

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

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 2. Basis of preparation and presentation *(continued)*

### C. Use of estimates and judgements *(continued)*

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

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 2. Basis of preparation and presentation *(continued)*

### D. Measurement of fair values

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

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

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

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

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

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

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

- Note 4 to Annexure VII – Investment property
- Note 17 to Annexure VII – Assets classified as held for sale
- Note 47 to Annexure VII – Financial instruments
- Note 2 to Annexure VII – Property, plant and equipment (Freehold land)

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 2. Basis of consolidation

**Subsidiaries:**

The restated consolidated summary financial information incorporate the financial statements of the Company and entities controlled by the Company. Subsidiaries are all entities over which the holding company has control.

The Company controls an investee when the Company has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Subsidiaries are fully consolidated from 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 subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Restated Consolidated Summary Statement of Profit and Loss, Restated Consolidated Summary Statement of Changes in Equity and Restated Consolidated Summary Statement of Assets and Liabilities respectively.

In the restated consolidated summary financial information, ‘Goodwill’ represents the excess of the cost to the Holding company of its investment in the subsidiaries over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as ‘Capital Reserve’ in the consolidated financial statements.

**Associates:**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

The Group’s investment in its associate are accounted for using the equity method, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of the profit or loss and other comprehensive income of the associate since the acquisition date. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses.

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

### 3. Basis of consolidation (continued)

**Associates (continued):**

Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Goodwill relating to the associates is included in the carrying amount of the investment and is not tested for impairment individually. The restated consolidated summary statement of profit and loss reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associated are eliminated to the extent of the interest in the associate.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

The aggregate of the Group's share of profit and loss of an associate is shown on the face of the restated consolidated summary statement of profit and loss outside operating profit and represents profit and loss after tax of the associate. The financial statements of the associate are prepared for the same reporting period as of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value, and recognises the loss as 'Share of profit of an associate' in the restated consolidated summary statement of profit and loss.

## 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 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.

## 4. Standards issued but not yet effective

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

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

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies

### A. Business combination

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

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

Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognised in the restated consolidated summary 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 where the Group still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, is recognised on the ‘Percentage of Completion Method’. Revenue is recognised in relation to the sold areas, on the basis of percentage of actual cost incurred, including land, development and construction costs as against the total estimated cost of project. The group recognizes revenue in accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the institute of Chartered Accountants of India.

## 5. Significant accounting policies (continued)

### B. Revenue (continued)

#### *i. Real estate development and sale (continued)*

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

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

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

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

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

- All critical approvals necessary for commencement of the project have been obtained;
- the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost);
- when at least 10% of the sales consideration is realised; and
- Where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

#### *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.

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies (continued)

### B. Revenue (continued)

#### *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.

#### *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 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 Restated 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 restated consolidated summary statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the restated consolidated summary 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.

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies (continued)

### 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.

*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 Restated Consolidated Summary Statement of changes in equity and in the Restated Consolidated Summary Statement of Assets and Liabilities.

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies (continued)

### D. Employee benefits (continued)

***iii. Terminal Benefits:***

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

### E. Income-tax

Income-tax expense comprises current and deferred tax. It is recognised in net profit in the restated 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 Restated Consolidated Summary 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.

## 5. Significant accounting policies (continued)

### E. Income-tax (continued)

#### iii. Deferred tax (continued)

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 Restated Consolidated Summary 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.

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 Restated Consolidated Summary 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 Restated Consolidated Summary Statement of Profit and Loss proportionate to area sold and the balance cost is carried over under inventories as part of property under development.

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies (continued)

### F. Inventories (continued)

**Real Estate Development (Residential Flats)**

Cost of construction material (including unutilised project materials) at site is computed by the weighted moving average method and carried at lower of cost and Net 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 Restated Consolidated Summary 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. Transition to Ind AS

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

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies (continued)

### G. Property, plant and equipment (continued)

#### iv. Depreciation

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

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

| Asset Type | | Useful Life | | |
|---|---|---|---|---|
| | F.Y. 2014 | F.Y. 2015-17 | F.Y. 2018 | Schedule II |
| Buildings (Interior and Accessories) | 10 Years | 10 Years | 14 Years | NA |
| Plant and Machinery | | | | |
| - Food and beverages and Kitchen equipment | 5 Years | 8 Years | 8 Years | 15 Years |
| - Audio video equipment | 7 Years | 5 Years | 5 Years | |
| - Laundry equipment | 7 Years | 5 Years | 15 Years | |
| - Others | 10 Years | 10 Years | 14 Years | |
| Electrical installations | 10 Years | 10 Years | 14 Years | 10 Years |
| Office Equipments | | | | |
| - Mobile phones | 2 Years | 2 Years | 2 Years | 4 Years |
| - Others | 4 Years | 4 Years | 4 Years | |
| Data Processing Equipments | 4 Years | 3 Years | 3 Years | 3 Years |
| Vehicles | 5 Years | 5 Years | 5 Years | 6 Years |
| Furniture and Fixtures | 7 Years | 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 Rs. 5,000/- or less are depreciated at 100% in the year of capitalization.

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. The fair value of such freehold land has been pushed back to the earliest of reporting period in the restated financial statements in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2016).

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies (continued)

### 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 49 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.

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

**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 Restated 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.

## 5. Significant accounting policies (continued)

### J. Intangible assets (continued)

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 Restated consolidated summary 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 Restated consolidated summary statement of profit and loss, to the extent the amount was previously charged to the Restated consolidated summary 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.

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies (continued)

### K. Investment property and investment property under construction (continued)

#### (a) Recognition and measurement (continued)

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

#### (b) Depreciation

Depreciation on investment property has been provided pro rata for the period of use by the Straight Line Method. The useful lives of Investment Property is estimated by management and the same is as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life of these assets differs from Schedule II.

Any gain or loss on disposal of an investment property is recognised in Restated Consolidated summary 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 | F.Y. 2014-17 | F.Y. 2018 | Schedule II |
|---|---|---|---|
| Buildings | 60 Years | 60 Years | 60 Years |
| Buildings (Interior and Accessories) | 10 Years | 14 Years | NA |
| Plant and Machinery<br>Plant and Machinery – Others | 10 Years<br>15 Years | 14 Years<br>15 years | 15 Years |
| Electrical installations | 10 Years | 14 Years | 10 Years |
| Office Equipments | 4 Years | 4 Years | 5 Years |
| Data Processing Equipments | 3 Years | 3 Years | 3 Years |
| Furniture and Fixtures | 10 Years | 10 Years | 10 Years |

### L. Assets held for sale

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

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

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies (continued)

### L. Assets held for sale (continued)

accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing Significant influence over the associate or joint venture.

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

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in Restated Consolidated summary statement of profit and loss. Refer Note 17.

### M. Financial Instruments

**1. Financial assets**

***(a) Recognition and initial measurement***

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

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

***(b) Classification and subsequent measurement***

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

(i) *Financial assets measured at amortised costs*

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

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 restated consolidated summary statement of profit and loss. Any impairment loss arising from these assets are recognised in the restated consolidated summary statement of profit and loss.

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies (continued)

### M. Financial Instruments (continued)

***(b) Classification and subsequent measurement (continued)***

(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 restated 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 restated consolidated summary 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 restated consolidated summary statement of profit and loss.

- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in Restated consolidated summary 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 Restated consolidated summary statement of profit and loss.

***(c) Derecognition***

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

***(d) Impairment of financial assets***

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables- The Group follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.
The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

## 5. Significant accounting policies (continued)

### M. Financial Instruments (continued)

#### 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 restated consolidated summary statement of profit and loss.

***(c) Derecognition***

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

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

Financial assets and liabilities are offset and the net amount presented in the restated consolidated summary statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies (continued)

### M. Financial Instruments (continued)

#### 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 Restated consolidated summary 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.

### N. 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.

### O. 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 Restated consolidated summary 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 restated consolidated summary 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 restated consolidated statement of financial position.

## Annexure V: Basis of preparation and Significant Accounting Policies *(continued)*

## 5. Significant accounting policies (continued)

### P. Cash and cash equivalents

Cash and cash equivalent in the Restated consolidated summary statement of assets and liabilities 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.

### Q. 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 Restated consolidated summary 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 Restated consolidated summary statement of assets and liabilities and transferred to Restated consolidated summary statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

### R. 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.

### S. Earnings before interest and depreciation and amortisation ("adjusted EBITDA")

The Group presents adjusted EBITDA in the restated consolidated summary 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 (adjusted EBITDA) before exceptional items, as a separate line item on the face of the Restated Consolidated Summary 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.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information

**(Rs. in million)**

### Note 1
### Reporting entity

The Restated Consolidated Summary Financial Information comprise of consolidated financial statements of Chalet Hotels Limited (‘the Company’ or ‘the Holding Company’), its subsidiary companies (collectively, ‘the Group’) and its associate companies. The Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at Raheja Tower, Plot No. C-30, Block ‘G’, Opp. SIDBI, Bandra Kurla Complex, Bandra East, Mumbai 400 051. The Company was incorporated under the Companies Act, 1956 on January 6, 1986 and has been converted into a public company with effect from June 6, 2018.

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

### Note 2
### Property, plant and equipment

**Reconciliation of carrying amount**

**Year ended March 31, 2018**

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2017 | Additions | Deductions | Closing balance as at March 31, 2018 | Opening balance as at April 1, 2017 | For the year | Deductions | Closing balance as at March 31, 2018 | As at March 31, 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** |

**Year ended March 31, 2017**

| Particulars | Gross block | | | | | Accumulated depreciation | | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2016 | On account of Merger (Refer note 41) | Additions/ transfer in from investment property | Deductions | Closing balance as at March 31, 2017 | Opening balance as at April 1, 2016 | On account of Merger (Refer note 41) / transfer in from investment property | For the year | Deductions | Closing balance as at March 31, 2017 | As at March 31, 2017 |
| **Tangible assets** | | | | | | | | | | | |
| Freehold land | 7,387.73 | 286.64 | - | - | 7,674.37 | - | - | - | - | - | 7,674.37 |
| Buildings | 10,023.51 | 1,963.46 | 575.18 | 140.52 | 12,421.63 | 1,611.07 | 390.58 | 514.90 | 140.52 | 2,376.03 | 10,045.60 |
| Leasehold improvements | 6.92 | - | - | - | 6.92 | 6.92 | - | - | - | 6.92 | - |
| Plant and machinery | 3,225.34 | 687.20 | 262.02 | 30.15 | 4,144.41 | 1,454.85 | 258.31 | 279.44 | 29.01 | 1,963.59 | 2,180.82 |
| Data processing equipments | 172.04 | 23.82 | 5.35 | 15.25 | 185.96 | 113.84 | 21.21 | 28.60 | 15.04 | 148.61 | 37.35 |
| Electrical installations | 1,271.15 | 245.71 | 60.96 | 0.49 | 1,577.33 | 567.19 | 122.92 | 136.44 | 0.42 | 826.13 | 751.20 |
| Furniture and fixtures | 1,699.48 | 178.91 | 130.17 | 25.59 | 1,982.97 | 889.33 | 80.47 | 144.82 | 23.02 | 1,091.60 | 891.37 |
| Vehicles | 267.94 | 41.65 | 3.24 | 1.75 | 311.08 | 123.59 | 27.58 | 45.64 | 1.75 | 195.06 | 116.02 |
| Office equipments | 79.32 | 7.59 | 7.93 | 2.36 | 92.48 | 64.42 | 6.85 | 14.08 | 2.20 | 83.15 | 9.33 |
| **Total** | **24,133.43** | **3,434.98** | **1,044.85** | **216.11** | **28,397.15** | **4,831.21** | **907.92** | **1,163.92** | **211.96** | **6,691.09** | **21,706.06** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information

**(Rs. in million)**

### Note 2
### Property, plant and equipment *(Continued)*

**Year ended March 31 2016 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2015 | Additions | Deductions | Closing balance as at March 31, 2016 | Opening balance as at April 1, 2015 | For the year | Deductions | Closing balance as at March 31, 2016 | As at March 31, 2016 |
| **Tangible assets** | | | | | | | | | |
| Freehold land | 7,387.73 | - | - | 7,387.73 | - | - | - | - | 7,387.73 |
| Buildings | 9,626.96 | 403.99 | 7.44 | 10,023.51 | 1,186.25 | 428.12 | 3.30 | 1,611.07 | 8,412.44 |
| Leasehold improvements | 6.92 | - | - | 6.92 | 6.92 | - | - | 6.92 | - |
| Plant and machinery | 3,111.24 | 139.90 | 25.80 | 3,225.34 | 1,246.18 | 224.70 | 16.03 | 1,454.85 | 1,770.49 |
| Data processing equipments | 146.72 | 26.65 | 1.33 | 172.04 | 91.60 | 23.54 | 1.30 | 113.84 | 58.20 |
| Electrical installations | 1,216.06 | 56.02 | 0.93 | 1,271.15 | 453.33 | 114.79 | 0.93 | 567.19 | 703.96 |
| Furniture and fixtures | 1,425.87 | 282.39 | 8.78 | 1,699.48 | 768.89 | 128.11 | 7.67 | 889.33 | 810.15 |
| Vehicles | 269.39 | 3.10 | 4.55 | 267.94 | 82.29 | 42.47 | 1.17 | 123.59 | 144.35 |
| Office equipments | 70.75 | 8.61 | 0.04 | 79.32 | 56.91 | 7.55 | 0.04 | 64.42 | 14.90 |
| **Total** | **23,261.64** | **920.66** | **48.87** | **24,133.43** | **3,892.37** | **969.28** | **30.44** | **4,831.21** | **19,302.22** |

**Year ended March 31 2015 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2014 | Additions | Deductions | Closing balance as at March 31, 2015 | Opening balance as at April 1, 2014 | For the year* | Deductions | Closing balance as at March 31, 2015 | As at March 31, 2015 |
| **Tangible assets** | | | | | | | | | |
| Freehold land | 5,749.02 | 1,638.71 | - | 7,387.73 | - | - | - | - | 7,387.73 |
| Buildings | 4,961.41 | 4,702.12 | 36.57 | 9,626.96 | 972.32 | 250.50 | 36.57 | 1,186.25 | 8,440.71 |
| Leasehold improvements | 6.92 | - | - | 6.92 | 6.92 | - | - | 6.92 | - |
| Plant and machinery | 1,824.30 | 1,302.67 | 15.73 | 3,111.24 | 1,091.50 | 165.42 | 10.74 | 1,246.18 | 1,865.06 |
| Data processing equipments | 90.07 | 57.18 | 0.53 | 146.72 | 82.68 | 9.45 | 0.53 | 91.60 | 55.12 |
| Electrical installations | 664.94 | 555.77 | 4.65 | 1,216.06 | 395.30 | 62.68 | 4.65 | 453.33 | 762.73 |
| Furniture and fixtures | 1,032.43 | 401.07 | 7.63 | 1,425.87 | 682.49 | 93.24 | 6.84 | 768.89 | 656.98 |
| Vehicles | 82.07 | 191.81 | 4.49 | 269.39 | 66.34 | 20.40 | 4.45 | 82.29 | 187.10 |
| Office equipments | 55.68 | 15.66 | 0.59 | 70.75 | 50.77 | 6.62 | 0.48 | 56.91 | 13.84 |
| **Total** | **14,466.84** | **8,864.99** | **70.19** | **23,261.64** | **3,348.32** | **608.31** | **64.26** | **3,892.37** | **19,369.27** |

*** Refer note 2 below**

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information

**(Rs. in million)**

### Note 2
### Property, plant and equipment *(Continued)*

**Year ended March 31 2014 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2013 | Additions | Deductions | Closing balance as at March 31, 2014 | Opening balance as at April 1, 2013 | For the year | Deductions | Closing balance as at March 31, 2014 | As at March 31, 2014 |
| **Tangible assets** | | | | | | | | | |
| Freehold land | 5,539.06 | 209.96 | - | 5,749.02 | - | - | - | - | 5,749.02 |
| Buildings | 4,950.78 | 20.57 | 9.94 | 4,961.41 | 769.60 | 212.66 | 9.94 | 972.32 | 3,989.09 |
| Leasehold improvements | 6.92 | - | - | 6.92 | 6.92 | - | - | 6.92 | - |
| Plant and machinery | 1,745.87 | 81.46 | 3.03 | 1,824.30 | 906.98 | 186.98 | 2.46 | 1,091.50 | 732.80 |
| Data processing equipments | 88.23 | 2.41 | 0.57 | 90.07 | 78.26 | 4.99 | 0.57 | 82.68 | 7.39 |
| Electrical installations | 658.31 | 9.02 | 2.39 | 664.94 | 349.85 | 47.84 | 2.39 | 395.30 | 269.64 |
| Furniture and fixtures | 1,010.78 | 24.21 | 2.56 | 1,032.43 | 559.10 | 125.94 | 2.55 | 682.49 | 349.94 |
| Vehicles | 125.54 | 6.23 | 49.70 | 82.07 | 109.85 | 6.08 | 49.59 | 66.34 | 15.73 |
| Office equipments | 53.71 | 1.97 | - | 55.68 | 45.09 | 5.68 | - | 50.77 | 4.91 |
| **Total** | **14,179.20** | **355.83** | **68.19** | **14,466.84** | **2,825.65** | **590.17** | **67.50** | **3,348.32** | **11,118.52** |

**Footnotes**

1) The Group has considered fair value for freehold land as of April 1, 2016 with impact of Rs. 5,887.72 million (related tax: Rs. 2,163.35 million) based on deemed cost exemption available under Ind AS 101 with the resultant impact being accounted for in the reserves. Further, the fair value of such freehold land has been pushed back to the earliest of reporting period in the restated financial statements in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2016). Refer note 54 of Annexure VI for details.

2) The Group has reviewed and revised the estimated economic useful lives of its property, plant and equipment in accordance with the useful lives specified in Schedule II of the Companies Act, 2013 in accordance with an internal evaluation which is more representative of the useful lives of its property, plant and equipment during the year ended March 31, 2015. Consequently, the depreciation expense for the year ended March 31, 2015 is lower by Rs. 89.32 million. Further, the Group has fully depreciated the carrying value of assets, net of residual value, where the remaining useful lives of the assets was determined to be Nil as on April 1, 2014 applying the revised lives and has consequently included Rs. 4.8 million under depreciation in the Statement of Profit and Loss for the year ending March 31, 2015 . The change in estimated useful lives has effect of reduction in depreciation charge in future periods.

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 March 31, 2018. Consequently, the depreciation expense for the year ended March 31, 2018 is lower by Rs. 295.10 million. The change in estimated useful lives has effect of reduction in depreciation charge in future periods.

4) Refer note 20 and 25 of Annexure VI for information on Property, plant and equipment pledged as security by the Group.

5) Refer Note 42 of Annexure VI for contractual commitments with respect to property plant and equipment.

6) In December 2005, the Group had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected in the schedule above). The Group has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on January 22, 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Restated Consolidated financial information. The carrying value of property, plant and equipment as at March 31, 2018 is Rs. 449.27 million (March 31, 2017: Rs. 474.47 million, March 31, 2016: Rs. 510.23 million, March 31, 2015: Rs. 562.92 million).

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

### Note 3
### Capital work in progress

(Rs. in million)

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Opening balance | **374.39** | 478.01 | 648.56 | 5,877.07 | 3,198.46 |
| Add: Additions | **501.02** | 941.23 | 750.12 | 3,636.48 | 3,034.44 |
| Less: Capitalised | **(490.87)** | (1,044.85) | (920.66) | (8,864.99) | (355.83) |
| **Closing balance** | **384.54** | 374.39 | 478.01 | 648.56 | 5,877.07 |
| Less: Provision for impairment | **(166.31)** | (162.89) | (161.90) | (160.94) | (160.94) |
| **Net balance** | **218.23** | **211.50** | **316.11** | **487.62** | **5,716.13** |

**Notes**

1) Capital Work in Progress includes expenditure incurred by a subsidiary, "Chalet Hotels & Properties (Kerala) Private Ltd." aggregating to Rs. 166.31 million (March 31, 2017: Rs. 162.89 million; March 31, 2016: Rs. 161.90 million; March 31, 2015: Rs. 160.94 million; March 31, 2014: Rs. 160.94 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 Company 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 Company 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(s).

| Particulars | For the year ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
| Legal and professional charges | **12.02** | 3.12 | 19.55 | 51.13 | 71.52 |
| Employee costs | **72.52** | 49.35 | 9.09 | 47.05 | 47.11 |
| Rates, taxes and license fees | **6.75** | 0.41 | 0.77 | 154.28 | 131.54 |
| Repairs and maintenance | **0.21** | - | 0.08 | 12.06 | 0.04 |
| Interest and other finance cost | **-** | 3.08 | 27.38 | 326.50 | 627.42 |
| Miscellaneous expenses | **4.38** | 1.08 | 3.14 | 16.86 | 10.32 |
| Interest income on surplus funds | **-** | - | - | (20.60) | (223.09) |
| Other income / sale of scrap | **(1.13)** | (0.11) | (2.22) | (4.27) | 3.20 |
| **Total** | **94.75** | **56.94** | **57.80** | **583.00** | **668.06** |

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 4
### Investment Property

**A. Reconciliation of carrying amount**

**Year ended March 31, 2018** **(Rs. in million)**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2017 | Additions | Deductions | Closing balance as at March 31, 2018 | Opening balance as at April 1, 2017 | For the year | Deductions | Closing balance as at March 31, 2018 | As at March 31, 2018 |
| **Investment property** | | | | | | | | | |
| Commercial complex, Bengaluru - I | 897.93 | 4.93 | 9.48 | 893.38 | 27.95 | 25.85 | 2.64 | 51.16 | 842.22 |
| Retail block, Sahar, Mumbai | 1,090.55 | 44.68 | - | 1,135.23 | 14.86 | 35.61 | - | 50.47 | 1,084.76 |
| Retail block, Bengaluru | 1,776.86 | 2.13 | - | 1,778.99 | 386.89 | 63.13 | - | 450.02 | 1,328.97 |
| 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 & 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** |

**Year ended March 31, 2017**

| Particulars | Gross block | | | | | Accumulated depreciation / amortisation | | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2016 | On account of Merger (Refer note 41) | Additions | Deductions / Transfer out | Closing balance as at March 31, 2017 | Opening balance as at April 1, 2016 | On account of Merger (Refer note 41) | For the year | Deductions | Closing balance as at March 31, | As at March 31, 2017 |
| **Investment property** | | | | | | | | | | | |
| Commercial complex, Bengaluru - I | 53.86 | - | 1,116.30 | 272.23 | 897.93 | - | - | 30.95 | 3.00 | 27.95 | 869.98 |
| Retail block, Sahar, Mumbai | - | - | 1,090.55 | - | 1,090.55 | - | - | 14.86 | - | 14.86 | 1,075.69 |
| Retail block, Bengaluru | - | 1,776.86 | - | - | 1,776.86 | - | 343.32 | 43.64 | 0.07 | 386.89 | 1,389.97 |
| Hyderabad flats | 15.27 | - | - | - | 15.27 | - | - | 0.26 | - | 0.26 | 15.01 |
| **Total (A)** | **69.13** | **1,776.86** | **2,206.85** | **272.23** | **3,780.61** | **-** | **343.32** | **89.71** | **3.07** | **429.96** | **3,350.65** |
| **Investment property under construction** | | | | | | | | | | | |
| Business centers & offices, Sahar, Mumbai | ` | | | | | | | | | | 2,768.37 |
| Commercial complex, Bengaluru - II | | | | | | | | | | | 305.17 |
| **Total (B)** | | | | | | | | | | | **3,073.54** |
| **Total (A+B)** | | | | | | | | | | | **6,424.19** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 4
### Investment Property *(Continued)*

**(Rs. in million)**

**A. Reconciliation of carrying amount *(Continued)***

**Year ended March 31, 2016 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2015 | Additions | Deductions | Closing balance as at March 31, 2016 | Opening balance as at April 1, 2015 | For the year | Deductions | Closing balance as at March 31, 2016 | As at March 31, 2016 |
| **Investment Property** | | | | | | | | | |
| Commercial complex, Bengaluru - I | 62.17 | - | - | 62.17 | 4.22 | 4.09 | - | 8.31 | 53.86 |
| Hyderabad flats | 16.05 | - | - | 16.05 | 0.52 | 0.26 | - | 0.78 | 15.27 |
| **Total (A)** | **78.22** | **-** | **-** | **78.22** | **4.74** | **4.35** | **-** | **9.09** | **69.13** |
| **Investment Property under Construction** | | | | | | | | | |
| Retail block, Sahar, Mumbai | | | | | | | | | 1,027.75 |
| Business centers & offices, Sahar, Mumbai | ` | | | | | | | | 2,359.71 |
| Commercial complex, Bengaluru - I | | | | | | | | | 1,068.44 |
| **Total (B)** | | | | | | | | | **4,455.90** |
| **Total (A+B)** | | | | | | | | | **4,525.03** |

**Year ended March 31, 2015 - Proforma**

| Particulars | Gross Block | | | | Accumulated depreciation / amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2014 | Additions | Deductions | Closing balance as at March 31, 2015 | Opening balance as at April 1, 2014 | For the year * | Deductions | Closing balance as at March 31, 2015 | As at March 31, 2015 |
| **Investment Property** | | | | | | | | | |
| Commercial complex, Bengaluru - I | 18.43 | 43.74 | - | 62.17 | 0.40 | 3.82 | - | 4.22 | 57.95 |
| Hyderabad flats | 16.05 | - | - | 16.05 | 0.26 | 0.26 | - | 0.52 | 15.53 |
| **Total (A)** | **34.48** | **43.74** | **-** | **78.22** | **0.66** | **4.08** | **-** | **4.74** | **73.48** |
| **Investment Property under Construction** | | | | | | | | | |
| Retail block, Sahar, Mumbai | | | | | | | | | 814.74 |
| Business centers & offices, Sahar, Mumbai | ` | | | | | | | | 1,724.32 |
| Commercial complex, Bengaluru - I | | | | | | | | | 890.41 |
| **Total (B)** | | | | | | | | | **3,429.47** |
| **Total (A+B)** | | | | | | | | | **3,502.95** |

*** Refer note 1 below**

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 4
### Investment Property *(Continued)*

**(Rs. in million)**

**A. Reconciliation of carrying amount *(Continued)***

**Year ended March 31, 2014 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2013 | Additions | Deductions | Closing balance as at March 31, 2014 | Opening balance as at April 1, 2013 | For the year | Deductions | Closing balance as at March 31, 2014 | As at March 31, 2014 |
| **Investment Property** | | | | | | | | | |
| Commercial complex, Bengaluru - I | 18.43 | - | - | 18.43 | - | 0.40 | - | 0.40 | 18.03 |
| Hyderabad flats | 16.05 | - | - | 16.05 | - | 0.26 | - | 0.26 | 15.79 |
| **Total (A)** | **34.48** | **-** | **-** | **34.48** | **-** | **0.66** | **-** | **0.66** | **33.82** |
| **Investment Property under Construction** | | | | | | | | | |
| Retail block, Sahar, Mumbai | | | | | | | | | 343.85 |
| Business centers & offices, Sahar, Mumbai | | | | | | | | | 626.07 |
| Commercial complex, Bengaluru - I | | | | | | | | | 592.62 |
| **Total (B)** | | | | | | | | | **1,562.54** |
| **Total (A+B)** | | | | | | | | | **1,596.36** |

**Deemed cost exemption**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 1, 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the investment properties. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. April 1, 2016 while preparing Restated schedule for the years ended March 31, 2015, March 31, 2014 and March 31, 2013.

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

| | Gross block as on April 1, 2016 | Accumulated amortisation till April 1, 2016 | Net block treated as deemed cost upon transition |
|---|---|---|---|
| **Investment property** | | | |
| Commercial complex, Bengaluru - I | 62.17 | 8.31 | 53.86 |
| Hyderabad flats | 16.05 | 0.78 | 15.27 |
| **Total** | **78.22** | **9.09** | **69.13** |

Chalet Hotels Limited
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## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 4
### Investment Property *(Continued)*

**(Rs. in million)**

**Deemed cost as on April 1, 2013 - Proforma**

| | Gross block as on April 1, 2013 | Accumulated amortisation till April 1, 2013 | Net block treated as deemed cost upon transition |
|---|---|---|---|
| Commercial complex, Bengaluru - I | 18.58 | 0.15 | 18.43 |
| Hyderabad flats | 16.05 | - | 16.05 |
| **Total (A)** | **34.63** | **0.15** | **34.48** |

**Notes:**

1. Pursuant to the Companies Act, 2013 being effective from April 1, 2014, the Group has revised the depreciation rates on investment property based on the management estimate of the useful lives of the assets, which are lower than or in accordance with Part 'C' of Schedule II of the Act. Consequently, depreciation charged for the period April 1, 2014 to March 31, 2015 is higher by Rs 9.04 million due to change in estimated useful life of certain assets wherein the opening carrying value as at April 1, 2014 is depreciated over the balance useful life.

2. The Group has reviewed and revised the estimated economic useful lives of its investment property in accordance with the useful lives specified in Schedule II of the Companies Act, 2013 in accordance with an internal evaluation which is more representative of the useful lives of its investment property during the year ended March 31, 2018. Consequently, the depreciation expense for the year ended March 31, 2018 is lower by Rs. 52.14 million. The change in estimated useful lives has effect of reduction in depreciation charge in future periods.

3. Refer note 20 and 25 of Annexure VI for information on investment property pledged as security by the Group.

4. Details of investment property under construction:

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Opening balance | 3,073.54 | 4,455.90 | 3,429.47 | 1,562.54 | 402.43 |
| Add: Additions | 444.15 | 824.49 | 1,026.43 | 1,910.67 | 1,160.11 |
| Less: Capitalised | (51.74) | (2,206.85) | - | (43.74) | - |
| **Closing balance** | **3,465.95** | **3,073.54** | **4,455.90** | **3,429.47** | **1,562.54** |

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

| Particulars | For the year ended | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
| Legal and professional charges | 7.41 | 2.35 | 7.14 | 2.28 | 2.44 |
| Employee costs | 1.25 | 19.99 | 36.93 | - | - |
| Rates, taxes and license fees | 3.89 | - | 3.03 | 0.41 | - |
| Repairs and maintenance | 0.96 | - | 0.84 | 3.13 | - |
| Interest and other finance cost | 221.41 | 266.57 | 224.52 | 193.21 | 171.93 |
| Miscellaneous expenses | 3.92 | 10.93 | 1.29 | 1.11 | - |
| Interest income on surplus funds | - | - | - | (2.29) | (5.62) |
| Other income / sale of scrap | (0.10) | (2.55) | (1.73) | (0.02) | (0.07) |
| **Total** | **238.74** | **297.30** | **272.02** | **197.82** | **168.68** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 4
### Investment Property *(Continued)*

**(Rs. in million)**

**B. Fair value measurement**

**i. Fair value hierarchy**

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

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

| Investment Properties | Fair Value as on | | | | |
|---|---|---|---|---|---|
| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
| Commercial complex, Bengaluru - I | **905.00** | 870.00 | - | - | - |
| Retail block, Sahar, Mumbai | **2,688.00** | 2,394.00 | - | - | - |
| Retail block, Bengaluru | **1,554.00** | 1,414.00 | - | - | - |
| Hyderabad flats | **23.00** | 23.00 | 22.00 | 22.00 | 22.00 |

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

**Valuation technique**

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

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

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

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

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Rental income derived from investment properties | **166.37** | 114.23 | 7.73 | 7.08 | - |
| Direct operating expenditure (including repairs and maintenance) generating rental income | **54.14** | 28.30 | - | - | - |
| Direct operating expenditure that did not generate rental income | **-** | - | - | - | - |
| **Profit/ (loss) arising from investment properties before depreciation and indirect expenses** | **112.23** | **85.93** | **7.73** | **7.08** | **-** |
| Depreciation | **124.85** | 89.71 | 4.35 | 4.08 | 0.66 |
| **Profit/ (loss) arising from investment properties before indirect expenses** | **(12.62)** | **(3.78)** | **3.38** | **3.00** | **(0.66)** |

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

Chalet Hotels Limited
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**Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)**

**Note 4**
**Investment property *(Continued)***

**(Rs. in million)**

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

**Year ended March 31, 2018**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2017 | Additions | Deductions | Closing balance as at March 31, 2018 | Opening balance as at April 1, 2017 | For the year | Deductions | Closing balance as at March 31, 2018 | As at March 31, 2018 |
| **Tangible assets** | | | | | | | | | |
| Freehold land | 367.41 | 43.86 | - | 411.27 | - | - | - | - | 411.27 |
| Buildings | 2,499.89 | 1.62 | - | 2,501.51 | 218.16 | 63.60 | - | 281.76 | 2,219.75 |
| 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** |

**Year ended March 31, 2017**

| Particulars | Gross block | | | | | Accumulated depreciation / amortisation | | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2016 | On account of Merger (Refer note 41) | Additions | Deductions / Transfer out | Closing balance as at March 31, 2017 | Opening balance as at April 1, 2016 | On account of Merger (Refer note 41) | For the year | Deductions | Closing balance as at March 31, 2017 | As at March 31, 2017 |
| **Tangible assets** | | | | | | | | | | | |
| Freehold land | - | 158.19 | 209.22 | - | 367.41 | - | - | - | - | - | 367.41 |
| Buildings | 56.23 | 1,145.32 | 1,568.58 | 270.24 | 2,499.89 | - | 168.01 | 53.15 | 3.00 | 218.16 | 2,281.73 |
| Plant and machinery | 8.44 | 294.46 | 291.79 | - | 594.69 | - | 97.84 | 19.27 | - | 117.11 | 477.58 |
| Computers | 0.52 | 1.34 | 0.29 | - | 2.15 | - | 1.03 | 0.40 | - | 1.43 | 0.72 |
| Electrical installations | 1.99 | 118.08 | 129.42 | 1.99 | 247.50 | - | 53.32 | 12.11 | - | 65.43 | 182.07 |
| Furniture and fixtures | 1.92 | 58.74 | 7.42 | - | 68.08 | - | 22.42 | 4.76 | 0.07 | 27.11 | 40.97 |
| Office equipments | - | 0.45 | 0.13 | - | 0.58 | - | 0.42 | 0.01 | - | 0.43 | 0.15 |
| | 69.10 | 1,776.58 | 2,206.85 | 272.23 | 3,780.30 | - | 343.04 | 89.70 | 3.07 | 429.67 | 3,350.63 |
| **Intangible assets** | | | | | | | | | | | |
| Software | 0.03 | 0.28 | - | - | 0.31 | - | 0.28 | 0.01 | - | 0.29 | 0.02 |
| | 0.03 | 0.28 | - | - | 0.31 | - | 0.28 | 0.01 | - | 0.29 | 0.02 |
| **Total** | **69.13** | **1,776.86** | **2,206.85** | **272.23** | **3,780.61** | **-** | **343.32** | **89.71** | **3.07** | **429.96** | **3,350.65** |

Chalet Hotels Limited
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**Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)**

**Note 4**
**Investment property *(Continued)***

**(Rs. in million)**

**Year ended March 31, 2016 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2015 | Additions | Deductions | Closing balance as at March 31, 2016 | Opening balance as at April 1, 2015 | For the year | Deductions | Closing balance as at March 31, 2016 | As at March 31, 2016 |
| **Tangible assets** | | | | | | | | | |
| Buildings | 62.41 | - | - | 62.41 | 3.35 | 2.83 | - | 6.18 | 56.23 |
| Plant and machinery | 9.97 | - | - | 9.97 | 0.73 | 0.80 | - | 1.53 | 8.44 |
| Computers | 1.02 | - | - | 1.02 | 0.24 | 0.26 | - | 0.50 | 0.52 |
| Electrical installations | 2.43 | - | - | 2.43 | 0.21 | 0.23 | - | 0.44 | 1.99 |
| Furniture and fixtures | 2.34 | - | - | 2.34 | 0.20 | 0.22 | - | 0.42 | 1.92 |
| | **78.17** | **-** | **-** | **78.17** | **4.73** | **4.34** | **-** | **9.07** | **69.10** |
| **Intangible assets** | | | | | | | | | |
| Software | 0.05 | - | - | 0.05 | 0.01 | 0.01 | - | 0.02 | 0.03 |
| | **0.05** | **-** | **-** | **0.05** | **0.01** | **0.01** | **-** | **0.02** | **0.03** |
| **Total** | **78.22** | **-** | **-** | **78.22** | **4.74** | **4.35** | **-** | **9.09** | **69.13** |

**Year ended March 31, 2015 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation / amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2014 | Additions | Deductions | Closing balance as at March 31, 2015 | Opening balance as at April 1, 2014 | For the year | Deductions | Closing balance as at March 31, 2015 | As at March 31, 2015 |
| **Tangible assets** | | | | | | | | | |
| Buildings | 34.48 | 27.93 | - | 62.41 | 0.66 | 2.69 | - | 3.35 | 59.06 |
| Plant and machinery | - | 9.97 | - | 9.97 | - | 0.73 | - | 0.73 | 9.24 |
| Computers | - | 1.02 | - | 1.02 | - | 0.24 | - | 0.24 | 0.78 |
| Electrical installations | - | 2.43 | - | 2.43 | - | 0.21 | - | 0.21 | 2.22 |
| Furniture and fixtures | - | 2.34 | - | 2.34 | - | 0.20 | - | 0.20 | 2.14 |
| | **34.48** | **43.69** | **-** | **78.17** | **0.66** | **4.07** | **-** | **4.73** | **73.44** |
| **Intangible assets** | | | | | | | | | |
| Software | - | 0.05 | - | 0.05 | - | 0.01 | - | 0.01 | 0.04 |
| | - | 0.05 | - | 0.05 | - | 0.01 | - | 0.01 | 0.04 |
| **Total** | **34.48** | **43.74** | **-** | **78.22** | **0.66** | **4.08** | **-** | **4.74** | **73.48** |

**Year ended March 31, 2014 - Proforma**

| Particulars | Gross block | | | | Accumulated depreciation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2013 | Additions | Deductions | Closing balance as at March 31, 2014 | Opening balance as at April 1, 2013 | For the year | Deductions | Closing balance as at March 31, 2014 | As at March 31, 2014 |
| **Tangible assets** | | | | | | | | | |
| Buildings | 34.48 | - | - | 34.48 | - | 0.66 | - | 0.66 | 33.82 |
| **Total** | **34.48** | **-** | **-** | **34.48** | **-** | **0.66** | **-** | **0.66** | **33.82** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 5
### Goodwill

**(Rs. in million)**

**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 cash generating unit are as follows:

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Hotel | **164.04** | 164.04 | - | - | - |
| Retail | **25.49** | 25.49 | - | - | - |
| Commercial complex at Bengaluru (refer footnote below) | **36.58** | 36.58 | 36.58 | 36.68 | 36.68 |
| **Total** | **226.11** | **226.11** | **36.58** | **36.68** | **36.68** |

Goodwill for Commercial complex at Bengaluru pertains to acquisition of 40% stake in Magna Warehousing and Distribution Private Limited in the financial year ended March 31, 2014. The same represents excess of consideration paid (Rs. 47.11 million) over book value of proportionate net assets acquired (Rs.10.53 million). The Group has chosen not to restate past business combinations in line with exemptions available under Ind AS 101 "First Time Adoption of Ind AS" (refer note 54) and accordingly, the carrying value of goodwill under the previous GAAP has been continued to be reflected under Ind AS without any adjustment.

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 %) | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Discount rate | **9.59%** | 9.13% | - | - | - |
| Terminal value growth rate | **6.50%** | 6.50% | - | - | - |

**B. Retail**

| Particulars (in %) | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Discount rate | **9.59%** | 9.13% | - | - | - |
| Terminal value growth rate | **8.50%** | 8.50% | - | - | - |

**C. Commercial complex at Bengaluru**

| Particulars (in %) | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Discount rate | **9.59%** | 9.13% | 9.55% | 9.83% | 10.82% |
| Terminal value growth rate | **8.50%** | 8.50% | 8.50% | 8.50% | 8.50% |

***Discount rate***

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

***Terminal value growth rate***

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

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

Based on the above assumptions and analysis, no impairment was identified for any of the CGU as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 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.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 6
### Other intangible assets

(Rs. in million)

**Year ended March 31, 2018**

| Particulars | Gross block | | | | Accumulated amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2017 | Additions | Deductions | Closing balance as at March 31, 2018 | Opening balance as at April 1, 2017 | Charged for the year | Deductions | Upto March 31, 2018 | As at March 31, 2018 |
| Trade marks | - | - | - | - | - | - | - | - | - |
| Computer software | 63.09 | 3.97 | - | 67.06 | 33.31 | 15.22 | - | 48.53 | 18.53 |
| **Total** | **63.09** | **3.97** | **-** | **67.06** | **33.31** | **15.22** | **-** | **48.53** | **18.53** |

**Year ended March 31, 2017**

| Particulars | Gross block | | | | | Accumulated amortisation | | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2016 | On account of Merger (Refer note 41) | Additions | Deductions | Closing balance as at March 31, 2017 | Opening balance as at April 1, 2016 | On account of Merger (Refer note 41) | Charged for the year | Deductions | Upto March 31, 2017 | As at March 31, 2017 |
| Trade marks | - | - | - | - | - | - | - | - | - | - | - |
| Computer software | 37.92 | 19.74 | 5.60 | 0.18 | 63.09 | - | 17.36 | 16.13 | 0.18 | 33.31 | 29.78 |
| **Total** | **37.92** | **19.74** | **5.60** | **0.18** | **63.09** | **-** | **17.36** | **16.13** | **0.18** | **33.31** | **29.78** |

**Year ended March 31, 2016 - Proforma**

| Particulars | Gross block | | | | Accumulated amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2015 | Additions | Deductions | Closing balance as at March 31, 2016 | Opening balance as at April 1, 2015 | Charged for the year | Deductions | Upto March 31, 2016 | As at March 31, 2016 |
| Trade marks | - | - | - | - | - | - | - | - | - |
| Computer software | 51.37 | 12.72 | 1.36 | 62.73 | 10.42 | 14.45 | 0.05 | 24.81 | 37.92 |
| **Total** | **51.37** | **12.72** | **1.36** | **62.73** | **10.42** | **14.45** | **0.05** | **24.81** | **37.92** |

**Year ended March 31, 2015 - Proforma**

| Particulars | Gross block | | | | Accumulated amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2014 | Additions | Deductions | Closing balance as at March 31, 2015 | Opening balance as at April 1, 2014 | Charged for the year | Deductions | Upto March 31, 2015 | As at March 31, 2015 |
| **Intangible asset (acquired)** | | | | | | | | | |
| Trade marks | - | - | - | - | - | - | - | - | - |
| Computer software | 11.38 | 39.98 | - | 51.37 | 5.13 | 5.29 | - | 10.42 | 40.94 |
| **Total** | **11.38** | **39.98** | **-** | **51.37** | **5.13** | **5.29** | **-** | **10.42** | **40.94** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 6
### Other intangible assets *(Continued)*

**Year ended March 31, 2014 - Proforma**

| Particulars | Gross block | | | | Accumulated amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | Opening balance as at April 1, 2013 | Additions | Deductions | Closing balance as at March 31, 2014 | Opening balance as at April 1, 2013 | Charged for the year | Deductions | Upto March 31, 2014 | As at March 31, 2014 |
| **Intangible asset (acquired)** | | | | | | | | | |
| Trade marks | - | - | - | - | - | - | - | - | - |
| Computer software | 9.53 | 1.97 | 0.12 | 11.38 | - | 5.13 | - | 5.13 | 6.25 |
| **Total** | **9.53** | **1.97** | **0.12** | **11.38** | **-** | **5.13** | **-** | **5.13** | **6.25** |

**Deemed cost exemption**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible asset recognised as at April 1, 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the intangible assets. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. April 1, 2016 while preparing Proforma Restated schedule for the years ended March 31, 2015, March 31, 2014 and March 31, 2013.

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

| | Gross block as at April 1, 2016 | Accumulated amortisation till April 1, 2016 | Net block treated as deemed cost upon transition |
|---|---|---|---|
| Trade marks | 0.04 | 0.04 | - |
| Computer software | 122.29 | 84.38 | 37.92 |
| **Total** | **122.34** | **84.42** | **37.92** |

**Deemed cost as on April 1, 2013 - Proforma**

| | Gross Block as at April 1, 2013 | Accumulated amortisation till April 1, 2013 | Net Block treated as deemed cost upon transition |
|---|---|---|---|
| Trade marks | 0.04 | 0.04 | - |
| Computer software | 69.09 | 59.56 | 9.53 |
| **Total** | **69.13** | **59.60** | **9.53** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 7** | | | | | |
| **Investments** | | | | | |
| **Measured at fair value through profit and loss** | | | | | |
| **Investments in equity shares (non-trade, unquoted)** | | | | | |
| **In other companies (equity shares of Rs. 10/- each fully paid)** | | | | | |
| 1,000 (March 31, 2017: 1,000, March 31, 2016: 1,000, March 31, 2015: 1,000, March 31, 2014: 1,000) shares of Stargaze Properties Private Limited | **0.01** | 0.01 | 0.01 | 0.01 | 0.01 |
| 423 (March 31, 2017: 423, March 31, 2016: 203,181, March 31, 2015: Nil, March 31, 2014: Nil) shares of Intime Properties Limited (Refer Note 17) | **1.94** | 1.94 | 331.39 | - | - |
| 10,000 (March 31, 2017: 10,000, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) shares of Renew Wind Power Energy (AP) Limited | **1.00** | 1.00 | - | - | - |
| 428,285 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) shares of Krishna Valley Power Private Limited | **8.64** | - | - | - | - |
| 1,044,500 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) shares of Sahyadri Renewable Energy Private Limited | **31.45** | - | - | - | - |
| **Measured at amortised cost** | | | | | |
| **(a) Investments in preference shares (non-trade, unquoted)** | | | | | |
| **In associate company (0.001% non-cumulative redeemable preference shares of Rs. 100,000/- each fully paid)** | | | | | |
| Nil (March 31, 2017: Nil, March 31, 2016: 1,600, March 31, 2015: 1,600, March 31, 2014: 1,600) shares of Genext Hardware & Parks Private Limited | **-** | - | 142.71 | 128.27 | 115.33 |
| **(b) Other investments** | | | | | |
| National Saving Certificates | **0.13** | 0.13 | 0.13 | 0.13 | 0.07 |
| | **43.17** | **3.08** | **474.24** | **128.41** | **115.41** |
| Aggregate amount of unquoted securities | **43.17** | 3.08 | 474.24 | 128.41 | 115.41 |
| Aggregate amount of quoted securities | **-** | - | - | - | - |
| Market value of quoted securities | **-** | - | - | - | - |
| Aggregate amount of impairment in the value of investments | **-** | - | - | - | - |

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 8** | | | | | |
| **Loans** | | | | | |
| ***Unsecured, considered good*** | | | | | |
| Deposits | | | | | |
| Security deposits - related parties | **26.98** | 26.98 | 26.98 | 26.38 | 16.34 |
| Security deposits - others | **78.67** | 73.50 | 90.19 | 74.43 | 55.19 |
| Option deposits - others | **8.40** | 5.00 | - | - | 84.89 |
| Loans to related parties (refer footnote below) | **-** | - | - | 10.00 | - |
| | **114.05** | **105.48** | **117.17** | **110.81** | **156.42** |

Loan to related parties include amounts due from a Director Nil (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Rs. 10.00 million, March 31, 2014: Nil) in which directors of the Company are directors.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 9** | | | | | |
| **Other non-current financial assets** | | | | | |
| Deposits with banks with more than 12 months maturity | **50.00** | - | - | - | - |
| | **50.00** | **-** | **-** | **-** | **-** |

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 10** | | | | | |
| **Other non-current assets** | | | | | |
| Prepayments (refer footnote) | **70.02** | 74.10 | 61.61 | 62.58 | 58.72 |
| *Secured, considered good* | | | | | |
| Capital advances | **-** | 11.20 | 9.46 | 18.74 | 65.03 |
| *Unsecured, considered good* | | | | | |
| Capital advances. | **3.73** | 8.49 | 27.39 | 153.26 | 152.34 |
| Others | **0.96** | - | - | 0.21 | 0.70 |
| | **74.71** | **93.79** | **98.46** | **234.79** | **276.79** |

In December 2005, the Group had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected under prepayment and others above). The Group has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on January 22, 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Restated Consolidated financial information. The balance of prepaid lease rental in relation to such leasehold land as at March 31, 2018 is Rs. 54.52 million (March 31, 2017: Rs. 55.71 million, March 31, 2016: Rs. 56.91 million, March 31, 2015: Rs. 58.11 million, March 31, 2014: Rs. 59.30 million).

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 11** | | | | | |
| **Inventories (valued at lower of cost and net realisable value)** | | | | | |
| **Hospitality :** | | | | | |
| Food, beverages and smokes | **105.43** | 112.46 | 97.14 | 71.86 | 67.63 |
| Operating supplies | **-** | - | 3.28 | 20.56 | 20.43 |
| Stores and spares | **2.78** | 9.24 | 8.14 | - | - |
| **Property Development :** | | | | | |
| Developed property | **247.25** | 312.47 | 388.96 | 434.50 | 504.22 |
| Property under development (Refer note 53) | **3,031.94** | 3,020.34 | 3,026.65 | 2,949.87 | 2,619.19 |
| Less: Provision for impairment | **(376.65)** | (376.65) | (376.65) | (376.65) | (376.65) |
| Property under development, net | **2,655.29** | 2,643.69 | 2,650.00 | 2,573.22 | 2,242.54 |
| Materials at site | **100.60** | 108.30 | 110.04 | 111.67 | 103.27 |
| **Retail :** | | | | | |
| Materials at site. | **4.45** | 4.69 | - | - | 4.28 |
| **Others :** | | | | | |
| Traded goods (including stock-in-transit) | **-** | - | - | 5.53 | 5.53 |
| | **3,115.80** | **3,190.85** | **3,257.56** | **3,217.34** | **2,947.90** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 12** | | | | | |
| **Trade receivables** | | | | | |
| ***(unsecured, considered good, unless otherwise stated)*** | | | | | |
| Considered good | **551.70** | 296.20 | 181.38 | 100.64 | 156.98 |
| Considered doubtful | **3.82** | 9.22 | 6.29 | 4.74 | 6.02 |
| Less : Allowance for doubtful debts | **(3.82)** | (9.22) | (6.29) | (4.74) | (6.02) |
| | **551.70** | **296.20** | **181.38** | **100.64** | **156.98** |

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 13a** | | | | | |
| **Cash and cash equivalents** | | | | | |
| Balance with banks | | | | | |
| - Current accounts | **290.22** | 218.69 | 209.64 | 174.20 | 200.49 |
| - Demand deposit | **-** | - | - | - | 720.10 |
| In term deposit accounts | **-** | - | - | 0.01 | 0.01 |
| Cheques on hand | **0.08** | 1.08 | 0.30 | 0.68 | 3.98 |
| Cash on hand | **4.91** | 8.53 | 4.81 | 4.38 | 3.14 |
| | **295.21** | **228.30** | **214.75** | **179.27** | **927.72** |

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.

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 13b** | | | | | |
| **Other bank balances** | | | | | |
| In term deposit accounts (balances held as margin money) | **21.50** | 103.44 | 131.82 | 138.73 | 96.64 |
| | **21.50** | **103.44** | **131.82** | **138.73** | **96.64** |

Includes accrued interest of Rs. 0.93 million (March 31, 2017: Rs. 2.38 million, March 31, 2016: Rs. 4.77 million, March 31, 2015: Rs. 5.78 million, March 31, 2014: Rs. 6.10 million.

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 14** | | | | | |
| **Loans** | | | | | |
| ***(Unsecured, considered good)*** | | | | | |
| Deposits | | | | | |
| Security deposits - others | **22.74** | 14.31 | 9.77 | 10.56 | 21.96 |
| Loans to related parties (refer footnote and note 50) | **2,326.55** | 1,779.16 | 1,345.82 | 961.20 | 1,813.03 |
| | **2,349.29** | **1,793.47** | **1,355.59** | **971.76** | **1,834.99** |

Loan to related parties include amounts due from a Director Rs. 1.41 million (March 31, 2017: Rs. 7.50 million, March 31, 2016: Rs. 10.00 million, March 31, 2015: Rs. 10.00 million, March 31, 2014: Nil) and due from private limited companies aggregating to Rs. 2,324.14 million (March 31, 2017: Rs. 1,771.66 million, March 31, 2016: Rs. 1,335.82 million, March 31, 2015: Rs. 961.20 million, March 31, 2014: Rs. 1,813.03 million) in which directors of the Company are directors.
The interest rate applicable to the amounts due from private limited companies in which directors of the Company are directors are 11.00% (March 31, 2017: 12.00%, March 31, 2016: 12.50%, March 31, 2015: 14.00%, March 31, 2014: 14.00%). These amounts are unsecured and repayable on demand.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

| **Particulars** | **As at March 31, 2018** | **As at March 31, 2017** | **As at March 31, 2016 Proforma** | **As at March 31, 2015 Proforma** | **As at March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| **Note 15** | | | | | |
| **Other current financial assets** | | | | | |
| ***(Unsecured, considered good)*** | | | | | |
| Unbilled revenue | **195.33** | 148.72 | 145.55 | 119.23 | 112.22 |
| Others* | **192.85** | 30.07 | - | 11.66 | 188.73 |
| Mark to market derivative contracts | **14.38** | 8.72 | - | - | - |
| | **402.56** | **187.51** | **145.55** | **130.89** | **300.95** |

* Includes export benefits and entitlements of Rs. 192.85 million (March 31, 2017 : Rs. 26.96 million (net of related provision of Rs. 0.96 million), March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil)

| **Particulars** | **As at March 31, 2018** | **As at March 31, 2017** | **As at March 31, 2016 Proforma** | **As at March 31, 2015 Proforma** | **As at March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| **Note 16** | | | | | |
| **Other current assets** | | | | | |
| ***Secured, considered good*** | | | | | |
| Advance to suppliers | **-** | 3.55 | - | 13.44 | - |
| ***Unsecured, considered good*** | | | | | |
| Advance to suppliers | **44.73** | 45.87 | 30.00 | 25.46 | 63.36 |
| Indirect tax balances/receivable credits | **192.45** | 161.44 | 159.16 | 89.17 | 72.53 |
| Receivable from tax authorities | **-** | 5.15 | 68.24 | 26.43 | - |
| Prepayment and others | **76.58** | 83.12 | 1.84 | 66.07 | 37.65 |
| Others | **7.55** | 12.17 | 9.71 | 4.57 | 21.98 |
| | **321.31** | **311.30** | **268.95** | **225.14** | **195.52** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 17
### Assets classified as held for sale

**(Rs. in million)**

**A. Following investments were classified as held for sale:**

| **Particulars** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| Investment in equity shares of associate (face value of Rs. 10) | | | | | |
| Genext Hardware & Parks Private Limited (number of shares : Nil; March 31, 2017 : Nil; March 31, 2016 : 5,156; March 31, 2015 : 4,936; March 31, 2014 : 4,936)* | - | - | 2,870.27 | 2,870.27 | 2,870.27 |
| Intime Properties Limited (number of shares : Nil; March 31, 2017 : Nil; March 31, 2016 : Nil ; March 31, 2015 : 526,893; March 31, 2014 : 526,893) | - | - | - | 893.66 | 893.66 |
| Sundew Properties Limited (number of shares : Nil; March 31, 2017 : Nil; March 31, 2016 : Nil ; March 31, 2015 : Nil; March 31, 2014 : 439,246) | - | - | - | - | 582.22 |
| **Total assets held for sale** | **-** | **-** | **2,870.27** | **3,763.93** | **4,346.15** |

* Pursuant to the Court scheme (refer note 41), the Hotel and Retail undertaking of Magna Warehousing & Distribution Private Limited (wholly owned subsidiary company) were demerged into Genext Hardware and Parks Private Limited. Consequently, during the year ended March 31, 2016, 220 fully paid equity shares of Genext Hardware and Parks Private Limited were alloted to the Group.

The investment in all companies were acquired exclusively with a view of its subsequent disposal within twelve months from the date of purchase. They were classified as held for sale on acquisition during the year ended March 31, 2014 and consequently measured at the lower of their carrying amount and fair value less costs to sell.
The Group was able to sell off the investment in Sundew Properties Limited within a twelve month period. The investments in Genext Hardware & Parks Private Limited and Intime Properties Limited required additional time beyond twelve months due to regulatory approvals and approvals from the local state governments.

The Group ceased to hold significant influence on sale of partial stake in Intime Properties Limited on March 30, 2016. Subsequent to partial sale of investment, it does not meet classification as an associate and was accounted under Ind AS 109 - 'Financial Instruments'. (Refer note 7)

The Company had pledged Nil (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: 385,822) equity shares of Sundew Properties Limited and Nil (March 31, 2017: Nil, March 31, 2016: 4,936, March 31, 2015: 4,936, March 31, 2014: 4,936) equity shares of Genext Hardware & Parks Private Limited in favour of Housing Development Finance Corporation Limited, as security for loan taken by entities identified as related parties. In addition, Nil (March 31, 2017: Nil, March 31, 2016: 30,298, March 31, 2015: 30,298, March 31, 2014: 30,298) equity shares of Magna Warehousing and Distribution Private Limited, a wholly owned subsidiary of the Company, were also pledged in favour of Housing Development Finance Corporation Limited, as security for loan taken by entities identified as related parties.

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 18
### Share Capital

**(Rs. in million)**

**(a) Details of the authorised, issued, subscribed and paid-up share capital as below:**

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|---|---|---|---|---|---|
| **(i) Authorised** | | | | | |
| 172,000,000 (March 31, 2017: 152,500,000 March 31, 2016: 152,500,000 March 31, 2015: 152,500,000 March 31, 2014: 152,500,000) equity shares of the par value of Rs. 10 each | **1,720.00** | **1,525.00** | **1,525.00** | **1,525.00** | **1,525.00** |
| **(ii) Issued, subscribed and fully paid-up** | | | | | |
| 171,095,293 (March 31, 2017: 152,142,253 March 31, 2016: 152,142,253 March 31, 2015: 152,142,253 March 31, 2014: 152,142,253) equity shares of the par value of Rs. 10 each | 1,710.95 | 1,521.42 | 1,521.42 | 1,521.42 | 1,521.42 |
| **Total** | **1,710.95** | **1,521.42** | **1,521.42** | **1,521.42** | **1,521.42** |

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

| Particulars | March 31, 2018 Number | March 31, 2018 Amount | March 31, 2017 Number | March 31, 2017 Amount | March 31, 2016 Number | March 31, 2016 Amount | March 31, 2015 Number | March 31, 2015 Amount | March 31, 2014 Number | March 31, 2014 Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of equity shares outstanding at the beginning of the year | 15,21,42,253 | 1,521.42 | 15,21,42,253 | 1,521.42 | 15,21,42,253 | 1,521.42 | 15,21,42,253 | 1,521.42 | 15,21,42,253 | 1,521.42 |
| Issued during the year (Refer note 41) | 1,89,53,040 | 189.53 | - | - | - | - | - | - | - | - |
| **Total** | **17,10,95,293** | **1,710.95** | **15,21,42,253** | **1,521.42** | **15,21,42,253** | **1,521.42** | **15,21,42,253** | **1,521.42** | **15,21,42,253** | **1,521.42** |

# Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 18
### Share Capital *(Continued)*

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

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at March 31, 2016 Proforma | |
|---|---|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Casa Maria Properties LLP (formerly known as Casa Maria Properties Private Limited till March 17, 2016) | 1,64,96,280 | 9.64% | 1,64,96,280 | 10.84% | 1,64,96,280 | 10.84% |
| Capstan Trading LLP (formerly known as Capstan Trading Private Limited till March 17, 2016) | 1,64,95,680 | 9.64% | 1,64,95,680 | 10.84% | 1,64,95,680 | 10.84% |
| Raghukool Estate Development LLP (formerly known as Raghukool Estate Development Private Limited till March 18, 2016) | 1,64,95,680 | 9.64% | 1,64,95,680 | 10.84% | 1,64,95,680 | 10.84% |
| K Raheja Corp Private Limited | 1,45,70,000 | 8.52% | 1,45,70,000 | 9.58% | 1,45,70,000 | 9.58% |
| Touchstone Properties and Hotels Private Limited | 1,45,00,000 | 8.47% | 1,45,00,000 | 9.53% | 1,45,00,000 | 9.53% |
| Ravi Raheja | 1,33,54,374 | 7.81% | 77,68,056 | 5.11% | 77,68,056 | 5.11% |
| Neel Raheja | 1,33,54,374 | 7.81% | 77,68,056 | 5.11% | 77,68,056 | 5.11% |
| Anbee Construction LLP (formerly known as Anbee Construction Private Limited till March 17, 2016) | 1,31,16,180 | 7.67% | 1,31,16,180 | 8.62% | 1,31,16,180 | 8.62% |
| Cape Trading LLP (formerly known as Cape Trading Private Limited till March 17, 2016) | 1,31,16,180 | 7.67% | 1,31,16,180 | 8.62% | 1,31,16,180 | 8.62% |
| K Raheja Private Limited | 1,24,00,000 | 7.25% | 1,24,00,000 | 8.15% | 1,24,00,000 | 8.15% |
| Avacado Properties And Trading (India) Private Limited | | | - | - | 80,00,000 | 5.26% |
| Genext Hardware & Parks Private Limited | 80,00,000 | 4.68% | 80,00,000 | 5.26% | - | - |
| | **15,18,98,748** | **88.78%** | **14,07,26,112** | **92.50%** | **14,07,26,112** | **92.50%** |

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

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 18
### Share Capital *(Continued)*

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

**(Rs. in million)**

| Particulars | As at March 31, 2015 Proforma | | As at March 31, 2014 Proforma | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Casa Maria Properties LLP (formerly known as Casa Maria Properties Private Limited till March 17, 2016) | 1,64,96,280 | 10.84% | 1,64,96,280 | 10.84% |
| Capstan Trading LLP (formerly known as Capstan Trading Private Limited till March 17, 2016) | 1,64,95,680 | 10.84% | 1,64,95,680 | 10.84% |
| Raghukool Estate Development LLP (formerly known as Raghukool Estate Development Private Limited till March 18, 2016) | 1,64,95,680 | 10.84% | 1,64,95,680 | 10.84% |
| K Raheja Corp Private Limited | 1,45,70,000 | 9.58% | 1,45,70,000 | 9.58% |
| Touchstone Properties and Hotels Private Limited | 1,45,00,000 | 9.53% | 1,45,00,000 | 9.53% |
| Ravi Raheja | 77,68,056 | 5.11% | 77,68,056 | 5.11% |
| Neel Raheja | 77,68,056 | 5.11% | 77,68,056 | 5.11% |
| Anbee Construction LLP (formerly known as Anbee Construction Private Limited till March 17, 2016) | 1,31,16,180 | 8.62% | 1,31,16,180 | 8.62% |
| Cape Trading LLP (formerly known as Cape Trading Private Limited till March 17, 2016) | 1,31,16,180 | 8.62% | 1,31,16,180 | 8.62% |
| K Raheja Private Limited | 1,24,00,000 | 8.15% | 1,24,00,000 | 8.15% |
| Avacado Properties And Trading (India) Private Limited | 80,00,000 | 5.26% | 80,00,000 | 5.26% |
| | **14,07,26,112** | **92.50%** | **14,07,26,112** | **92.50%** |

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

**(d) Rights, Preferences and restrictions attached to equity shares**

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

**(e) Details of shares issued for other than cash**

| Particulars | March 31, 2018 Number | March 31, 2018 Amount | March 31, 2017 Number | March 31, 2017 Amount | March 31, 2016 Proforma Number | March 31, 2016 Proforma Amount | March 31, 2015 Proforma Number | March 31, 2015 Proforma Amount | March 31, 2014 Proforma Number | March 31, 2014 Proforma Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| Issued during the year (Refer note 41) | 1,89,53,040 | 189.53 | - | - | - | - | - | - | - | - |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 19** | | | | | |
| **Other equity** | | | | | |
| Securities premium account | **1,418.13** | 1,418.13 | 992.60 | 992.60 | 992.60 |
| Shares pending allotment | **-** | 189.53 | - | - | - |
| General reserve | **35.78** | 35.78 | - | - | - |
| Capital reserve | **0.16** | 0.16 | 0.16 | 0.05 | 0.05 |
| Retained earnings | **1,790.04** | 1,505.43 | 2,656.65 | 3,806.38 | 4,090.93 |
| | **3,244.11** | **3,149.03** | **3,649.41** | **4,799.03** | **5,083.58** |

**Nature and Purpose of reserves (refer Annexure III - Restated Consolidated Summary Statement of Changes in Equity for movement in reserves):**

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

**Shares pending allotment**
Shares pending allotment represents consideration to be issued in relation to the merger of Genext Hardware and Parks Private Limited. The issue of such shares was completed in the financial year ended March 31, 2018 on receipt of requisite approvals for the merger (refer note 41).

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

**Capital reserve**
The reserve comprises of profits/gains of capital nature earned by the Group and credited directly to such reserve.

**Retained earnings**
Retained Earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders. It includes impact of fair valuation of land on transition to Ind AS and presently not available for distribution to shareholders (net of related tax impact): Rs. 3,710.05 million (March 31 2017: Rs. 3,724.38 million, March 31, 2016: Rs. 3,724.38 million, March 31, 2015: 3,750.36 million, March 31, 2014: 2,868.51 million)

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 20
### Long-term borrowings

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Borrowings** | | | | | |
| **Secured** | | | | | |
| **Rupee term loans** | | | | | |
| i) From bank (refer note A) | **12,760.60** | 12,433.93 | 8,229.92 | 4,403.05 | 3,645.65 |
| ii) From financial institutions (refer note A) | **5,975.65** | 4,815.63 | 7,002.72 | 5,551.43 | 4,266.50 |
| iii) Vehicle loans from banks (refer note A) | **5.21** | 15.85 | 24.69 | 35.13 | 6.31 |
| **Foreign currency term loans** | | | | | |
| i) From bank (refer note A) | **3,250.07** | 3,080.35 | 3,765.50 | 5,397.31 | 6,287.23 |
| **Preference share liability** | | | | | |
| Non-cumulative redeemable preference shares (Refer note B) | **160.00** | - | - | 0.11 | 0.11 |
| Non-cumulative redeemable preference shares pending allotment (Refer footnote) | - | 160.00 | - | - | - |
| | **22,151.53** | **20,505.76** | **19,022.83** | **15,387.03** | **14,205.80** |

Note: 1,600 non-cumulative preference shares were payable as consideration pursuant to the Scheme of Arrangement " ('the Scheme') to demerge the Hotel Undertaking and the Retail Undertaking of Genext Hardware & Parks Private Limited ("Transferor Company") with the Company. These shares were issued and allotted during the year ended March 31, 2018. (refer note 41)

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**Note 20**
**Long-term borrowings**
**(A) Terms of repayment**

| Particulars | Sanction amount | Carrying rate of interest as at March 31, 2018 | Carrying rate of interest as at March 31, 2017 | Carrying rate of interest as at March 31, 2016 Proforma | Carrying rate of interest as at March 31, 2015 Proforma | Carrying rate of interest as at March 31, 2014 Proforma | Repayment/ modification of terms | Security details |
|---|---|---|---|---|---|---|---|---|
| **Term loans - Rupee loans From banks** | | | | | | | | |
| The Ratnakar Bank Ltd | 1,500 | 9.77% | 10.55% | 10.65% | NA | NA | Repayable quarterly instalment starting from August 2015 to May 2020. | It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II. |
| Indian Overseas Bank | 1,000 | NA | NA | NA | 12.75% | 12.75% | Repayable half yearly in June and December from June 2009 to June 2015. | It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II. |
| Standard Chartered Bank | 2,000 | 9.00% | 10.45% | 10.45% | NA | NA | Repayable monthly instalment over 84 month starting from April 2016 to February 2023 and balance amount is bullet payment on March 2023. | It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.Standard Chartered Bank has charge on the ISRA account created in respect of security. |
| Standard Chartered Bank | 1,950 | 9.20% | NA | NA | NA | NA | Repayable half yearly starting from March 2018 to March 2022 and balance amount is bullet payment on Nov 2022. | 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. |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

**Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)**

**(Rs. in million)**

**Note 20**
**Long-term borrowings**

**(A) Terms of repayment *(Continued)***

| Particulars | Sanction amount | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Repayment/ modification of terms | Security Details |
|---|---|---|---|---|---|---|---|---|
| | (Rs. in million) | as at March 31, 2018 | as at March 31, 2017 | as at March 31, 2016 Proforma | as at March 31, 2015 Proforma | as at March 31, 2014 Proforma | | |
| ICICI Bank Ltd | 3080 (Term Loan - Rs. 2285 million with Rs. 300 million OD as a sub-limit of term loan) | 9.25% | 10.00% | 10.80% | 12.00% | 12.00% | Repayable quarterly instalment starting from December 2017 to September 2026. | It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar. |
| Bank of Baroda | 900 | 8.85% | 11.20% | 11.25% | NA | NA | Repayable monthly instalment from 30 April 2018 to 31 Oct 2026 of Rs.8.30 million and remaining amount bullet payment on 30 Nov 2026. | |
| ICICI Bank Ltd | 1,500 | NA | NA | NA | 12.55% | 12.55% | Repayable quarterly instalment over 24 quarters from year 2013. | It is secured by first pari passu charge on moveable and immoveable assets including receivables at Hyderabad Hotel project. |
| Corporation Bank | 900 | NA | NA | NA | 13.00% | 12.60% | Repayable monthly instalment over 96 months from April 2011. | |
| Corporation Bank | 500 | NA | NA | NA | NA | 12.60% | Repayable monthly instalment over 72 months from April 2009 to March 2015. | |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**Note 20**
**Long-term borrowings**
**(A) Terms of repayment *(Continued)***

| Particulars | Sanction amount | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Repayment/ modification of terms | Security Details |
|---|---|---|---|---|---|---|---|---|
| | (Rs. in million) | as at March 31, 2018 | as at March 31, 2017 | as at March 31, 2016 Proforma | as at March 31, 2015 Proforma | as at March 31, 2014 Proforma | | |
| Standard Chartered Bank | 2,567 | 9.25% | 10.80% | 12.28% | NA | NA | Repayable monthly instalment over 60 months starting from November 2017 to September 2022 and balance amount is bullet payment on October 2022. | It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre and office Block Sahar, Mumbai. (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre and office Block, Sahar Mumbai. |
| Yes Bank Ltd | 1100 (Term Loan - Rs. 900 million and OD sub-limit - Rs. 200 million of sanction) | 9.25% | 10.43% | NA | NA | NA | Repayable in quarterly 28 instalments from March 2020 to December 2026. | It is secured by exclusive charge on Land for Powai Phase III land |
| Yes Bank Ltd | 1,500 | NA | NA | NA | 12.25% | 12.75% | Repayable in quarterly instalments from the expiry of 3 years from the date of disbursement. | 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. |
| Union Bank of India | 1,000 | NA | NA | 11.15% | 12.50% | 12.50% | Repayable within 3 years starting from 2015 | It is secured by (i) Exclusive charge on land pertaining to Powai Phase III- (ii) Second charge on the current assets of the company. |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**Note 20**
**Long-term borrowings**
**(A) Terms of repayment *(Continued)***

| Particulars | Sanction amount | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Repayment/ modification of terms | Security Details |
|---|---|---|---|---|---|---|---|---|
| | (Rs. in million) | as at March 31, 2018 | as at March 31, 2017 | as at March 31, 2016 Proforma | as at March 31, 2015 Proforma | as at March 31, 2014 Proforma | | |
| Other Loans from Banks - Vehicle | 45 | 11% | 10.50% to 10.75% | 10.50% to 10.75% | 10.50% to 10.75% | 10.50% to 10.75% | Repayable in monthly instalments till year ending June 2019. | It is secured against hypothecation of vehicles financed by those banks. |
| Other Loans from Banks - Vehicle | | 11% | 10.50% to 10.75% | 10.50% to 10.75% | 10.50% to 10.75% | 10.50% to 10.75% | Repayable in monthly instalments till year ending June 2017. | It is secured against hypothecation of vehicles financed by those banks. |
| Standard Chartered Bank | 900 (Term Loan - Rs. 750 million and OD Rs. 150 million) | 8.85% | NA | NA | NA | NA | Repayable monthly instalments 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 Rs. 50 million. |
| Standard Chartered Bank | 1000 (Term Loan - Rs. 700 million and OD Rs. 300 million) | NA | 10.25% | NA | NA | NA | Of the term loan amount, Rs 961.60 million is repayable in 51 monthly instalments from June 2012 ranging between Rs. 4.50 million to Rs 10.40 million and a bullet payment of Rs. 608.00 million in last instalment. | It is secured by (i) first charge by way of equitable mortgage in favour of lender on the premises being Retail Block at Bengaluru having a built up area of approximately 29,803.90 sq. mtrs together with proportionate land appurtenant thereto being a portion of immovable property on a first pari passu basis and (ii) first pari passu charge over all the present and future book debts, outstanding moneys receivable, claims and bills and (iii) cash shortfall undertaking from, Chalet Hotel Limited (formerly known as Chalet Hotels Private Limited). (iv) Charge over DSRA amounting to Rs. 50 million. |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**Note 20**
**Long-term borrowings**
**(A) Terms of repayment *(Continued)***

| Particulars | Sanction amount | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Repayment/ modification of terms | Security Details |
|---|---|---|---|---|---|---|---|---|
| | (Rs. in million) | as at March 31, 2018 | as at March 31, 2017 | as at March 31, 2016 Proforma | as at March 31, 2015 Proforma | as at March 31, 2014 Proforma | | |
| ICICI Bank Ltd | 1,900 | 9.25% | 10% | NA | NA | NA | Repayable quarterly instalments from September 2016 to June 2025. | It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield. |
| Citi Bank NA | 500 | 8.20% | NA | NA | NA | NA | Repayable in monthly instalments from May 2017 to April 2025. | It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja. |
| Citi Bank NA | 443 | 8.20% | 9.25% | NA | NA | NA | Repayable in monthly instalments from November 2016 to March 2024. | It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja. |
| Standard Chartered - IT Building | 300 (Rs. 210 million as term loan with Rs. 90 million overdraft facility) | NA | NA | NA | 12.50% | 12.50% | Repayable Rs. 300 million bullet payment after 27 months (i.e. July 2015). | Secured by charge over IT / Commercial at Whitefield through Escrow Mechanism, securing a minimum security cover of 1.75x. |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

**Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)**

**(Rs. in million)**

**Note 20**
**Long-term borrowings**

**(A) Terms of repayment *(Continued)***

| Particulars | Sanction amount | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Repayment/ modification of terms | Security Details |
|---|---|---|---|---|---|---|---|---|
| | (Rs. in million) | as at March 31, 2018 | as at March 31, 2017 | as at March 31, 2016 Proforma | as at March 31, 2015 Proforma | as at March 31, 2014 Proforma | | |
| **Term loans - Rupee loans**<br>**From financial institutions** | | | | | | | | |
| Housing Development Finance Corporation Limited | 2,000 | 8.70% | 9.75% | 10.85% | 12.00% | 12.00% | Repayable monthly instalment ending on March 2019. | It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II. |
| Housing Development Finance Corporation Limited | 1,000 | NA | 9.75% | 10.85% | 11.50% | 12.00% | Repayable monthly instalment ending on January 2018. | |
| Housing Development Finance Corporation Limited | 700 | NA | NA | NA | NA | 12.00% | Repayable monthly instalment ending on October 2014. | It is secured by (i) mortgage of immovable properties at Vashi Hotel premises together with proportionate undivided interest in the land and common area, facilities and parking area and construction thereon present and future. (ii) Corporate Guarantee of related party. |
| Housing Development Finance Corporation Limited | 3,000 | NA | NA | NA | 12.00% | 12.50% | Repayable daily from collection of flat holders till July 2016 whichever is earlier. | It is secured by (i) first exclusive mortgage and charge on the (a) larger land area of 291,145.36 sq. ft. bearing New Municipal No.21,Koramangala Industrial Layout, Ward No.68, PID No.68-4-21, Bengaluru 560 034 (excluding the undivided interest in the plinth area of the residential towers in respect of flats/ units already sold by the company before the date of creation of the charge and the proportionate undivided interest in the common areas and facilities in the larger land relating to such flats already sold) and (b) structures to be constructed on the larger land, present and future, excluding the area of flats already sold (ii) a first charge on and hypothecation of all receivables from the Koramangala project and (iii) security interest in the designated account (escrow account) opened with HDFC Bank Limited, Bengaluru for the deposit of all receivables from the Koramangala project. |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**Note 20**
**Long-term borrowings**
**(A) Terms of repayment *(Continued)***

| Particulars | Sanction amount | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Carrying rate of interest | Repayment/ modification of terms | Security Details |
|---|---|---|---|---|---|---|---|---|
| | (Rs. in million) | as at March 31, 2018 | as at March 31, 2017 | as at March 31, 2016 Proforma | as at March 31, 2015 Proforma | as at March 31, 2014 Proforma | | |
| Housing Development Finance Corporation Limited | 1,500 | NA | NA | NA | NA | 12.50% | Repayable daily from collection of flat holders till July 2016 whichever is earlier. | It is secured by (i) Exclusive charge on immovable property and receivables at Four Points By Sheraton, Vashi (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Four Points By Sheraton, Vashi (iii) Guarantee by related party. |
| Housing Development Finance Corporation Limited | 2,500 | 8.70% | 9.75% | 10.85% | 12.00% | NA | Repayable yearly from 31 March 2019 to 31 March 2026. | It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations . |
| Housing Development Finance Corporation Limited | 1,000 | NA | NA | NA | NA | 12.25% | Payable on demand | It is secured by personal guarantee by related party. |
| Housing Development Finance Corporation Limited | 3,600 | 8.70% | 10.10% | 10.60% | NA | NA | Repayable monthly instalment ending on April 2025. | It is secured by (i) Exclusive charge on immovable and movable property and receivables at Westin Hotel (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Westin Hotel. |

Chalet Hotels Limited
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## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**Note 20**
**Long-term borrowings**
**(A) Terms of repayment *(Continued)***

**Foreign currency loans**
**From banks**

| Particulars | Sanction amount (USD in million) | Carrying rate of interest as at March 31, 2018 | Carrying rate of interest as at March 31, 2017 | Carrying rate of interest as at March 31, 2016 Proforma | Carrying rate of interest as at March 31, 2015 Proforma | Carrying rate of interest as at March 31, 2014 Proforma | Repayment/ modification of terms of terms | Security details |
|---|---|---|---|---|---|---|---|---|
| Standard Chartered Bank, Singapore | 30 | NA | NA | NA | 3.00% fixed plus 3 month LIBOR | 3.00% fixed plus 3 month LIBOR | Repayable bullet payment on March 2016. | It is secured by (i) Pari-passu charge on Hotel and apartment property (both present and future) located at Powai for a minimum security cover of 1.5x (ii) Pari Passu charge over above project receivables . |
| Standard Chartered Bank, UK | 30 | 3.75% fixed plus 6 month LIBOR | 3.75% fixed plus 6 month LIBOR | NA | NA | NA | Repayable in half yearly from January 2017 to July 2021. | It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield. |
| Standard Chartered Bank, UK | 30 | 4.25% fixed plus 3 month LIBOR | 4.25% fixed plus 3 month LIBOR | 4.25% fixed plus 3 month LIBOR | 4.25% fixed plus 3 month LIBOR | 4.25% fixed plus 3 month LIBOR | Repayable in two instalments November 2017 and May 2018. | It is secured by (i) Pari-passu charge on immovable property and receivables at Powai - Phase I and II (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.Standard Chartered Bank has charge on the ISRA account created in respect of security. |
| ICICI Bank Ltd - UK | 15 | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | Repayable quarterly from April 2018 to January 2027. | It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations. |
| ICICI Bank Ltd - Bahrain | 48 (drawn only USD 12.2 million) | 4.00% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | 4.75% fixed plus 3 month LIBOR | Repayable quarterly from June 2018 to March 2027. | |

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

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 20
### Long-term borrowings
**(B) Preference share capital**

**(a) Details of the authorised, issued, subscribed and paid-up preference share capital as below:** **(Rs. in million)**

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **(i) Authorised** | | | | | |
| 1,600 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each | **160.00** | - | - | - | - |
| Nil (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: 11,000, March 31, 2014: 11,000) 7% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up | - | - | - | 0.11 | 0.11 |
| **(ii) Issued, subscribed and paid-up** | | | | | |
| 1,600 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each* | **160.00** | - | - | - | - |
| Nil (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: 11,000, March 31, 2014: 11,000) 7% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up | - | - | - | 0.11 | 0.11 |
| **Total** | **160.00** | **-** | **-** | **0.11** | **0.11** |

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

| Particulars | March 31, 2018 Number | March 31, 2018 Amount | March 31, 2017 Number | March 31, 2017 Amount | March 31, 2016 Proforma Number | March 31, 2016 Proforma Amount |
|---|---|---|---|---|---|---|
| Number of Preference shares outstanding at the beginning of the year | - | - | - | - | - | - |
| Issued during the year | **1,600** | **160.00** | - | - | - | - |
| **Number of Preference shares outstanding at the end of the year** | **1,600** | **160.00** | **-** | **-** | **-** | **-** |

| Particulars | March 31, 2015 Proforma Number | March 31, 2015 Proforma Amount | March 31, 2014 Proforma Number | March 31, 2014 Proforma Amount |
|---|---|---|---|---|
| Number of Preference shares outstanding at the beginning of the year | 11,000 | 0.11 | 11,000 | 0.11 |
| Issued during the year | - | - | - | - |
| **Number of Preference shares outstanding at the end of the year** | **11,000** | **0.11** | **11,000** | **0.11** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 20
### Long-term borrowings
**(B) Preference Share Capital *(Continued)***

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

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at March 31, 2016 - Proforma | |
|---|---|---|---|---|---|---|
| | No. of shares held | % of holding | No. of shares held | % of holding | No. of shares held | % of holding |
| 1,600 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each | | | | | | |
| Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja* | **1,600** | 100.00% | - | - | - | - |
| | **1,600** | **100.00%** | **-** | **-** | **-** | **-** |
| Nil (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: 11,000, March 31, 2014: 11,000) 7% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up | | | | | | |
| Mr. Ajay Mohan Sarup | - | - | - | - | - | - |
| Indian Cork Mills Limited | - | - | - | - | - | - |
| | - | - | - | - | - | - |

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

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 20
### Long-term borrowings

| Particulars | As at March 31, 2015 - Proforma | | As at March 31, 2014 - Proforma | |
|---|---|---|---|---|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| 1,600 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each | | | | |
| Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja | - | - | - | - |
| | - | - | - | - |
| Nil (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: 11,000, March 31, 2014: 11,000) 7% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up | | | | |
| Mr. Ajay Mohan Sarup | 5,500 | 50.00% | 5,500 | 50.00% |
| Indian Cork Mills Limited | 5,500 | 50.00% | 5,500 | 50.00% |
| | **11,000** | **100.00%** | **11,000** | **100.00%** |

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

1,600 (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each
The Group has only one class of preference shares having a par value of Rs 100,000 per share. The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the Company for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of Re 1 per preference share per year.

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

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

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 21** | | | | | |
| **Other non-current financial liabilities** | | | | | |
| Security deposits | **151.77** | 115.42 | 13.45 | 15.85 | 15.39 |
| Retention money | - | 3.56 | 39.58 | 10.77 | - |
| | **151.77** | **118.98** | **53.03** | **26.62** | **15.39** |

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 22** | | | | | |
| **Provisions** | | | | | |
| Provision for gratuity | **38.11** | 57.62 | 55.74 | 51.19 | 36.80 |
| | **38.11** | **57.62** | **55.74** | **51.19** | **36.80** |

Chalet Hotels Limited

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## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 23
### Tax expense

**(Rs. in million)**

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

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 | For the year ended March 31, 2015 | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Current income tax expense** | - | - | - | - | 65.19 |
| **Deferred income tax liability / (asset), net** | | | | | |
| Origination and reversal of temporary differences | **(44.27)** | (483.22) | (535.14) | (139.39) | (385.65) |
| Utilisation of previously unrecognised tax losses | **(19.97)** | - | - | - | - |
| Change in tax rate | **4.42** | - | - | (4.80) | - |
| **Deferred tax credit** | **(59.82)** | (483.22) | (535.14) | (144.19) | (385.65) |
| **Tax credit for the year** | **(59.82)** | **(483.22)** | **(535.14)** | **(144.19)** | **(320.46)** |

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

| | For the year ended March 31, 2018 | | | For the year ended March 31, 2017 | | | For the year ended March 31, 2016 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Before tax | Tax (expense) benefit | Net of tax | 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 | 22.54 | (7.88) | **14.66** | 0.20 | (0.07) | 0.13 | 1.93 | (0.67) | 1.26 |
| | **22.54** | **(7.88)** | **14.66** | **0.20** | **(0.07)** | **0.13** | **1.93** | **(0.67)** | **1.26** |

| | For the year ended March 31, 2015 Proforma | | | For the year ended March 31, 2014 Proforma | | |
|---|---|---|---|---|---|---|
| | 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 | (3.98) | 1.38 | (2.60) | (4.73) | 1.61 | (3.12) |
| | **(3.98)** | **1.38** | **(2.60)** | **(4.73)** | **1.61** | **(3.12)** |

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

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Deferred income tax liability, net | **(14.32)** | - | (25.97) | (287.69) | 11.08 |

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## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 23
### Tax expense *(Continued)*

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

**(Rs. in million)**

| | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 | For the year ended March 31, 2015 | For the year ended March 31, 2014 |
|---|---|---|---|---|---|
| | | | Proforma | Proforma | Proforma |
| Profit / (loss) before tax | **224.45** | 791.16 | (1,660.03) | (1,408.10) | (1,408.51) |
| Company's domestic tax rate | **34.61%** | 34.61% | 34.61% | 34.61% | 33.99% |
| **Tax using the Company's domestic tax rate** | **77.68** | **273.80** | **(574.50)** | **(487.32)** | **(478.75)** |
| | | | | | |
| **Tax effect of:** | | | | | |
| Expenses not allowed under tax | **(9.05)** | 39.13 | 34.80 | (6.50) | 302.49 |
| Income not subject to tax | **(0.51)** | (36.36) | (3.56) | (1.19) | - |
| Utilisation of brought forward losses | **(19.97)** | - | - | - | - |
| Adjustment for deferred taxes (prior period) | **-** | (241.07) | - | - | - |
| Indexation of land and investment property | **(118.52)** | (526.51) | (38.66) | (39.83) | (32.50) |
| Indexation of equity instruments | **-** | - | (115.29) | (4.48) | (3.73) |
| Difference in applicable tax rates | **(13.47)** | (1.25) | 1.12 | - | - |
| Deferred tax asset not recognised on current year's loss | **19.60** | 88.34 | 687.97 | 2,701.12 | 5.09 |
| Section 35AD deduction | - | 232.19 | (7.90) | (2,301.19) | - |
| Change in tax rate | **4.42** | - | - | (4.80) | - |
| Recognition of deferred tax asset on unrecognised tax losses | - | (346.08) | (519.12) | - | (114.13) |
| Others | - | 34.58 | - | - | 1.08 |
| | **(59.82)** | **(483.22)** | **(535.14)** | **(144.19)** | **(320.46)** |

The Company's weighted average tax rates for years ended March 31, 2018, 2017, 2016, 2015 and 2014 were (26.65%), (61.08%), 32.24%, 10.24% and 22.75%, 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.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**(e) Movement in deferred tax balances**

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

| | Net balance April 1, 2017 | Recognised in profit or loss credit/(charge) | Recognised in OCI | Recognised in equity | Net balance March 31, 2018 |
|---|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | | |
| Property, plant and equipment | (3,241.40) | 113.15 | - | (14.32) | (3,142.57) |
| Investment Property | 59.48 | 20.44 | - | - | 79.92 |
| Assets classified as held for sale | 0.03 | 0.01 | - | - | 0.04 |
| Real Estate Inventory | (27.46) | (6.82) | - | - | (34.28) |
| Expenditure on specified business u/s 35 AD | 2,328.27 | 22.59 | - | - | 2,350.86 |
| Investments | (0.28) | (0.00) | - | - | (0.28) |
| Provisions | 350.40 | 30.50 | (7.88) | - | 373.02 |
| Borrowings | (71.76) | 8.51 | - | - | (63.25) |
| Other current liabilities | 91.81 | (175.23) | - | - | (83.43) |
| Other items | (80.54) | 91.09 | - | - | 10.55 |
| Unabsorbed depreciation / carry forward tax losses | 865.21 | (44.40) | - | - | 820.80 |
| **Deferred tax asset/(liabilities)** | **273.75** | **59.82** | **(7.88)** | **(14.32)** | **311.38** |

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

| | Net balance April 1, 2016 | Recognised in profit or loss credit/(charge) | Recognised in OCI | Recognised in equity | Acquired in business combinations | Net balance March 31, 2017 |
|---|---|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | | | |
| Property, plant and equipment | (1,908.12) | (1,450.67) | - | - | 117.39 | (3,241.40) |
| Investment Property | 64.72 | (5.24) | - | - | - | 59.48 |
| Assets classified as held for sale | 110.30 | (110.27) | - | - | - | 0.03 |
| Real Estate Inventory | (73.54) | 46.08 | - | - | - | (27.46) |
| Expenditure on specified business u/s 35 AD | - | 2,328.27 | | | | 2,328.27 |
| Investments | 2.22 | (2.50) | - | - | - | (0.28) |
| Provisions | 366.84 | (20.82) | (0.07) | - | 4.45 | 350.40 |
| Borrowings | (51.41) | 7.34 | - | - | (27.69) | (71.76) |
| Other current liabilities | 243.96 | (152.15) | - | - | - | 91.81 |
| Other items | 356.38 | (386.70) | - | - | (50.22) | (80.54) |
| Unabsorbed depreciation / carry forward tax losses | 635.33 | 229.88 | - | - | - | 865.21 |
| **Deferred tax asset/(liabilities)** | **(253.33)** | **483.22** | **(0.07)** | **-** | **43.93** | **273.75** |

**Movement in deferred tax balances for the year ended March 31, 2016 - Proforma**

| | Net balance April 1, 2015 | Recognised in profit or loss credit/(charge) | Recognised in OCI | Recognised in equity | Net balance March 31, 2016 |
|---|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | | |
| Property, plant and equipment | (3,867.49) | 1,985.35 | - | (25.97) | (1,908.12) |
| Investment Property | 54.13 | 10.60 | - | - | 64.72 |
| Assets classified as held for sale | - | 110.30 | - | - | 110.30 |
| Real Estate Inventory | (106.61) | 33.08 | - | - | (73.53) |
| Expenditure on specified business u/s 35 AD | 2,301.20 | (2,301.20) | - | - | - |
| Investments | - | 2.22 | - | - | 2.22 |
| Provisions | 354.62 | 12.90 | (0.67) | - | 366.84 |
| Borrowings | (33.79) | (17.62) | - | - | (51.41) |
| Other current liabilities | 319.81 | (75.85) | - | - | 243.95 |
| Other items | 100.11 | 256.26 | - | - | 356.37 |
| Unabsorbed depreciation / carry forward tax losses | 116.21 | 519.12 | - | - | 635.33 |
| **Deferred tax asset/(liabilities)** | **(761.83)** | **535.14** | **(0.67)** | **(25.97)** | **(253.33)** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(e) Movement in deferred tax balances** ***(Continued)***

**(Rs. in million)**

**Movement in deferred tax balances for the year ended March 31, 2015 - Proforma**

| | Net balance April 1, 2014 | Recognised in profit or loss credit/(charge) | Recognised in OCI | Recognised in equity | Net balance March 31, 2015 |
|---|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | | |
| Property, plant and equipment | (1,340.31) | (2,239.49) | - | (287.69) | (3,867.49) |
| Investment Property | 43.82 | 10.31 | - | - | 54.13 |
| Real Estate Inventory | (224.88) | 118.27 | - | - | (106.61) |
| Expenditure on specified business u/s 35 AD | - | 2,301.20 | - | - | 2,301.20 |
| Investments | 2.11 | (2.11) | - | - | - |
| Provisions | 349.34 | 3.90 | 1.38 | - | 354.62 |
| Borrowings | (41.29) | 7.50 | - | - | (33.79) |
| Other current liabilities | 484.89 | (165.08) | - | - | 319.81 |
| Other items | (7.51) | 107.62 | - | - | 100.11 |
| Unabsorbed depreciation / carry forward tax losses | 114.13 | 2.08 | - | - | 116.21 |
| **Deferred tax asset/(liabilities)** | **(619.70)** | **144.19** | **1.38** | **(287.69)** | **(761.83)** |

**Movement in deferred tax balances for the year ended March 31, 2014 - Proforma**

| | Net balance April 1, 2013 | Recognised in profit or loss credit/(charge) | Recognised in OCI | Recognised in equity | Net balance March 31, 2014 |
|---|---|---|---|---|---|
| **Deferred tax asset/(liabilities)** | | | | | |
| Property, plant and equipment | (1,395.45) | 44.07 | - | 11.08 | (1,340.31) |
| Investment Property | 35.44 | 8.38 | - | - | 43.82 |
| Real Estate Inventory | (439.24) | 214.36 | - | - | (224.88) |
| Investments | - | 2.11 | - | - | 2.11 |
| Provisions | 200.71 | 147.02 | 1.61 | - | 349.34 |
| Borrowings | (24.01) | (17.28) | - | - | (41.29) |
| Other current liabilities | 525.63 | (40.74) | - | - | 484.89 |
| Other items | 78.88 | (86.39) | - | - | (7.51) |
| Unabsorbed depreciation / carry forward tax losses | - | 114.13 | - | - | 114.13 |
| **Deferred tax asset/(liabilities)** | **(1,018.04)** | **385.65** | **1.61** | **11.08** | **(619.70)** |

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

**(e) Movement in deferred tax balances *(Continued)***

**(Rs. in million)**

**Movement in deferred tax balances for the year ended March 31, 2014 - Proforma *(Continued)***

**Unrecognised deferred tax assets**

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

| | March 31, 2018 | | | March 31, 2017 | | |
|---|---|---|---|---|---|---|
| | **Gross amount** | **DTA not recognised** | **Expiry date** | **Gross amount** | **DTA not recognised** | **Expiry date** |
| House property loss | 84.39 | 29.49 | March 31, 2026 | - | - | NA |
| Business Loss | 0.26 | 0.09 | March 31, 2019 | 47.65 | 16.49 | March 31, 2025 |
| Business Loss | 0.31 | 0.11 | March 31, 2020 | 489.45 | 169.39 | March 31, 2024 |
| Business Loss | 0.59 | 0.21 | March 31, 2021 | - | - | NA |
| Business Loss | 0.64 | 0.22 | March 31, 2022 | - | - | NA |
| Business Loss | 0.08 | 0.03 | March 31, 2023 | - | - | NA |
| Business Loss | 0.06 | 0.02 | March 31, 2025 | - | - | NA |
| Unabsorbed depreciation | 0.93 | 0.32 | NA | - | - | NA |
| **Total** | **87.26** | **30.49** | | **537.10** | **185.88** | |

| | March 31, 2016 - Proforma | | | March 31, 2015 - Proforma | | |
|---|---|---|---|---|---|---|
| | **Gross amount** | **DTA not recognised** | **Expiry date** | **Gross amount** | **DTA not recognised** | **Expiry date** |
| Business Loss | 1,453.33 | 502.97 | March 31, 2024 | 1,536.12 | 531.62 | March 31, 2023 |
| Short Term Capital Loss | 36.12 | 12.50 | March 31, 2023 | - | - | NA |
| Short Term Capital Loss | 6.19 | 1.43 | March 31, 2023 | 8.46 | 1.92 | March 31, 2019 |
| Short Term Capital Loss | - | - | NA | 2.55 | 0.58 | March 31, 2018 |
| Short Term Capital Loss | 4.60 | 1.06 | March 31, 2022 | 0.21 | 0.05 | March 31, 2017 |
| Long Term Capital Loss | 0.21 | 0.05 | March 31, 2017 | 6.19 | 1.40 | March 31, 2023 |
| Long Term Capital Loss | 8.46 | 1.95 | March 31, 2019 | 4.60 | 1.04 | March 31, 2022 |
| Long Term Capital Loss | 0.00 | 0.00 | March 31, 2022 | 0.62 | 0.14 | March 31, 2016 |
| **Total** | **1,511.46** | **520.55** | | **1,558.75** | **536.75** | |

| | March 31, 2014 - Proforma | | |
|---|---|---|---|
| | **Gross amount** | **DTA not recognised** | **Expiry date** |
| Short Term Capital Loss | 8.46 | 1.92 | March 31, 2019 |
| Short Term Capital Loss | 2.55 | 0.58 | March 31, 2018 |
| Short Term Capital Loss | 0.21 | 0.05 | March 31, 2017 |
| Long Term Capital Loss | 4.60 | 1.04 | March 31, 2022 |
| Long Term Capital Loss | 1.89 | 0.43 | March 31, 2017 |
| Long Term Capital Loss | 0.62 | 0.14 | March 31, 2016 |
| | **18.33** | **4.15** | |

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

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

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

Further, the Group had incurred losses in relation to the residential project at Bengaluru pursuant to litigation which arose during the financial year ended March 31, 2014. During the financial year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Group, decided that the Group should proactively consider re-commencement of construction upto the minimum permissible limits and engage with the buyers above the 10th floor for evaluating possible options. Consequently, the Group has made a provision for estimated losses on such cancellations pertaining to all flats above 10 floors and recognised the same during the financial year ended March 31, 2018 (refer note 36 of Annexure VI). Such costs have been pushed back for the purpose of restated consolidated summary financial statements (refer Annexure VII). 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 a deferred tax asset of Rs. 828.80 million as at March 31, 2018 (March 31, 2017: Rs 865.20 million, March 31, 2016: Rs. 519.12 million, March 31, 2015: Rs Nil, March 31, 2014: Rs Nil) on the carried forward losses of the Group.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 24** | | | | | |
| **Other non-current liabilities** | | | | | |
| Deferred finance income | **28.08** | 21.15 | - | - | - |
| | **28.08** | **21.15** | **-** | **-** | **-** |

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 25** | | | | | |
| **Borrowings** | | | | | |
| **Secured** | | | | | |
| From financial institutions | - | - | - | - | 173.44 |
| Cash credit / over draft accounts from banks | **433.19** | 108.48 | 763.24 | 326.71 | 546.27 |
| **Unsecured** | | | | | |
| From related parties | **948.68** | 2,813.24 | 1,133.20 | 822.01 | 317.65 |
| From Directors | - | 74.00 | - | - | - |
| Acceptances | - | - | - | - | - |
| Buyer's credit | **252.29** | 251.73 | 686.73 | 658.96 | 377.09 |
| | **1,634.16** | **3,247.45** | **2,583.17** | **1,807.68** | **1,414.45** |

**(A) Terms associated with secured loan**

| Name of Lenders | Sanction Amount (Rs. in million) | Carrying rate of Interest as at March 31, 2018 | Carrying rate of Interest as at March 31, 2017 | Carrying rate of Interest as at March 31, 2016 Proforma | Carrying rate of Interest as at March 31, 2015 Proforma | Carrying rate of Interest as at March 31, 2014 Proforma | Repayment/ Modification of terms | Security Details |
|---|---|---|---|---|---|---|---|---|
| **From Banks:** | | | | | | | | |
| Standard Chartered Bank | 500 | 10.90% to 10.05% | 11.75% to 10.90% | 12% to 11.75% | 12.50% to 12.00% | 13.50% to 12.50% | 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 - Rs. 900 million and OD sub-limit - Rs. 200 million of sanction) | 9.90 to 9.60% | 9.90% | NA | NA | NA | Repayable in quarterly 28 instalments from March 2020 to December 2026. | It is secured by exclusive charge on Land for Powai Phase III land |
| ICICI Bank Ltd | 3,080 (Term Loan - Rs. 2,285 million with Rs. 300 million OD as a sub-limit of term loan) | 10.60% to 9.35% | 10.85% to 10.60% | 12% to 10.85% | 12.00% | 11.75% to 12% | 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. |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

| Name of Lenders | Sanction Amount (Rs. in million) | Carrying rate of Interest as at March 31, 2018 | Carrying rate of Interest as at March 31, 2017 | Carrying rate of Interest as at March 31, 2016 Proforma | Carrying rate of Interest as at March 31, 2015 Proforma | Carrying rate of Interest as at March 31, 2014 Proforma | Repayment/ Modification of terms | Security Details |
|---|---|---|---|---|---|---|---|---|
| Indian Overseas Bank | 50 | 12.95% | 12.95% | 13.50% to 12.95% | 13.50% | 13.50% | 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 - Rs. 1,530 million and OD Rs. 150 million) | 10.05% to 9.25% | 12.85% to 10.05% | NA | NA | NA | Repayable quarterly instalment from September 2016 to June 2025. | It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield. |
| Standard Chartered Bank | 900 (Term Loan - 700 million and OD 300 million) | 11.95% to 8.85% | 11.95% to 12.25% | NA | NA | NA | Repayable monthly instalment over 144 months starting from July 2017 to July 2029. | It is secured by (i) Exclusive charge on immovable property and receivables at Retail Block at Bengaluru (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Retail Block at Bengaluru (iii) Charge over DSRA amounting to Rs. 50 million. |
| Standard Chartered Bank | 300 (Term Loan - Rs. 210 million and OD Rs. 90 million) | NA | NA | 12.50% to 12.25% | 12.25% to 13.50% | 12.25% to 13.50% | Repayable Rs 300 million bullet payment after 27 months (i.e. July 2015). | It is secured by charge over IT / Commercial at Whitefield through Escrow Mechanism, securing a minimum security cover of 1.75x. |
| Housing Development Finance Corporation Limited | 1,500 | NA | NA | NA | NA | 12.50% | Repayable daily from collection of flat holders till July 2016 whichever is earlier. | It is secured by (i) first exclusive mortgage and charge on the (a) larger land area of 291,145.36 sq. ft. bearing New Municipal No.21,Koramangala Industrial Layout, Ward No.68, PID No.68-4-21, Bengaluru 560 034 (excluding the undivided interest in the plinth area of the residential towers in respect of flats/ units already sold by the company before the date of creation of the charge and the proportionate undivided interest in the common areas and facilities in the larger land relating to such flats already sold) and (b) structures to be constructed on the larger land, present and future, excluding the area of flats already sold (ii) a first charge on and hypothecation of all receivables from the Koramangala project and (iii) security interest in the designated account (escrow account) opened with HDFC Bank Limited, Bengaluru for the deposit of all receivables from the Koramangala project. |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

**Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)**

**Buyer's credit**

-

| Name of Lenders | Sanction Amount (Rs. in million) | Carrying rate of Interest as at March 31, 2018 | Carrying rate of Interest as at March 31, 2017 | Carrying rate of Interest as at March 31, 2016 Proforma | Carrying rate of Interest as at March 31, 2015 Proforma | Carrying rate of Interest as at March 31, 2014 Proforma | Repayment/ Modification of terms | Security Details |
|---|---|---|---|---|---|---|---|---|
| **From Related Parties** | | | | | | | | |
| K Raheja Corp Private Limited | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| Genext Hardware & Parks Private Limited | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| New Found properties Private Limited | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| K.Raheja Corporate Services Private Limited | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| Mindspace Business Parks Private Limited | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| From Directors | NA | 10.50% to 11.00% | 12.00% | 12.50% | 14.00% | 14.00% | Repayable on demand | Unsecured |
| **Buyer's credit** | | | | | | | | |
| Buyers Credit | NA | 1% to 5% | 1% to 5% | 1% to 5% | 1% to 5% | 1% to 5% | Repayable within 1 years | Unsecured |

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

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

**Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)***

(Rs. in million)

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 26** | | | | | |
| **Trade payables** | | | | | |
| Acceptances | **-** | - | - | 13.01 | 55.33 |
| Due to micro and small enterprises (Refer Note 43) | **4.55** | 1.86 | 0.70 | 0.19 | 0.23 |
| Due to other than micro and small enterprises | **854.25** | 844.88 | 651.19 | 585.51 | 533.86 |
| | **858.80** | **846.74** | **651.89** | **598.71** | **589.42** |

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 27** | | | | | |
| **Current - Other financial liabilities** | | | | | |
| Current maturity of long term debt (refer note 20) | **3,467.40** | 2,605.52 | 1,900.39 | 3,520.77 | 1,972.18 |
| Creditors for capital expenditure | | | | | |
| - Retention payable | **48.64** | 82.53 | 122.10 | 163.40 | 104.59 |
| Security deposits | **47.79** | 35.02 | 21.23 | 16.52 | 5.25 |
| Mark to market derivative contracts | **37.83** | 104.56 | 107.15 | 60.49 | - |
| Other liabilities | **159.98** | 210.50 | 167.98 | 536.15 | 308.07 |
| | **3,761.64** | **3,038.13** | **2,318.85** | **4,302.42** | **2,394.15** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 28** | | | | | |
| **Other current liabilities** | | | | | |
| Acceptances for capital expenditure | **-** | - | 1.04 | - | 4.95 |
| Income received in advance (unearned revenue) | **208.36** | 334.94 | 381.03 | 403.76 | 509.64 |
| Advances from customers towards sale of residential flats | **1,026.35** | 1,274.25 | 1,469.77 | 1,633.13 | 2,180.10 |
| Advances from customers towards hospitality services | **170.97** | 106.77 | 84.26 | 56.37 | 60.15 |
| Statutory dues payable | **580.47** | 153.03 | 147.87 | 105.51 | 84.59 |
| Deferred government grant (refer note 38) | **-** | - | 134.29 | 178.94 | - |
| | **1,986.15** | **1,868.99** | **2,218.26** | **2,377.71** | **2,839.43** |

Advances from customers towards sale of residential flats includes amount refundable to customers on estimated cancellation of flats for the year ended March 31, 2018 above 10 floors of Rs 944.07 million (refer note 36).

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

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 29** | | | | | |
| **Short term provisions** | | | | | |
| Provision for gratuity | **27.22** | 23.73 | 15.22 | 11.53 | 15.17 |
| Provision for compensated absences | **56.71** | 53.86 | 55.18 | 50.77 | 40.74 |
| Provision for estimated / actual cancellation and alteration cost (refer footnote and note 36) | **874.73** | 1,070.95 | 1,148.89 | 1,108.87 | 1,134.95 |
| | **958.66** | **1,148.54** | **1,219.29** | **1,171.17** | **1,190.86** |

***Bengaluru residential project***

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

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

During the year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Group, decided that the Group should proactively consider re-commencement of construction up to the minimum permissible limit 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 up to the 10th floor as per the aforementioned plan and has recognised a provision towards the following:
- cost of alteration of superstructure
- estimated cost in relation to potential cancellations.

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

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

| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Provision for cost of alteration of super structure** | **250.00** | 250.00 | 250.00 | 250.00 | 250.00 |
| **Provision for estimated / actual cancellation** | | | | | |
| Opening balance | **820.95** | 898.89 | 858.87 | 884.95 | 253.83 |
| Provisions made during the year | **178.22** | 199.31 | 277.75 | 360.91 | 751.64 |
| Provisions utilised during the year | **(374.44)** | (277.25) | (237.73) | (386.99) | (120.52) |
| **Closing balance** | **624.73** | **820.95** | **898.89** | **858.87** | **884.95** |
| **Total** | **874.73** | **1,070.95** | **1,148.89** | **1,108.87** | **1,134.95** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

**Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)**

**(Rs. in million)**

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 30** | | | | | |
| **Revenue from operations** | | | | | |
| **(a) Sale of services** | | | | | |
| **Hospitality:** | | | | | |
| Room income | **4,855.89** | 3,961.01 | 3,216.11 | 2,485.00 | 2,499.36 |
| Food, beverages and smokes | **2,821.93** | 2,327.42 | 2,030.79 | 1,444.58 | 1,326.39 |
| Others | **717.11** | 518.42 | 397.41 | 364.33 | 315.65 |
| **Retail & commercial:** | | | | | |
| Lease rent | **166.37** | 114.23 | 7.73 | 7.08 | - |
| **(b) Sale of products** | | | | | |
| **Real estate:** | | | | | |
| Sale of residential flats | **102.13** | 111.44 | 77.39 | 104.64 | 179.09 |
| Sale of transferable development rights | **-** | - | - | - | 434.77 |
| **(c) Other operating revenues** | | | | | |
| **Hospitality:** | | | | | |
| Export benefits and entitlements (refer note 38) | **200.33** | 314.74 | 95.14 | 8.90 | 256.05 |
| **Retail & commercial:** | | | | | |
| Maintenance and other recoveries | **49.09** | 18.01 | - | - | - |
| Revenue from other services | **25.31** | 8.27 | - | - | - |
| | **8,938.16** | **7,373.54** | **5,824.57** | **4,414.53** | **5,011.31** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

**Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)**

(Rs. in million)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 31** | | | | | |
| **Other income** | | | | | |
| Interest income from instruments measured at amortised cost | **197.39** | 228.70 | 50.61 | 221.32 | 302.60 |
| Interest income from amortised cost measurement of preference shares | **-** | 17.29 | 14.43 | 12.94 | 10.77 |
| Gain on foreign exchange fluctuation (net) | **4.63** | 213.66 | - | - | - |
| Net mark to market gain on derivative contracts | **21.54** | 35.00 | - | - | - |
| Profit on sale of fixed assets (net) | **1.23** | 3.85 | 0.17 | 1.80 | 12.05 |
| Profit on sale of investments | **114.57** | 1,301.24 | 46.10 | - | - |
| Dividend received | **-** | - | 7.90 | 1.32 | - |
| Interest on income tax refund | - | 13.61 | - | - | - |
| Fair value gain on instruments measured at FVTPL | **-** | 10.82 | - | - | - |
| Miscellaneous income | **17.62** | 47.66 | 31.83 | 18.64 | 9.23 |
| | **356.98** | **1,871.83** | **151.04** | **256.02** | **334.65** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

**Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)**

**(Rs. in million)**

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 32(a)** | | | | | |
| **Real estate development costs** | | | | | |
| **(i) Cost of construction** | | | | | |
| Opening project work in progress | 2,643.69 | 2,650.00 | 2,572.95 | 2,242.55 | 2,663.77 |
| Inventory of unsold flats | 312.47 | 388.96 | 434.50 | 504.22 | 522.43 |
| **Expenditure incurred during the year:** | | | | | |
| Materials consumed | 0.24 | (5.36) | 3.95 | 167.73 | 26.21 |
| Contractors labour and other charges | 16.80 | (1.00) | 71.05 | 112.72 | 254.81 |
| Rates and taxes | - | - | 0.43 | 0.43 | 0.43 |
| Legal and professional charges | - | - | 0.41 | 4.75 | 5.90 |
| Project support fees | - | - | 2.50 | 30.00 | 39.96 |
| Interest and finance charges | - | - | - | 3.68 | 12.72 |
| Other Expenses | - | 0.05 | 1.19 | 13.29 | 11.06 |
| | **2,973.20** | 3,032.65 | 3,086.99 | 3,079.37 | 3,537.30 |
| Less: Transfer to investment property | - | - | - | - | 21.98 |
| Add: Adjustment for provision for impairment | - | - | - | - | (376.65) |
| **Less: Closing stock** | | | | | |
| Inventory of unsold flats | **247.25** | 312.47 | 388.96 | 434.50 | 504.22 |
| Project work in progress | **2,655.29** | 2,643.69 | 2,650.00 | 2,573.22 | 2,242.55 |
| **Cost of construction** | **70.66** | 76.49 | 48.02 | 71.65 | 391.91 |
| **(ii) Cost of mitigation program compensation** | **124.14** | 131.50 | 205.55 | 278.32 | 357.69 |
| **(iii) Cost of Transferable Development Rights** | - | - | - | - | 338.73 |
| **Total real estate development costs (i + ii + iii)** | **194.80** | 207.99 | 253.57 | 349.97 | 1,088.33 |
| **Note 32(b)** | | | | | |
| **Food and beverages consumed*** | | | | | |
| Food and beverages materials at the beginning of the year | **112.46** | 97.14 | 71.86 | 67.63 | 52.12 |
| Purchases | **758.62** | 682.67 | 629.13 | 431.04 | 424.53 |
| Food and beverages materials at the end of the year | **105.43** | 112.46 | 97.14 | 71.86 | 67.63 |
| | **765.65** | 667.35 | 603.85 | 426.81 | 409.02 |

*Includes complimentaries Rs 94.83 million (March 31, 2017 : Rs 59.23 million, March 3, 2016 : Rs 55.75 million, March 31, 2015 : Rs 34.72 million, March 31, 2014 : Rs 52.77 million).

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 32(c)** | | | | | |
| **Operating supplies consumed** | | | | | |
| Operating supplies materials at the beginning of the year | - | 3.28 | 20.56 | 20.43 | 14.94 |
| Purchases | **256.17** | 215.12 | 172.78 | 306.17 | 127.53 |
| Operating supplies materials at the end of the year | - | - | 3.28 | 20.56 | 20.43 |
| | **256.17** | 218.40 | 190.06 | 306.04 | 122.04 |

**Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)**

(Rs. in million)

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 33** | | | | | |
| **Employee benefits expense** | | | | | |
| Salaries, wages and bonus | **1,085.03** | 986.60 | 892.52 | 733.22 | 571.51 |
| Contributions to provident fund and other funds | **50.48** | 53.54 | 42.89 | 34.37 | 26.31 |
| Staff welfare expenses | **160.08** | 148.11 | 131.79 | 94.21 | 81.91 |
| | **1,295.59** | **1,188.25** | **1,067.20** | **861.80** | **679.73** |

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 34** | | | | | |
| **Finance costs** | | | | | |
| Interest expenses | **2,076.35** | 2,137.84 | 1,770.14 | 1,536.26 | 1,364.97 |
| Other borrowing cost | **42.86** | 41.74 | 388.55 | 69.47 | 3.83 |
| | **2,119.21** | **2,179.58** | **2,158.69** | **1,605.73** | **1,368.80** |

| Particulars | For the year ended March 31, 2018 | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Note 35** | | | | | |
| **Other expenses** | | | | | |
| Travelling and conveyance expenses | **111.51** | 95.06 | 88.05 | 78.75 | 58.12 |
| Power and fuel* | **627.40** | 544.96 | 612.28 | 459.34 | 396.82 |
| Rent | **22.83** | 32.37 | 29.67 | 31.64 | 23.44 |
| Repairs and maintenance | | | | | |
| - Buildings | **136.88** | 116.63 | 147.65 | 65.81 | 44.26 |
| - Plant and machinery | **216.10** | 179.94 | 107.82 | 72.40 | 60.59 |
| - Others | **96.15** | 84.89 | 62.23 | 51.73 | 54.17 |
| Insurance | **29.69** | 26.03 | 25.93 | 17.40 | 15.90 |
| Rates and taxes | **417.07** | 182.32 | 128.47 | 85.30 | 99.46 |
| Business promotion expenses | **383.14** | 336.32 | 273.56 | 221.13 | 181.38 |
| Commission | **229.14** | 212.96 | 140.58 | 99.58 | 107.72 |
| Royalty and management fees | **375.28** | 304.69 | 241.62 | 199.02 | 190.42 |
| Legal and professional charges | **114.49** | 118.51 | 107.40 | 75.90 | 71.50 |
| Loss on sale of export benefits and entitlements | **-** | 0.40 | - | - | - |
| Provision for impairment on export benefits and entitlements | **-** | 0.96 | - | - | - |
| Loss on sale of investment/written off | **-** | - | 5.78 | 6.19 | 4.60 |
| (Write back)/provision for diminuition in value of investments | **-** | - | 3.62 | (6.19) | 6.19 |
| Provision for stock obsolescence | **0.52** | 8.33 | - | 2.61 | 2.82 |
| Provision for doubtful debts | **7.85** | 1.38 | 1.55 | - | 3.23 |
| Bad debt written off | **-** | 0.48 | 0.86 | 0.28 | - |
| Fixed assets written off | **-** | 29.96 | 0.52 | 1.12 | - |
| Loss on foreign exchange fluctuation (net) | **-** | - | 11.37 | 5.86 | 124.54 |
| Provision for mark to market loss on derivative contracts | **-** | - | 46.66 | 60.49 | - |
| Fair value changes on instruments measured at FVTPL | **-** | - | 9.60 | - | - |
| Payment to auditors (Refer Note 45) | **5.61** | 8.95 | 11.91 | 8.30 | 7.26 |
| Director sitting fees | **0.40** | 0.39 | 0.36 | 0.36 | 0.33 |
| Donation | **0.50** | 0.13 | 0.28 | 0.30 | 0.51 |
| Buyout labour | **116.75** | 88.82 | 82.58 | 61.90 | 67.33 |
| Manpower contract | **19.55** | 15.49 | 10.97 | - | - |
| Miscellaneous expenses** | **358.01** | 265.10 | 150.67 | 228.77 | 199.41 |
| | **3,268.87** | **2,655.07** | **2,301.99** | **1,827.99** | **1,720.00** |

* Net off Rs. 47.70 million (March 31, 2017: Rs. 15.92 million, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) on account of recoveries.

**Net off Rs. 1.98 million (March 31, 2017: Rs. (1.45) million, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) on account of recoveries.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**Note 36**
**Exceptional Items**

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **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 | (54.08) | (67.81) | (72.20) | (82.59) | (143.94) |
| **Total** | **(54.08)** | **(67.81)** | **(72.20)** | **(82.59)** | **(770.59)** |

**Note**

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

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

During the year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Group, decided that the Group should proactively consider re-commencement of construction upto the 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 up to the 10th floor as per the aforementioned plan and has recorded the following adjustments as exceptional items as at March 31, 2018:

i) Provision towards impairment of super structure of Rs 350.89 million and expected cost of alteration of super structure of Rs 250 million
ii) Provision for cost of mitigation program compensation and related expenses of Rs 420.62 million in relation to potential cancellations referred to in above, net of compensation already provided for; and
iii) Impact of revised estimated cost of completion of the project on the net realisable value of inventory resulting in write down of Rs 25.76 million.
iv) In the event all the buyers of flats above 10th floor decide to exercise exit option, the Group has to refund Rs 944.07 million which is presently being accounted as an advance from customers.

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

Subsequent to the Balance Sheet date, the Promoter-Directors of the Company have agreed to provide funds to the Company either by themselves or through their Nominees, to meet its cash flow requirements for the Project to the extent of Rs. 2000 million 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.

For the purpose of the restated financial statements, the cost of alteration, write off of the superstructure and provision for impairment loss of inventory are reflected in the year in which the litigation had been initiated i.e. the financial year 2013-14. The impact of interest cost net off goodwill compensation and reversal of margins may be reflected in the year to which the impact relates to.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 37
### Earnings per share

**(Rs. in million)**

| | **Particulars** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016** | **March 31, 2015** | **March 31, 2014** |
|---|---|---|---|---|---|---|
| | | | | **Proforma** | **Proforma** | **Proforma** |
| | ***Basic and diluted earnings per share*** | | | | | |
| **1** | Profit/(loss) attributable to ordinary shareholders | 284.27 | 1,274.38 | (1,124.89) | (1,263.91) | (1,088.05) |
| **2** | **Calculation of weighted average number of equity shares - Basic and diluted** | | | | | |
| (a) | Number of shares at the beginning of the year | 17,10,95,293 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 |
| (b) | Add: on account of share pending allotment (Refer note 41) | - | 77,88,921 | - | - | - |
| | **Weighted average number of equity shares outstanding during the year** | **17,10,95,293** | **15,99,31,174** | **15,21,42,253** | **15,21,42,253** | **15,21,42,253** |
| **3** | Basic and diluted earnings per share (Rs.) | **1.66** | **7.97** | **(7.39)** | **(8.31)** | **(7.15)** |
| **4** | Nominal value of shares (Rs.) | 10 | 10 | 10 | 10 | 10 |

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

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 38
### Government grant

**Export Promotion Capital Goods (EPCG) scheme**

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

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

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Opening balance | - | 134.29 | 178.94 | - | - |
| Grants received during the year | 10.00 | 138.21 | 50.49 | 187.84 | 65.55 |
| Less: Released to statement of profit and loss | (10.00) | (272.49) | (95.14) | (8.90) | (65.55) |
| **Closing balance** | **-** | **-** | **134.29** | **178.94** | **-** |

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

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

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

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Opening balance | 27.92 | - | 11.66 | 188.73 | 122.46 |
| Grants received during the year (B) | 190.33 | 42.25 | - | - | 190.50 |
| Less: Utilisation / written off | (25.40) | (14.33) | (11.66) | (177.08) | (124.22) |
| **Closing balance** | **192.85** | **27.92** | **-** | **11.66** | **188.73** |
| | | | | | |
| Income recognised in the statement of profit and loss on account of EPCG (A) | 10.00 | 272.49 | 95.14 | 8.90 | 65.55 |
| Income recognised in the statement of profit and loss on account of SFIS / SEIS (B) | 190.33 | 42.25 | - | - | 190.50 |
| **Total income recognised in the statement of profit and loss (A) + (B)** | **200.33** | **314.74** | **95.14** | **8.90** | **256.05** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### 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 Statement of Profit and Loss during the period in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

The Group has recognised the following amounts in the statement of profit and loss for the year

| **Particulars** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016** | **March 31, 2015** | **March 31, 2015** |
|---|---|---|---|---|---|
| | | | **Proforma** | **Proforma** | **Proforma** |
| Employer's contribution to provident fund and ESIC | 50.48 | 53.54 | 42.89 | 34.37 | 26.31 |
| | **50.48** | **53.54** | **42.89** | **34.37** | **26.31** |

***b) Defined benefit plan***

**Gratuity**

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

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

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

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

| **Particulars** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016** | **March 31, 2015** | **March 31, 2014** |
|---|---|---|---|---|---|
| | | | **Proforma** | **Proforma** | **Proforma** |
| Defined benefit obligation | 66.73 | 82.55 | 72.36 | 64.51 | 53.70 |
| Fair value of plan assets | (1.41) | (1.22) | (1.41) | (1.80) | (1.73) |
| **Net defined benefit (assets)/obligations** | **65.32** | **81.34** | **70.95** | **62.71** | **51.97** |

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

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

| | **Particulars** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016** | **March 31, 2015** | **March 31, 2014** |
|---|---|---|---|---|---|---|
| | | | | **Proforma** | **Proforma** | **Proforma** |
| 1 | **Movement in defined benefit obligations:** | | | | | |
| | At the beginning of the year | 82.55 | 72.36 | 64.51 | 53.70 | 42.99 |
| | Liabilities assumed on business combination | - | 1.53 | - | - | - |
| | *Recognised in profit or loss* | | | | | |
| | Current service cost | 8.23 | 10.58 | 10.12 | 8.09 | 5.49 |
| | Interest cost | 5.52 | 5.57 | 5.10 | 4.85 | 3.44 |
| | *Recognised in other comprehensive income* | | | | | |
| | *Actuarial (gains)/losses on obligations -* | | | | | |
| | Due to change in demographic assumptions | (8.64) | 2.95 | (1.13) | (1.09) | (8.09) |
| | Due to change in financial assumptions | (1.15) | (4.24) | 5.42 | 4.86 | 1.87 |
| | Due to experience | (12.75) | 1.09 | (6.22) | 0.22 | 10.95 |
| | Benefit paid | (7.03) | (7.29) | (5.44) | (6.10) | (2.95) |
| | **At the end of the year** | **66.73** | **82.55** | **72.36** | **64.51** | **53.70** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 39
### Employee benefits *(Continued)*

***b) Defined benefit plan (Continued)***

| | Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| **2** | **Movement in fair value of plan assets:** | | | | | |
| | At the beginning of the year | 1.22 | 1.41 | 1.80 | 1.73 | 1.62 |
| | *Recognised in profit or loss* | | | | | |
| | Interest income | 0.08 | 0.11 | 0.14 | 0.16 | 0.13 |
| | Expected return on plan assets | (0.04) | (0.11) | (0.07) | (0.04) | (0.02) |
| | Employer contributions | 1.20 | 1.84 | 0.76 | 1.03 | - |
| | Benefit paid | (1.05) | (2.03) | (1.22) | (1.08) | - |
| | **At the end of the year** | **1.41** | **1.22** | **1.41** | **1.80** | **1.73** |
| 3 | **Recognised in profit or loss** | | | | | |
| | Current service cost | 8.23 | 10.58 | 10.12 | 8.09 | 5.49 |
| | Interest expense | 5.52 | 5.57 | 5.10 | 4.85 | 3.44 |
| | Interest income | 0.08 | 0.11 | 0.14 | 0.16 | 0.13 |
| | **For the year** | **13.67** | **16.04** | **15.08** | **12.78** | **8.80** |
| **4** | **Recognised in other comprehensive income** | | | | | |
| | Actuarial (gains)/losses on obligations | (22.54) | (0.20) | (1.93) | 3.98 | 4.73 |
| | **For the year** | **(22.54)** | **(0.20)** | **(1.93)** | **3.98** | **4.73** |

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

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

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

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Rate of increase in salaries (%) | 7.00% - 8.00% | 5.89% - 10.00% | 8.50% - 13.00% | 8% - 14.00% | 8.30% - 15.00% |
| Discount rate (%) | 6.63% | 6.85% | 7.54% | 7.90% | 9.03% |
| Rate of employee turnover(%) | 26.00% - 51.85% | 16.8% - 41.50% | 15.59% - 63.60% | 14.35% - 78.00% | 8.00% - 30.61% |
| Mortality rate during employment | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |

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

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

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 39
### Employee benefits *(Continued)*

***b) Defined benefit plan (Continued)***

**7 Sensitivity of the defined benefit obligation**

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

| | March 31, 2016 Proforma | | March 31, 2015 Proforma | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (2.81) | 3.07 | (2.10) | 3.08 |
| Rate of increase in salaries (1% movement) | 2.97 | 2.77 | 2.93 | (2.72) |
| Rate of employee turnover (1% movement) | (0.63) | 0.68 | (0.80) | 0.87 |

| | March 31, 2014 Proforma | |
|---|---|---|
| | Increase | Decrease |
| Discount rate (1% movement) | (1.98) | (1.75) |
| Rate of increase in salaries (1% movement) | 2.44 | 2.20 |
| Rate of employee turnover (1% movement) | 0.05 | (0.48) |

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

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

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

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

| Particulars | Up to 1 year | Between 1-2 years | Between 2-5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| **March 31, 2018** | 23.01 | 15.14 | 25.87 | 10.47 | 74.49 |
| **March 31, 2017** | 16.78 | 13.77 | 34.54 | 23.98 | 89.07 |
| **March 31, 2016 Proforma** | 11.95 | 10.01 | 28.07 | 31.23 | 81.26 |
| **March 31, 2015 Proforma** | 9.10 | 8.39 | 24.61 | 30.45 | 72.55 |
| **March 31, 2014 Proforma** | 16.97 | 4.66 | 15.99 | 19.35 | 56.97 |

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

Compensated absences, classified as other long-term employee benefits, is recognised as an expense and included in “Employee benefits expense” in the Restated Consolidated Summary Statement of Profit and Loss. The following table provides details in relation to such compensated absences.

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Expense for the year | 12.81 | 3.51 | 12.23 | 15.59 | 13.58 |
| Closing balance | 56.72 | 53.87 | 55.19 | 50.78 | 40.74 |

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 40
### Operating leases

**A. Leases as lessor**

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

i) Amount recognised in Restated Consolidated Summary Statement of Profit and Loss

| Description | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Income from lease of shops in hotels included in revenue from operations | 4.72 | 11.39 | - | - | - |
| Income from lease of office premises included in revenue from operations | 49.71 | 57.53 | 7.73 | 7.08 | - |
| Income from lease of investment properties included in revenue from operations | 111.94 | 45.31 | - | - | - |
| **Total** | **166.37** | **114.23** | **7.73** | **7.08** | **-** |

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

| Future minimum lease receivables | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Less than one year | 16.44 | 35.75 | 2.53 | 3.39 | 5.00 |
| Between one and five years | 45.97 | 27.62 | 2.09 | - | 3.11 |
| More than five years | 19.13 | - | - | - | - |
| **Total** | **81.54** | **63.37** | **4.62** | **3.39** | **8.12** |

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

| Future minimum lease receivables | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Less than one year | 122.42 | 51.12 | - | - | - |
| Between one and five years | 401.76 | 225.56 | - | - | - |
| More than five years | 281.30 | 295.26 | - | - | - |
| **Total** | **805.48** | **571.94** | **-** | **-** | **-** |

**B. Leases as lessee**

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

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Lease expense in the Restated Consolidated Summary Statement of Profit and Loss | 22.83 | 32.37 | 29.67 | 31.64 | 23.44 |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 41
### Scheme of Arrangements

**a. Scheme of Arrangement - Hotel and Retail undertaking**

The Board of Directors of a subsidiary company namely, Magna Warehousing & Distribution Private Limited (Magna) at their meeting held on October 26, 2013 had approved the "Scheme of Arrangement" to demerge the Hotel Undertaking and the Retail Undertaking (together referred to as 'Demerged Undertaking') at Bengaluru to a company namely Genext Hardware & Parks Private Limited (Genext) under Section 391 read with Section 394 of the Companies Act, 1956, with effect from April 1, 2013, ("the Appointed Date") subject to obtaining necessary approvals of the Shareholders, Honourable High Court of Karnataka at Bangalore and Honourable High Court of Bombay and other statutory and regulatory authorities.

The said Scheme received the approval of the Hon'ble High Court of Karnataka at Bangalore vide orders passed on January 9, 2015 and July 31, 2015 and Hon'ble High Court of Judicature at Bombay vide orders passed on July 17, 2015 and August 14, 2015 and other statutory and regulatory authorities. The Scheme has become effective September 11, 2015.

The demerger was accounted under the Scheme of Arrangement approved by the respective Hon'ble High Courts. The Company has given effect to the Scheme from the appointed date in accordance with the accounting treatment as per the orders of respective Hon'ble High courts.

In accordance with the provisions of the aforesaid Scheme:

i) The approved share swap ratio is 1 equity share of the face value of Rs. 10 each fully paid-up of Genext for every 280 equity shares of the face value of Rs. 10 each fully paid-up and 1 Non-cumulative redeemable preference share of Rs. 100,000 each of Genext for every 1 Non-cumulative redeemable preference share of the face value of Rs 100,000 of the Demerged Undertaking shareholders. Accordingly, for a total consideration of Rs 160,617,450 Genext will allot and issue 220 equity shares of Rs 10 each fully paid-up and 1,600 Non-cumulative redeemable preference shares of Rs 100,000 each to the shareholders of the Demerged Undertaking in the financial year 2015-16.

ii) The Accounting Standard 14 - Accounting for Amalgamations, deals with amalgamations, and the accounting treatment specified in the Scheme in respect of the demerger for the 'Demerged company' is not envisaged under AS 14. The demerger has been given effect to as per the accounting treatment specified in the Scheme and approved by the respective Hon'ble High courts.

iii) The transfer of assets and liabilities of Demerged Undertaking at book value has been effected from the "Appointed date" of April 1, 2013, as defined in the Scheme.

iv) Book value of assets and liabilities related to the Demerged Undertaking transferred with effect from the Appointed date i.e. April 1, 2013 are as under:

| Particulars | Amount |
|---|---|
| **Assets** | |
| Property, plant and equipment | 3,326.20 |
| Non-current investments | 1,972.21 |
| Long-term loans and advances | 151.35 |
| Other non-current assets | 49.49 |
| Inventories | 48.70 |
| Trade receivables | 35.89 |
| Cash and bank balances | 19.94 |
| Other current assets | 13.97 |
| | **5,617.75** |
| **Liabilities** | |
| Preference share capital | 160.00 |
| Reserves and surplus | (252.19) |
| Long-term borrowings | 3,394.63 |
| Other long-term liabilities | 77.93 |
| Long-term provisions | 2.67 |
| Short-term borrowings | 1,339.36 |
| Trade payables | 47.01 |
| Other current liabilities | 832.96 |
| Short-term provisions | 15.38 |
| | **5,617.75** |
| Net assets taken over | - |

**b. Merger of Hotel and Retail undertaking of Genext Hardware & Parks Private Limited with the Company**

The Board of Directors of the Company at its meeting held on January 5, 2017, approved the demerger proposal and approved the "Scheme of Arrangement" ('the Scheme') to demerge the Hotel Undertaking and the Retail Undertaking of Genext Hardware & Parks Private Limited ("Transferor Company") with the Company ("Transferee Company") under Section 230 to 232 of the Companies Act, 2013, with effect from November 1, 2016, ("the Appointed Date") subject to obtaining necessary approvals of National Company Law Tribunal (NCLT) at Mumbai.

The said Scheme received the approval of the National Company Law Tribunal (NCLT) at Mumbai and Bangalore and other statutory and regulatory authorities on September 11, 2017. The Scheme has become effective October 1, 2017.

The scheme has been accounted in a manner prescribed by the Hon'ble court order. The book values of the assets, liabilities and reserves of the Transferor company as of November 1, 2016 have been recorded and the identity of the reserves have been maintained. The consideration for such merger was Rs. 189.53 million in the form of equity shares. Such equity shares were issued during the year ended March 31, 2018 and accordingly has been presented as shares pending allotment in the financial statements for the year ended March 31, 2017. Further, the effect of shares pending allotment has been appropriately considered for computation of basic and diluted earnings per share from the Appointed Date.

The excess of book value of the net assets and reserves of the Transferor Company taken over, amounting to Rs. 189.53 million over the face value of the shares issued by the transferee Company has been debited to the Goodwill as per the Scheme. Further, the results of the operations of the hotel and retail undertaking have been incorporated with effect from November 1, 2016. Accordingly, the results for the periods covered by Restated Consolidated Summary Statement of Profit and Loss may not be comparable.

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

| **Particulars** | **Amount** |
|---|---|
| Property, plant and equipment | 2,524.06 |
| Capital work in progress | 13.58 |
| Other intangible assets | 2.39 |
| Investment property | 1,433.55 |
| Investment property under construction | 301.52 |
| Non-current investment | 1.00 |
| Loans | 26.79 |
| Non-current tax assets (net) | 58.28 |
| Other non-current assets | 18.37 |
| **Current assets** | |
| Inventories | 31.36 |
| Trade receivables | 89.98 |
| Cash and cash equivalents | 40.37 |
| Bank balances other than above | 58.22 |
| Loans | 0.06 |
| Other financial assets | 0.64 |
| Other current assets | 21.57 |
| | **4,621.74** |
| **Liabilities** | |
| Other equity | (1,964.42) |
| **Non-current liabilities** | |
| Borrowings | 3,263.44 |
| Provisions | 0.15 |
| **Current liabilities** | |
| Borrowings | 2,120.15 |
| Deferred tax liability | 43.93 |
| Trade and other payables | 85.69 |
| Other financial liabilities | 929.95 |
| Other current liabilities | 65.56 |
| Provisions | 77.29 |
| | **4,621.74** |

For the five months ended March 31, 2017, Transferor Company contributed revenue of Rs. 716.65 million and loss (after tax) of Rs. 34.29 million to the Group's results.
If the acquisition had occurred on April 1, 2016, management estimates that consolidated revenue would have been higher by Rs 847.97 million and consolidated restated profit after tax would have been lower by Rs. 73.41 million.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 42
### Contingent liabilities and commitments (to the extent not provided for)

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **Contingent liabilities** | | | | | |
| ***Claims against the Company not acknowledged as debts*** | | | | | |
| Disputed service tax demands | 96.57 | 145.17 | 148.96 | 103.92 | 95.15 |
| Disputed VAT demands | 12.70 | 3.53 | 10.58 | 8.99 | 8.40 |
| Disputed license fee (excise demand) | - | - | 1.36 | 1.36 | - |
| Disputed provident fund demands | 5.80 | 5.80 | 3.78 | - | - |
| Disputed income tax demands | - | 0.47 | 0.82 | 0.82 | 3.30 |
| Claim from third party | - | 1.95 | - | - | - |
| Property tax | 27.55 | 27.25 | - | - | - |
| ESIC | 0.35 | - | - | - | - |
| SFIS / SEIS Scheme | 5.74 | 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 restated consolidated financial information. The balance of prepaid lease rental in relation to such leasehold land as of March 31, 2018 is Rs. 54.52 million (March 31, 2017: Rs. 55.71 million, March 31, 2016: Rs. 56.91 million, March 31, 2015: 58.11 million) and carrying value of property, plant and equipment as at March 31, 2018 is Rs. 449.27 million (March 31, 2017: Rs. 474.47 million, March 31, 2016: Rs. 510.23 million, March 31, 2015: Rs. 562.92 million).

**Commitments**

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 60.82 | 46.26 | 213.58 | 596.91 | 1,718.48 |

**Note 43**
### Dues to micro and small suppliers

| | March 31, 2018 | March 31, 2017 | March,31 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | | | | |
| Principal | 4.55 | 1.86 | 0.70 | 0.19 | 0.23 |
| Interest | 0.23 | 0.04 | 0.02 | 0.03 | 0.13 |
| The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) | - | - | - | - | - |
| The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year | - | - | - | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | - | - | - | 0.41 | 0.05 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | 0.75 | 0.55 | 0.93 | 0.49 | 0.45 |
| 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 | - | - | - | - | - |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**Note 44**
### Specified Bank Notes

Schedule III of the Companies Act, 2013 was amended by Ministry of Corporate Affairs vide Notification G.S.R. 308(E) dated 30 March 2017. The said amendment requires the Company to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. For the purpose of this clause, the term 'Specific Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

The details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are provided in the table below:-

| **Particulars** | **Specified Bank Notes** | **Other Denomination Notes** | **Total** |
|---|---|---|---|
| Closing cash in hand as on 08.11.2016 | 3.51 | 1.83 | 5.34 |
| (+) Permitted receipts | - | 26.73 | 26.73 |
| (-) Permitted payments | 0.01 | 12.67 | 12.68 |
| (-) Amount deposited in Banks | 3.50 | 12.45 | 15.95 |
| Closing cash in hand as on 30.12.2016 | - | 3.45 | 3.45 |

### Note 45
### Payment to auditors

| **Particulars** | **March 31, 2018** | **March 31, 2017 *** | **March 31, 2016 Proforma *** | **March 31, 2015 Proforma *** | **March 31, 2014 Proforma *** |
|---|---|---|---|---|---|
| Audit fees | 4.64 | 6.89 | 6.69 | 6.81 | 5.83 |
| Tax audit fees | 0.40 | 1.00 | 1.00 | 1.00 | 1.02 |
| Other services | 0.57 | 0.85 | 3.96 | 0.49 | 0.35 |
| Out of pocket expenses | - | 0.21 | 0.26 | - | 0.07 |
| Amount debited to Restated Consolidated Summary Statement of Profit and Loss | **5.61** | **8.95** | **11.91** | **8.30** | **7.26** |
| Service Tax | 0.10 | 1.34 | 1.72 | 1.03 | 0.89 |
| **Total** | **5.71** | **10.29** | **13.63** | **9.33** | **8.15** |

* payment made to erstwhile auditors.

### Note 46
### 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 years ended March 31, 2018 and March 31, 2017.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 47
### Financial instruments - Fair values and risk management

**(Rs. in million)**

**(A) Accounting classification and fair values**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| **March 31, 2018** | **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 |
| Other non-current financial assets | - | 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 | - | 388.18 | 388.18 | | | | - |
| Derivative asset | 14.38 | | 14.38 | | 14.38 | | 14.38 |
| | **57.42** | **3,770.06** | **3,827.48** | **-** | **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** |

| | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| **March 31, 2017** | **FVTPL** | **Amortised Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Non-current financial assets** | | | | | | | |
| Investment in equity shares | 2.95 | - | 2.95 | | | 2.95 | 2.95 |
| Other investments | | 0.13 | 0.13 | | 0.13 | | 0.13 |
| Loans | - | 105.48 | 105.48 | | 105.48 | | 105.48 |
| **Current financial assets** | - | - | | | | | |
| Trade receivables | - | 296.20 | 296.20 | | | | - |
| Cash and cash equivalents | - | 228.30 | 228.30 | | | | - |
| Other bank balances | - | 103.44 | 103.44 | | | | - |
| Loans | - | 1,793.47 | 1,793.47 | | | | - |
| Others | - | 178.79 | 178.79 | | | | - |
| Derivative assets | 8.72 | - | 8.72 | | 8.72 | | 8.72 |
| | **11.67** | **2,705.81** | **2,717.48** | **-** | **114.33** | **2.95** | **117.28** |
| **Non-current financial liabilities** | | | | | | | |
| Borrowings | - | 20,505.76 | 20,505.76 | | 20,505.76 | | 20,505.76 |
| Other non-current financial liabilities | - | 118.98 | 118.98 | | 118.98 | | 118.98 |
| **Current financial liabilities** | | | | | | | |
| Borrowings | - | 3,247.45 | 3,247.45 | | | | - |
| Trade payables | - | 846.74 | 846.74 | | | | - |
| Other financial liabilities | - | 2,933.57 | 2,933.57 | | | | - |
| Derivative liability | 104.56 | | 104.56 | | 104.56 | | 104.56 |
| | **104.56** | **27,652.50** | **27,757.06** | **-** | **20,729.30** | **-** | **20,729.30** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**Note 47**
**Financial instruments - Fair values and risk management *(Continued)***

**(A) Accounting classification and fair values *(Continued)***

**(Rs. in million)**

| | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| **March 31, 2016 - Proforma** | **FVTPL** | **Amortised Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Non-current financial assets** | | | | | | | |
| Investment in equity shares | 331.40 | - | 331.40 | | | 331.40 | 331.40 |
| Other investments | | 142.84 | 142.84 | | 142.84 | | 142.84 |
| Loans | - | 117.17 | 117.17 | | 117.17 | | 117.17 |
| **Current financial assets** | | | | | | | |
| Trade receivables | - | 181.38 | 181.38 | | | | - |
| Cash and cash equivalents | - | 214.75 | 214.75 | | | | - |
| Other bank balances | - | 131.82 | 131.82 | | | | - |
| Loans | - | 1,355.59 | 1,355.59 | | | | - |
| Others | - | 145.55 | 145.55 | | | | - |
| | **331.40** | **2,289.10** | **2,620.50** | **-** | **260.01** | **331.40** | **591.41** |
| **Non-current financial liabilities** | | | | | | | |
| Borrowings | - | 19,022.83 | 19,022.83 | | 19,022.83 | | 19,022.83 |
| Other non-current financial liabilities | - | 53.03 | 53.03 | | 53.03 | | 53.03 |
| **Current financial liabilities** | | | | | | | |
| Borrowings | - | 2,583.17 | 2,583.17 | | | | - |
| Trade payables | - | 651.89 | 651.89 | | | | - |
| Other financial liabilities | - | 2,211.70 | 2,211.70 | | | | - |
| Derivative liability | 107.15 | | 107.15 | | 107.15 | | 107.15 |
| | **107.15** | **24,522.62** | **24,629.77** | **-** | **19,183.01** | **-** | **19,183.01** |

| | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| **March 31, 2015 - Proforma** | **FVTPL** | **Amortised Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Non-current financial assets** | | | | | | | |
| Investment in equity shares | 0.01 | - | 0.01 | | | 0.01 | 0.01 |
| Other investments | | 128.40 | 128.40 | | 128.40 | | 128.40 |
| Loans | | 110.81 | 110.81 | | 110.81 | | 110.81 |
| **Current financial assets** | | | | | | | |
| Trade receivables | - | 100.64 | 100.64 | | | | - |
| Cash and cash equivalents | - | 179.27 | 179.27 | | | | - |
| Other bank balances | - | 138.73 | 138.73 | | | | - |
| Loans | - | 971.76 | 971.76 | | | | - |
| Others | - | 130.89 | 130.89 | | | | - |
| | **0.01** | **1,760.50** | **1,760.51** | **-** | **239.21** | **0.01** | **239.22** |
| **Non-current financial liabilities** | | | | | | | |
| Borrowings | - | 15,387.03 | 15,387.03 | | 15,387.03 | | 15,387.03 |
| Other non-current financial liabilities | - | 26.62 | 26.62 | | 26.62 | | 26.62 |
| **Current financial liabilities** | | | | | | | |
| Borrowings | - | 1,807.68 | 1,807.68 | | | | - |
| Trade payables | - | 598.71 | 598.71 | | | | - |
| Other financial liabilities | - | 4,241.93 | 4,241.93 | | | | - |
| Derivative liability | 60.49 | | 60.49 | | 60.49 | | 60.49 |
| | **60.49** | **22,061.97** | **22,122.46** | **-** | **15,474.14** | **-** | **15,474.14** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**Note 47** ***(Continued)***
**Financial instruments - Fair values and risk management**

**(A) Accounting classification and fair values** ***(Continued)***

**(Rs. in million)**

| | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|
| **March 31, 2014 - Proforma** | **FVTPL** | **Amortised Cost** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Non-current financial assets** | | | | | | | |
| Investment in equity shares | 0.01 | - | 0.01 | | | 0.01 | 0.01 |
| Other investments | | 115.40 | 115.40 | | 115.40 | | 115.40 |
| Loans | | 156.42 | 156.42 | | 156.42 | | 156.42 |
| **Current financial assets** | - | - | | | | | |
| Trade receivables | - | 156.98 | 156.98 | | | | - |
| Cash and cash equivalents | - | 927.72 | 927.72 | | | | - |
| Other bank balances | - | 96.64 | 96.64 | | | | - |
| Loans | - | 1,834.99 | 1,834.99 | | | | - |
| Others | - | 300.95 | 300.95 | | | | - |
| | **0.01** | **3,589.10** | **3,589.11** | **-** | **271.82** | **0.01** | **271.83** |
| **Non-current financial liabilities** | | | | | | | |
| Borrowings | - | 14,205.80 | 14,205.80 | | 14,205.80 | | 14,205.80 |
| Other non-current financial liabilities | - | 15.39 | 15.39 | | 15.39 | | 15.39 |
| **Current financial liabilities** | | | | | | | |
| Borrowings | - | 1,414.45 | 1,414.45 | | | | - |
| Trade payables | - | 589.42 | 589.42 | | | | - |
| Other financial liabilities | - | 2,394.15 | 2,394.15 | | | | - |
| Derivative liability | - | | - | | | | - |
| | **-** | **18,619.21** | **18,619.21** | **-** | **14,221.19** | **-** | **14,221.19** |

**(ii) Valuation techniques used to determine fair value**

Specific valuation techniques used to value financial instruments include :

- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach.
- the fair value for the currency swap is determined using forward exchange rate for balance maturity
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. 'The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

The investments included in level 3 of the fair value hierarchy have been valued using the discounted cashflow technique to arrive at the fair value.

**Note 47**
**Financial instruments - Fair values and risk management *(Continued)***

**(A) Accounting classification and fair values *(Continued)***

**(iii) Fair value measurements using significant unobservable inputs (level 3)**

**Reconciliation of level 3 fair values**

| | FVTPL Equity shares |
|---|---|
| Balance at April 1, 2017 | 2.95 |
| Additions during the year | 40.09 |
| **Balance at March 31, 2018** | **43.04** |
| | |
| Balance at April 1, 2016 - Proforma | 331.40 |
| Sale / disposal during the year | (328.45) |
| **Balance at March 31, 2017** | **2.95** |
| | |
| Balance at April 1, 2015 - Proforma | 0.01 |
| Additions during the year | 331.39 |
| **Balance at March 31, 2016 - Proforma** | **331.40** |
| | |
| Balance at April 1, 2014 - Proforma | 0.01 |
| Change in fair value | - |
| **Balance at March 31, 2015 - Proforma** | **0.01** |

**(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 | | | | |
|---|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
| Discount rate | 21.00% | 21.00% | 21.00% | - | - |
| Capitalisation rate | 11.00% | 11.00% | 11.00% | - | - |

**(v) Sensitivity analysis**

For the fair values of FVTPL equity shares, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

| | Profit or loss | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2018 | | March 31, 2017 | | March 31, 2016 - Proforma | |
| | Increase by 100 bps | Decrease by 100 bps | 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 | (8.09) | 8.62 |
| Capitalisation rate | (0.05) | 0.06 | (0.05) | 0.06 | (8.36) | 10.03 |

| | Profit or loss | | | |
|---|---|---|---|---|
| | March 31, 2015 - Proforma | | March 31, 2014 - Proforma | |
| | Increase by 100 bps | Decrease by 100 bps | Increase by 100 bps | Decrease by 100 bps |
| Discount rate | - | - | - | - |
| Capitalisation rate | - | - | - | - |

**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.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 47
### Financial instruments – Fair values and risk management *(Continued)*

**(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 the hospitality business. For other segments, the Group has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into a contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authorities. There are no significant concentrations of credit risk within the Group.

**Impairment**
The ageing of trade and other receivables that were not impaired was as follows.

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Past due not impaired | | | | | |
| 1-90 days | 421.34 | 267.38 | 156.84 | 75.85 | 128.74 |
| 90-180 days | 57.98 | 13.16 | 15.55 | 13.73 | 14.49 |
| 180-365 days | 48.21 | 14.29 | 6.78 | 4.08 | 6.27 |
| More than 365 days | 28.00 | 10.58 | 8.50 | 11.72 | 13.50 |
| **Total** | 555.52 | 305.42 | 187.67 | 105.38 | 163.00 |

**The movement in the allowance for impairment in respect of other receivables during the year was as follows:**

| | March 31, 2018 | March 31, 2017 | March 31, 2016 - Proforma | March 31, 2015 - Proforma | March 31, 2014 - Proforma |
|---|---|---|---|---|---|
| Balance as at April 1 | 9.22 | 6.29 | 4.74 | 6.02 | 2.99 |
| Impairment loss recognised / (reversed) | (5.92) | 2.45 | 0.69 | (1.56) | 3.03 |
| Amounts written off | 0.52 | 0.48 | 0.86 | 0.28 | - |
| Balance as at March 31 | **3.82** | **9.22** | **6.29** | **4.74** | **6.02** |

**(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.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**Note 47**
**Financial instruments – Fair values and risk management *(Continued)***

**(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.

| | | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| **March 31, 2018** | **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) | 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) | 256.41 | 256.41 | 256.41 | - | - | - |
| **Derivative financial liabilities** | | | | | | |
| Interest rate swap | (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** | **28,553.08** | **37,651.74** | **8,385.35** | **4,789.60** | **17,249.46** | **7,227.33** |

| | | Contractual cash flows | | | | |
|---|---|---|---|---|---|---|
| **March 31, 2017** | **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) | 23,111.28 | 33,382.96 | 4,597.17 | 5,082.33 | 12,317.33 | 11,386.13 |
| Security deposits | 115.42 | 115.42 | - | 115.42 | - | - |
| Retention money | 3.56 | 3.56 | - | 3.56 | - | - |
| **Current, non derivative financial liabilities** | | | | | | |
| Borrowings | 3,247.45 | 3,247.45 | 3,247.45 | - | - | - |
| Trade payables | 846.74 | 846.74 | 846.74 | - | - | - |
| Other current financial liabilities (excluding current maturity of long term debt and derivative contracts) | 328.05 | 328.05 | 328.05 | - | - | - |
| **Derivative financial liabilities** | | | | | | |
| Currency swap | 40.18 | 40.18 | 40.18 | - | - | - |
| Interest rate swap | 23.73 | 23.73 | 23.73 | - | - | - |
| Forward exchange contract (gross settled) | | | | | | |
| - Outflow | 1,391.45 | 1,391.45 | 1,391.45 | - | - | - |
| - Inflow | (1,296.77) | (1,296.77) | (1,296.77) | - | - | - |
| **Total** | **27,811.09** | **38,082.77** | **9,178.00** | **5,201.31** | **12,317.33** | **11,386.13** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**Note 47**
**Financial instruments – Fair values and risk management *(Continued)***

**(C) Liquidity risk *(Continued)***

| | | | Contractual cash flows | | | |
|---|---|---|---|---|---|---|
| **March 31, 2016 - Proforma** | **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) | 20,923.22 | 32,112.27 | 3,991.03 | 4,150.84 | 11,415.41 | 12,554.99 |
| Security deposits | 13.45 | 13.45 | - | 13.45 | - | - |
| Retention money | 39.58 | 39.58 | - | 39.58 | - | - |
| **Current, non derivative financial liabilities** | | | | | | |
| Borrowings | 2,583.17 | 2,583.17 | 2,583.17 | - | - | - |
| Trade payables | 651.89 | 651.89 | 651.89 | - | - | - |
| Other current financial liabilities (excluding current maturity of long term debt and derivative contracts) | 311.31 | 311.31 | 311.31 | - | - | - |
| **Derivative financial liabilities** | | | | | | |
| Currency swap | 104.45 | 104.45 | 104.45 | - | - | - |
| Interest rate swap | 2.70 | 2.70 | 2.70 | - | - | - |
| **Total** | **24,629.77** | **35,818.82** | **7,644.55** | **4,203.87** | **11,415.41** | **12,554.99** |

| | | | Contractual cash flows | | | |
|---|---|---|---|---|---|---|
| **March 31, 2015 - Proforma** | **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) | 18,907.80 | 26,601.65 | 7,071.52 | 3,579.93 | 7,811.68 | 8,138.52 |
| Security deposits | 15.85 | 15.85 | - | 15.85 | - | - |
| Retention money | 10.77 | 10.77 | - | 10.77 | - | - |
| **Current, non derivative financial liabilities** | | | | | | |
| Borrowings | 1,807.68 | 1,807.68 | 1,807.68 | - | - | - |
| Trade payables | 598.71 | 598.71 | 598.71 | - | - | - |
| Other current financial liabilities (excluding current maturity of long term debt and derivative contracts) | 721.16 | 721.16 | 721.16 | - | - | - |
| **Derivative financial liabilities** | | | | | | |
| Currency swap | 46.07 | 46.07 | 46.07 | - | - | - |
| Interest rate swap | 14.42 | 14.42 | 14.42 | - | - | - |
| **Total** | **22,122.46** | **29,816.31** | **10,259.56** | **3,606.55** | **7,811.68** | **8,138.52** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

**Note 47**
**Financial instruments – Fair values and risk management *(Continued)***

**(C) Liquidity risk *(Continued)***

| | | | Contractual cash flows | | | |
|---|---|---|---|---|---|---|
| **March 31, 2014 - Proforma** | **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) | 16,177.98 | 22,645.03 | 3,552.82 | 6,412.81 | 7,931.89 | 4,747.51 |
| Security deposits | 15.39 | 15.39 | - | 15.39 | - | - |
| **Current, non derivative financial liabilities** | | | | | | |
| Borrowings | 1,414.45 | 1,414.45 | 1,414.45 | - | - | - |
| Trade payables | 589.42 | 589.42 | 589.42 | - | - | - |
| Other current financial liabilities (excluding current maturity of long term debt and derivative contracts) | 421.97 | 421.97 | 421.97 | - | - | - |
| **Derivative financial liabilities** | | | | | | |
| Forward exchange contract (gross settled) | | | | | | |
| - Outflow | 24.65 | 24.65 | 24.65 | - | - | - |
| - Inflow | (23.05) | (23.05) | (23.05) | - | - | - |
| **Total** | **18,619.21** | **25,086.26** | **5,978.66** | **6,428.20** | **7,931.89** | **4,747.51** |

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.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 47
### Financial instruments – Fair values and risk management *(Continued)*

**(D) Market risk**

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivative to manage market risk.

**(E) Currency risk**

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative instruments, i.e, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recognized liabilities. The Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.
Following are the derivative financial instruments outstanding:

| Particulars | Buy / Sell | Currency | Cross Currency | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
|---|---|---|---|---|---|---|---|---|
| Forward contract | Buy | USD | INR | USD 20 million | USD 20 million | Nil | Nil | USD 0.38 million |
| Currency swap | Buy | INR | USD | Nil | USD 14.31 million | USD 14.31 million | USD 14.31 million | 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.

The amounts reflected in the table below represent the INR exposure to the respective currency.

| | March 31, 2018 | | | March 31, 2017 | | |
|---|---|---|---|---|---|---|
| | **USD** | **EUR** | **GBP** | **USD** | **EUR** | **GBP** |
| **Financial liabilities** | | | | | | |
| Foreign currency loans (including interest accrued) | 5,000.06 | - | - | 5,696.26 | - | - |
| Trade payables | 331.09 | 0.74 | - | 264.67 | 0.12 | - |
| Buyers' credit | 249.76 | 2.53 | - | 231.11 | 13.43 | 7.19 |
| | **5,580.91** | **3.27** | **-** | **6,192.04** | **13.55** | **7.19** |
| **Derivatives** | | | | | | |
| Foreign currency forward exchange | (1,300.88) | - | - | (1,296.77) | - | - |
| Currency swap | - | - | - | (927.75) | - | - |
| | **(1,300.88)** | **-** | **-** | **(2,224.52)** | **-** | **-** |
| **Net exposure** | **4,280.03** | **3.27** | **-** | **3,967.51** | **13.55** | **7.19** |

The amounts reflected in the table below represent the INR exposure to the respective currency.

| | March 31, 2016 - Proforma | | | March 31, 2015 - Proforma | | |
|---|---|---|---|---|---|---|
| | **USD** | **EUR** | **GBP** | **USD** | **EUR** | **GBP** |
| **Financial liabilities** | | | | | | |
| Foreign currency loans (including interest accrued) | 3,819.96 | - | - | 5,477.28 | - | - |
| Trade payables | 185.51 | 0.23 | - | 181.69 | 3.95 | - |
| Buyers' credit | 640.00 | 53.30 | 8.47 | 580.44 | 59.07 | 8.22 |
| | **4,645.47** | **53.53** | **8.47** | **6,239.41** | **63.02** | **8.22** |
| **Derivatives** | | | | | | |
| Currency swap | (949.14) | - | - | (895.31) | - | - |
| | **(949.14)** | **-** | **-** | **(895.31)** | **-** | **-** |
| **Net exposure** | **3,696.33** | **53.53** | **8.47** | **5,344.11** | **63.02** | **8.22** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

## Note 47
## Financial instruments – Fair values and risk management *(Continued)*

**(E) Currency risk *(Continued)***

The amounts reflected in the table below represent the INR exposure to the respective currency.

| | March 31, 2014 - Proforma | | | | |
|---|---|---|---|---|---|
| | **USD** | **EUR** | **GBP** | **SGD** | **RM** |
| **Financial liabilities** | | | | | |
| Foreign currency loans (including interest accrued) | 4,538.28 | - | - | | - |
| Trade payables | 190.06 | 21.56 | 0.03 | 0.09 | 0.13 |
| Buyers' credit | 255.68 | 58.82 | - | 62.59 | - |
| | **4,984.02** | **80.39** | **0.03** | **62.68** | **0.13** |
| **Derivatives** | | | | | |
| Foreign currency forward exchange | (23.05) | - | - | - | - |
| | **(23.05)** | **-** | **-** | **-** | **-** |
| **Net exposure** | **4,960.97** | **80.39** | **0.03** | **62.68** | **0.13** |

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| | Profit or loss before tax | | | | | |
|---|---|---|---|---|---|---|
| | **March 31, 2018** | | **March 31, 2017** | | **March 31, 2016 - Proforma** | |
| **Effect in INR (before tax)** | Strengthening | Weakening | Strengthening | Weakening | Strengthening | Weakening |
| USD (1% movement) | 42.80 | (42.80) | 39.68 | (39.68) | 36.96 | (36.96) |
| EUR (1% movement) | 0.03 | (0.03) | 0.14 | (0.14) | 0.54 | (0.54) |
| GBP (1% movement) | - | - | 0.07 | (0.07) | 0.08 | (0.08) |
| | 42.83 | (42.83) | 39.88 | (39.88) | 37.58 | (37.58) |

| | Profit or loss before tax | | | |
|---|---|---|---|---|
| | **March 31, 2015 - Proforma** | | **March 31, 2014 - Proforma** | |
| **Effect in INR (before tax)** | Strengthening | Weakening | Strengthening | Weakening |
| USD (1% movement) | 53.44 | (53.44) | 49.61 | (49.61) |
| EUR (1% movement) | 0.63 | (0.63) | 0.80 | (0.80) |
| GBP (1% movement) | 0.08 | (0.08) | 0.00 | (0.00) |
| SGD (1% movement) | - | - | 0.63 | (0.63) |
| RM (1% movement) | - | - | 0.00 | (0.00) |
| | 54.15 | (54.15) | 51.04 | (51.04) |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 47
### Financial instruments – Fair values and risk management *(Continued)*

**(Rs. in million)**

**(F) Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The Group adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

**Particulars of outstanding interest rate swaps as at**

| | |
|---|---|
| March 31, 2018 | USD 48.65 million |
| March 31, 2017 | USD 63 million |
| March 31, 2016 - Proforma | USD 30 million |
| March 31, 2015 - Proforma | USD 60 million |
| March 31, 2014 - Proforma | USD 60 million |

**Exposure to interest rate risk**

The interest rate profile of the Group's interest-bearing financial instruments is as follows.

| | Carrying amount | | | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
| **Fixed-rate instruments** | | | | | |
| ***Loans given*** | | | | | |
| Loans to related parties | **(2,326.55)** | (1,779.16) | (1,345.82) | (971.20) | (1,813.03) |
| ***Non current borrowings*** | | | | | |
| Vehicle loan from bank | **5.21** | 15.85 | 24.69 | 35.13 | 6.31 |
| Non-cumulative redeemable preference shares | **160.00** | 160.00 | - | - | - |
| Preference share liability | **-** | - | - | 0.11 | 0.11 |
| ***Current borrowings*** | | | | | |
| Loan from directors | **-** | 74.00 | - | - | - |
| Loan from related parties other than directors | **948.68** | 2,813.24 | 1,133.20 | 822.01 | 317.65 |
| Buyer's credit | **252.29** | 251.73 | 686.73 | 658.96 | 377.09 |
| **Total** | **(960.37)** | **1,535.66** | **498.80** | **545.01** | **(1,111.87)** |
| **Variable-rate instruments** | | | | | |
| ***Non current borrowings*** | | | | | |
| Rupee term loans from banks | **12,760.60** | 12,433.93 | 8,229.92 | 4,403.05 | 3,645.65 |
| Rupee term loans from financial institutions | **5,975.65** | 4,815.63 | 7,002.72 | 5,551.43 | 4,266.50 |
| Foreign currency term loans from banks | **3,250.07** | 3,080.35 | 3,765.50 | 5,397.31 | 6,287.23 |
| Current maturity of long term debt | **3,467.40** | 2,605.52 | 1,900.39 | 3,520.77 | 1,972.18 |
| ***Current borrowings*** | | | | | |
| Cash credit/overdraft accounts from banks | **433.19** | 108.48 | 763.24 | 326.71 | 546.27 |
| From financial institution | **-** | - | - | - | 173.44 |
| Less: Interest rate swaps | **(3,164.40)** | (4,084.83) | (1,989.99) | (3,754.25) | (3,605.99) |
| **Total** | **22,722.51** | **18,959.08** | **19,671.78** | **15,445.02** | **13,285.28** |
| **TOTAL** | **21,762.14** | **20,494.74** | **20,170.58** | **15,990.03** | **12,173.41** |

**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.

| | Profit or loss before tax | |
|---|---|---|
| | **100 bp increase** | **100 bp decrease** |
| **March 31, 2018** | (227.23) | 227.23 |
| **March 31, 2017** | (189.59) | 189.59 |
| **March 31, 2016 - Proforma** | (196.72) | 196.72 |
| **March 31, 2015 - Proforma** | (154.45) | 154.45 |
| **March 31, 2014 - Proforma** | (132.85) | 132.85 |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(Rs. in million)**

### Note 48
### 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.

The Group's adjusted net debt to equity ratio are as follows:

| **Particulars** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| Total borrowings | 27,253.09 | 26,358.73 | 23,506.39 | 20,715.48 | 17,592.43 |
| Less : Cash and cash equivalents | 295.21 | 228.30 | 214.75 | 179.27 | 927.72 |
| Less : Bank deposits | 21.50 | 103.44 | 131.82 | 138.73 | 96.64 |
| **Adjusted net debt** | **26,936.38** | **26,026.99** | **23,159.82** | **20,397.48** | **16,568.07** |
| **Total equity** | **4,955.06** | **4,670.45** | **5,170.83** | **6,320.45** | **6,605.00** |
| **Adjusted net debt to adjusted equity ratio** | **5.44** | **5.57** | **4.48** | **3.23** | **2.51** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

### Note 49
### Segment reporting

**A. General information**

**(a) Factors used to identify the entity's reportable segments, including the basis for segmentation**

For management purposes, the company is organised into business units based on its products and services and has three reportable segments, as follows:
• Hospitality (Hotels) comprises of the income earned through Hotel operations
• Real estate comprises of income from sale of residential flats
• Retail comprises of the income earned through leasing of commercial properties
The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as the performance indicator for all of the operating segments, and does not review the total assets and liabilities of an operating segment.

**(b) Following are reportable segments**

| **Reportable segment** |
|---|
| Hospitality (Hotels) |
| Real Estate |
| Commercial and Retail |

**B. Information about reportable segments**

| **For the year ended March 31, 2018** | **Reportable segments** | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Hospitality (Hotels)** | **Real Estate** | **Commercial and Retail** | **Unallocated** | **Total** |
| **Revenue** | | | | | |
| External customers | **8,595.26** | **102.13** | **240.77** | **-** | **8,938.16** |
| Inter-segment | - | - | - | - | - |
| **Total revenue** | **8,595.26** | **102.13** | **240.77** | **-** | **8,938.16** |
| | | | | | |
| **Segment profit / (loss) before tax** | **2,619.61** | **(189.70)** | **(76.56)** | **-** | **2,353.35** |
| **Unallocated expenses** | | | | | |
| Interest expenses | **-** | **-** | **-** | **(2,119.21)** | **(2,119.21)** |
| Depreciation | **-** | **-** | **-** | **(5.94)** | **(5.94)** |
| Other expenses | **-** | **-** | **-** | **(360.74)** | **(360.74)** |
| **Total unallocated expenses** | **-** | **-** | **-** | **(2,485.89)** | **(2,485.89)** |
| **Unallocated income** | | | | | |
| Interest income | **-** | **-** | **-** | **197.39** | **197.39** |
| Other income | **-** | **-** | **-** | **159.59** | **159.59** |
| **Total unallocated income** | **-** | **-** | **-** | **356.98** | **356.98** |
| Profit before taxation | **-** | **-** | **-** | **-** | **224.44** |
| Tax credit | | | | | **(59.82)** |
| Profit after taxation | **-** | **-** | **-** | **-** | **284.26** |
| **Segment assets** | **23,151.34** | **3,000.22** | **6,949.04** | **4,059.37** | **37,159.97** |
| **Segment liabilities** | **1,541.39** | **2,188.89** | **219.15** | **28,255.47** | **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** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 49**
**Segment reporting**

| For the year ended March 31, 2017 | Reportable segments | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Hospitality (Hotels)** | **Real Estate** | **Commercial and Retail** | **Unallocated** | **Total** |
| **Revenue** | | | | | |
| External customers | 7,121.58 | 111.44 | 140.52 | - | 7,373.54 |
| Inter-segment | - | - | - | - | |
| **Total revenue** | **7,121.58** | **111.44** | **140.52** | **-** | **7,373.54** |
| | | | | | |
| **Segment profit / (loss) before tax** | **1,621.74** | **(231.32)** | **(64.32)** | **-** | **1,326.10** |
| **Unallocated expenses** | | | | | |
| Interest expense | - | - | - | (2,179.58) | (2,179.58) |
| Depreciation | - | - | - | (7.70) | (7.70) |
| Other expenses | - | - | - | (219.49) | (219.49) |
| **Total unallocated expenses** | | | | **(2,406.77)** | **(2,406.77)** |
| **Unallocated income** | | | | | |
| Interest income | - | - | - | 245.99 | 245.99 |
| Other income | - | - | - | 1,625.84 | 1,625.84 |
| **Total unallocated income** | | | | **1,871.83** | **1,871.83** |
| Profit before taxation | - | - | - | | 791.16 |
| Provision for taxation | | | | | (483.22) |
| Profit after taxation | ` | | | | 1,274.38 |
| **Segment assets** | **22,794.87** | **3,114.06** | **6,694.51** | **3,623.46** | **36,226.90** |
| **Segment liabilities** | **1,426.52** | **2,754.55** | **110.40** | **27,264.98** | **31,556.45** |
| **Other disclosures** | | | | | |
| Capital expenditure during the year | 306.81 | - | 721.75 | 1.63 | 1,030.19 |
| Depreciation and amortisation | 1,169.10 | 1.26 | 91.69 | 7.71 | 1,269.76 |
| Non cash expenses other than depreciation and amortisation | 18.55 | 196.76 | 0.32 | 8.19 | 223.82 |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 49**
**Segment reporting**

| **For the year ended March 31, 2016 - Proforma** | **Reportable segments** | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Hospitality (Hotels)** | **Real Estate** | **Commercial and Retail** | **Unallocated** | **Total** |
| **Revenue** | | | | | |
| External customers | 5,739.45 | 77.39 | 7.73 | - | 5,824.57 |
| Inter-segment | - | - | - | - | - |
| **Total revenue** | **5,739.45** | **77.39** | **7.73** | **-** | **5,824.57** |
| | | | | | |
| **Segment profit / (loss) before tax** | **1,031.01** | **(325.72)** | **0.39** | **-** | **705.68** |
| **Unallocated expenses** | | | | | |
| Interest expense | - | - | - | (2,158.69) | (2,158.69) |
| Depreciation | - | - | - | (7.33) | (7.33) |
| Other expenses | - | - | - | (350.73) | (350.73) |
| **Total unallocated expenses** | | | | **(2,516.75)** | **(2,516.75)** |
| **Unallocated income** | | | | | |
| Interest income | - | - | - | 65.04 | 65.04 |
| Other income | - | - | - | 86.00 | 86.00 |
| **Total unallocated income** | | | | **151.04** | **151.04** |
| Profit before taxation | - | - | - | - | (1,660.03) |
| Provision for taxation | | | | | (535.14) |
| Profit after taxation | ` | | | | (1,124.89) |
| **Segment assets** | **20,500.10** | **3,214.42** | **4,582.23** | **6,079.99** | **34,376.45** |
| **Segment liabilities** | **1,286.05** | **3,075.51** | **129.54** | **24,714.51** | **29,205.62** |
| **Other disclosures** | | | | | |
| Capital expenditure during the year | 755.59 | - | 845.36 | 6.28 | 1,607.23 |
| Depreciation and amortisation | 975.10 | 1.55 | 4.09 | 7.34 | 988.08 |
| Non cash expenses other than depreciation and amortisation | 21.41 | 150.70 | 0.32 | 58.76 | 231.19 |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 49**
**Segment reporting**

| **For the year ended March 31, 2015 - Proforma** | **Reportable segments** | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Hospitality (Hotels)** | **Real Estate** | **Commercial and Retail** | **Unallocated** | **Total** |
| **Revenue** | | | | | |
| External customers | 4,302.81 | 104.64 | 7.08 | - | 4,414.53 |
| Inter-segment | - | - | - | - | |
| **Total revenue** | **4,302.81** | **104.64** | **7.08** | **-** | **4,414.53** |
| | | | | | |
| **Segment profit / (loss) before tax** | **958.29** | **(388.18)** | **0.82** | **-** | **570.93** |
| **Unallocated expenses** | | | | | |
| Interest expense | | | | (1,605.73) | (1,605.73) |
| Depreciation | | | | (7.46) | (7.46) |
| Other expenses | | | | (621.86) | (621.86) |
| **Total unallocated expenses** | | | | **(2,235.05)** | **(2,235.05)** |
| **Unallocated income** | | | | | |
| Interest income | | | | 234.26 | 234.26 |
| Other income | | | | 21.76 | 21.76 |
| **Total unallocated income** | | | | **256.02** | **256.02** |
| Profit before taxation | | | | | (1,408.10) |
| Provision for taxation | | | | | (144.19) |
| Profit after taxation before minority interest and share of associates | ` | | | | (1,263.91) |
| Minority interest | | | | | |
| Share of loss of associate | | | | | (0.04) |
| Loss for the year | | | | | (1,263.95) |
| **Segment assets** | **20,702.29** | **3,195.75** | **3,548.53** | **5,801.95** | **33,248.52** |
| **Segment liabilities** | **1,567.90** | **3,466.12** | **37.93** | **21,856.12** | **26,928.07** |
| **Other disclosures** | | | | | |
| Capital expenditure during the year | 4,330.82 | 1.08 | 322.87 | 516.68 | 5,171.45 |
| Depreciation and amortisation | 604.51 | 1.78 | 3.93 | 7.46 | 617.68 |
| Non cash expenses other than depreciation and amortisation | 24.39 | 160.61 | - | 244.03 | 429.03 |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 49**
**Segment reporting**

| For the year ended March 31, 2014 - Proforma | Reportable segments | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Hospitality (Hotels)** | **Real Estate** | **Commercial and Retail** | **Unallocated** | **Total** |
| **Revenue** | | | | | |
| External customers | 4,397.44 | 613.87 | - | - | 5,011.31 |
| Inter-segment | - | - | - | - | - |
| **Total revenue** | **4,397.44** | **613.86** | **-** | **-** | **5,011.31** |
| | | | | | |
| **Segment profit / (loss) before tax** | **1,288.74** | **(1,312.93)** | **(2.85)** | **-** | **(27.04)** |
| **Unallocated expenses** | | | | | |
| Interest expenses | | | | (1,368.80) | (1,368.80) |
| Depreciation | | | | (4.06) | (4.06) |
| Other expenses | | | | (343.26) | (343.26) |
| **Total unallocated expenses** | | | | **(1,716.12)** | **(1,716.12)** |
| **Unallocated income** | | | | | |
| Interest income | | | | 313.32 | 313.32 |
| Other income | | | | 21.33 | 21.33 |
| **Total unallocated income** | | | | **334.65** | **334.65** |
| Profit before taxation | | | | | (1,408.51) |
| Tax credit | | | | | (320.46) |
| Profit after taxation | | | | | (1,088.05) |
| **Segment assets** | **15,878.31** | **2,975.57** | **2,396.58** | **9,062.97** | **30,313.43** |
| **Segment liabilities** | **950.05** | **4,035.51** | **51.37** | **18,671.50** | **23,708.43** |
| **Other disclosures** | | | | | |
| Capital expenditure | 2,401.52 | 0.31 | 710.57 | 642.97 | 3,755.37 |
| Depreciation and amortisation | 589.49 | 2.09 | 0.31 | 4.07 | 595.96 |
| Non cash expenses other than depreciation and amortisation | 95.15 | 365.53 | 2.69 | 102.79 | 566.16 |

**C. Geographic information**

The Company's operations are based in India and therefore the Company has only one geographical segment - India.

| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| India | **8,938.16** | 7,373.54 | 5,824.57 | 4,414.53 | 5,011.31 |
| **Non current assets** | | | | | |
| India | **30,102.60** | 30,115.83 | 25,950.58 | 24,520.82 | 19,506.58 |

**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.

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*
**Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)**

**Note 50**
**Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:**

**List of related parties**

| **Relationship** | **Name of party** | | | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
| **Associates** | - | Genext Hardware & Parks Private Limited (Upto October 31, 2016) | Genext Hardware & Parks Private Limited | Genext Hardware & Parks Private Limited | Genext Hardware & Parks Private Limited |
| | - | - | Intime Properties Private Limited (Upto March 31, 2016) | Intime Properties Private Limited | Intime Properties Private Limited |
| | - | - | - | - | Sundew Properties Limited (Upto July 28, 2014) |
| | - | - | - | Starshine Warehousing & Logistics Private Limited (from August 18, 2014 to September 30, 2014) | - |
| **Key Managerial Personnel / Relative (KMP)** | Sanjay Sethi -Managing Director & CEO (Resigned w.e.f. from October 1, 2017) (Appointed w.e.f. February 9, 2018) | Sanjay Sethi -Managing Director & CEO | Sanjay Sethi -Managing Director & CEO | Sanjay Sethi -Managing Director & CEO (from January 2, 2015) | - |
| | - | - | - | Suresh Singaravelu - Managing Director & CEO (Upto May 31, 2014) (Non Executive Director from June 1,2014) (Resigned w.e.f. January 2, 2015) | Suresh Singaravelu - Managing Director & CEO |
| | Ramesh M. Valecha , Non-Executive Director (from August 1, 2017) (Executive Director upto July 31, 2017) (Resigned w.e.f. May 2, 2018) | Ramesh M. Valecha - Executive Director | Ramesh M. Valecha - Executive Director | Ramesh M. Valecha - Executive Director | Ramesh M. Valecha - Executive Director |
| | Rajeev Newar, Executive Director (from August 3, 2017) | - | - | - | - |
| | Chandru L Raheja, Non-Executive Director (Resigned w.e.f. April 26, 2018) | Chandru L Raheja, Non-Executive Director | Chandru L Raheja, Non-Executive Director | Chandru L Raheja, Non-Executive Director | Chandru L Raheja, Non-Executive Director |
| | Ravi C Raheja, Non-Executive Director | Ravi C Raheja, Non-Executive Director | Ravi C Raheja, Non-Executive Director | Ravi C Raheja, Non-Executive Director | Ravi C Raheja, Non-Executive Director |
| | Neel C Raheja, Non-Executive Director | Neel C Raheja, Non-Executive Director | Neel C Raheja, Non-Executive Director | Neel C Raheja, Non-Executive Director | Neel C Raheja, Non-Executive Director |
| | Rajeev Chopra, Non-Executive Director (from June 1, 2017)(Resigned w.e.f. May 2, 2018) | - | - | - | - |
| | Roshan M. Chopra, relative of director | - | - | - | - |
| | Arthur De Haast, Independent Director (from August 3, 2017) | - | - | - | - |
| | Joseph Conrad D'Souza, Independent Director | Joseph Conrad D'Souza, Independent Director | Joseph Conrad D'Souza, Independent Director | Joseph Conrad D'Souza, Independent Director | Joseph Conrad D'Souza, Independent Director |
| | Hetal Gandhi, Independent Director | Hetal Gandhi, Independent Director | Hetal Gandhi, Independent Director | Hetal Gandhi, Independent Director | Hetal Gandhi, Independent Director |
| | - | - | - | Rusi Nusserwanji Sethna, Non-Executive Director (Resigned w.e.f. May 11, 2014) | Rusi Nusserwanji Sethna, Non-Executive Director |
| | Christabelle Baptista, Company Secretary | Christabelle Baptista, Company Secretary | Christabelle Baptista, Company Secretary | Christabelle Baptista, Company Secretary | Christabelle Baptista, Company Secretary |

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 50
### Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: (Continued)

**List of related parties**

| **Relationship** | **Name of party**<br>**March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| **Enterprises Controlled / Jointly controlled by KMPs** | Brookfields Agro & Development Private Limited | Brookfields Agro & Development Private Limited | Brookfields Agro & Development Private Limited | Brookfields Agro & Development Private Limited | Brookfields Agro & Development Private Limited |
| | Cavalcade Properties Private Limited | Cavalcade Properties Private Limited | Cavalcade Properties Private Limited | Cavalcade Properties Private Limited | Cavalcade Properties Private Limited |
| | Convex Properties Private Limited | Convex Properties Private Limited | Convex Properties Private Limited | Convex Properties Private Limited | Convex Properties Private Limited |
| | Grange Hotels And Properties Private Limited | Grange Hotels And Properties Private Limited | Grange Hotels And Properties Private Limited | Grange Hotels And Properties Private Limited | Grange Hotels And Properties Private Limited |
| | - | - | Horizonview Properties Private Limited | Horizonview Properties Private Limited | Horizonview Properties Private Limited |
| | Immense Properties Private Limited | Immense Properties Private Limited | Immense Properties Private Limited | Immense Properties Private Limited | Immense Properties Private Limited |
| | - | - | Newfound Properties & Leasing Private Limited | Newfound Properties & Leasing Private Limited | Newfound Properties & Leasing Private Limited |
| | Novel Properties Private Limited | Novel Properties Private Limited | Novel Properties Private Limited | Novel Properties Private Limited | Novel Properties Private Limited |
| | Pact Real Estate Private Limited | Pact Real Estate Private Limited | Pact Real Estate Private Limited | Pact Real Estate Private Limited | Pact Real Estate Private Limited |
| | Paradigm Logistics & Distribution Private Limited | Paradigm Logistics & Distribution Private Limited | Paradigm Logistics & Distribution Private Limited | Paradigm Logistics & Distribution Private Limited | Paradigm Logistics & Distribution Private Limited |
| | Sustain Properties Private Limited | Sustain Properties Private Limited | Sustain Properties Private Limited | - | - |
| | Sycamore Properties Private Limited | Sycamore Properties Private Limited | Sycamore Properties Private Limited (from November 28, 2015) | - | - |
| | Aqualine Real Estate Private Limited | Aqualine Real Estate Private Limited | Aqualine Real Estate Private Limited | - | - |
| | Feat Properties Private Limited | Feat Properties Private Limited | Feat Properties Private Limited | - | - |
| | - | - | KRC Infrastructure And Projects Private Limited | - | - |
| | Carin Properties Private Limited | Carin Properties Private Limited | - | - | - |
| | Flabbergast Properties Private Limited | Flabbergast Properties Private Limited | - | - | - |
| | The Residency Hotels Private Limited | - | - | - | - |
| | Sundew Real Estate Private Limited | Sundew Real Estate Private Limited | | | |
| | K Raheja Corp Advisory Services (Cyprus) Private Ltd | K Raheja Corp Advisory Services (Cyprus) Private Ltd | K Raheja Corp Advisory Services (Cyprus) Private Ltd | K Raheja Corp Advisory Services (Cyprus) Private Ltd | K Raheja Corp Advisory Services (Cyprus) Private Ltd |

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 50
### Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: (Continued)

**List of related parties**

| Relationship | Name of party<br>March 31, 2018 | March 31, 2017 | March 31, 2016<br>Proforma | March 31, 2015<br>Proforma | March 31, 2014<br>Proforma |
|---|---|---|---|---|---|
| **Shareholders of the Company** | Anbee Constructions LLP | Anbee Constructions LLP | Anbee Constructions LLP (formerly Anbee Constructions Private Limited upto March 17, 2016) | Anbee Constructions Private Limited | Anbee Constructions Private Limited |
| | - | Avacado Properties And Trading (India) Private Limited (Upto December 21, 2016) | Avacado Properties And Trading (India) Private Limited | Avacado Properties And Trading (India) Private Limited | Avacado Properties And Trading (India) Private Limited |
| | Cape Trading LLP | Cape Trading LLP | Cape Trading LLP (formerly known as Cape Trading Private Limited upto March 17, 2016) | Cape Trading Private Limited | Cape Trading Private Limited |
| | Capstan Trading LLP | Capstan Trading LLP | Capstan Trading LLP (formerly known as Capstan Trading Private Limited upto March 17, 2016) | Capstan Trading Private Limited | Capstan Trading Private Limited |
| | Casa Maria Properties LLP | Casa Maria Properties LLP | Casa Maria Properties LLP (formerly known as Casa Maria Properties Private Limited upto March 17, 2016) | Casa Maria Properties Private Limited | Casa Maria Properties Private Limited |
| | Ivory Properties And Hotels Private Limited | Ivory Properties And Hotels Private Limited | Ivory Properties And Hotels Private Limited | Ivory Properties And Hotels Private Limited | Ivory Properties And Hotels Private Limited |
| | K. Raheja Corp Private Limited | K. Raheja Corp Private Limited | K. Raheja Corp Private Limited | K. Raheja Corp Private Limited | K. Raheja Corp Private Limited |
| | K. Raheja Private Limited | K. Raheja Private Limited | K. Raheja Private Limited | K. Raheja Private Limited | K. Raheja Private Limited |
| | Palm Shelter Estate Development LLP | Palm Shelter Estate Development LLP | Palm Shelter Estate Development LLP (formerly known as Palm Shelter Estate Development Private Limited upto March 17, 2016) | Palm Shelter Estate Development Private Limited | Palm Shelter Estate Development Private Limited |
| | Raghukool Estate Development LLP | Raghukool Estate Development LLP | Raghukool Estate Development LLP (formerly known as Raghukool Estate Development Private Limited upto March 18, 2016) | Raghukool Estate Development Private Limited | Raghukool Estate Development Private Limited |
| | Touchstone Properties And Hotels Private Limited | Touchstone Properties And Hotels Private Limited | Touchstone Properties And Hotels Private Limited | Touchstone Properties And Hotels Private Limited | Touchstone Properties And Hotels Private Limited |
| | Ivory Property Trust | | | | |
| | Genext Hardware & Parks Private Limited | Genext Hardware & Parks Private Limited (from December 22, 2016) | | | |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 50
### Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: (Continued)

**List of related parties**

| Relationship | Name of party | | | | |
|---|---|---|---|---|---|
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
| **Other Related parties** | - | Gigaplex Estate Private Limited | - | - | - |
| | Imperial Serviced Offices & Property Management Private Limited | | Imperial Serviced Offices Private Limited | - | Imperial Serviced Offices Private Limited |
| | Inorbit Malls (India) Private Limited | Inorbit Malls (India) Private Limited | Inorbit Malls (India) Private Limited | Inorbit Malls (India) Private Limited | Inorbit Malls (India) Private Limited |
| | K Raheja Corporate Services Private Limited | K Raheja Corporate Services Private Limited | K Raheja Corporate Services Private Limited | K Raheja Corporate Services Private Limited | K Raheja Corporate Services Private Limited |
| | K Raheja IT Park (Hyderabad) Limited | K Raheja IT Park (Hyderabad) Limited (formerly known as K Raheja IT Park (Hyderabad) Private Limited upto November 8, 2016) | K Raheja IT Park (Hyderabad) Private Limited | K Raheja IT Park (Hyderabad) Private Limited | K Raheja IT Park (Hyderabad) Private Limited |
| | - | - | - | - | Matrix Integrated Facilities & Property Management Private Limited |
| | Mindspace Business Parks Private Limited | Mindspace Business Parks Private Limited | Mindspace Business Parks Private Limited (formerly known as Serene Properties Private Limited upto November 23, 2015) | Serene Properties Private Limited | Serene Properties Private Limited |
| | - | Stargaze Properties Private Limited | Stargaze Properties Private Limited | Stargaze Properties Private Limited | Stargaze Properties Private Limited |
| | Sundew Properties Limited | Sundew Properties Limited | Sundew Properties Limited | Sundew Properties Limited | - |
| | Trion Properties Private Limited | Trion Properties Private Limited | Trion Properties Private Limited | Trion Properties Private Limited | Trion Properties Private Limited |
| | - | - | - | Opul Constructions Private Limited | - |
| | - | - | - | - | Sustain Properties Private Limited |
| | - | Ivory Property Trust | Ivory Property Trust | - | - |
| | - | - | Powai Developers (Division of K. Raheja Corp Private Limited) | - | - |
| | - | Horizon View Properties Private Limited | - | - | - |
| | Intime Properties Limited | Intime Properties Limited | - | - | - |
| | | KRC Infrastructure And Projects Private Limited | - | - | - |
| | Newfound Properties & Leasing Private Limited | Newfound Properties & Leasing Private Limited | - | - | - |
| | Challenge Properties Private Limited | - | - | - | - |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 50**
**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:**

**Related party disclosures for Year ended March 31, 2018**

| Sr.no | Particulars | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties |
|---|---|---|---|---|
| 1 | Dividend received | - | - | 0.00 |
| 2 | Interest income from instruments measured at amortised cost | - | - | 173.54 |
| 3 | Miscellaneous income | - | - | 11.35 |
| 4 | Sale of services - Lease rent | - | - | 0.98 |
| 5 | Sale of investments | - | - | 0.10 |
| 6 | Sales of services - Rooms income, Food, beverages and smokes | - | 1.22 | 12.68 |
| 7 | Other expenses | - | 4.82 | 60.92 |
| 8 | Interest expenses | - | - | 83.59 |
| 9 | Director sitting fees | - | 0.40 | - |
| 10 | Salaries, wages and bonus | - | 52.27 | - |
| 11 | Loans repaid | - | 82.08 | 6,602.44 |
| 12 | Loans taken | - | - | 267.10 |
| 13 | Loans given | - | 2.00 | 6,923.70 |
| 14 | Deposit received | - | - | 1.90 |
| 15 | Guarantees given on behalf of the Company | - | 870.36 | - |
| | **Balances outstanding as at the year-end** | | | |
| 16 | Trade receivables | - | - | 0.39 |
| 17 | Loans Receivable | - | 1.42 | 2,153.33 |
| 18 | Interest receivable | - | - | 171.81 |
| 19 | Loans payable | - | - | 868.82 |
| 20 | Interest payable | - | - | 80.18 |
| | **Amount in less than Rs. 0.01 million* | | | |

**Significant transactions with material related parties for Year ended March 31, 2018**

| Sr.no | Particulars | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties |
|---|---|---|---|---|
| 1 | **Loans given** | | | |
| | Immense Properties Private Limited | - | - | 120.10 |
| | Ivory Properties And Hotels Private Limited | - | - | 450.00 |
| | Ivory Property Trust | - | - | 1,781.60 |
| | K. Raheja Private Limited | - | - | 4,572.00 |
| 2 | **Loans repaid** | | | |
| | K. Raheja Corp Private Limited | - | - | 245.00 |
| | Immense Properties Private Limited | - | - | 289.00 |
| | Ivory Properties And Hotels Private Limited | - | - | 449.50 |
| | Ivory Property Trust | - | - | 3,168.20 |
| | K. Raheja Private Limited | - | - | 2,450.74 |
| 3 | **Loans Payable** | | | |
| | Newfound Properties & Leasing Private Limited | - | - | 628.00 |
| | K. Raheja Corp Private Limited | - | - | 267.10 |
| 4 | **Loans Receivable** | | | |
| | K. Raheja Corp Private Limited | | | 240.82 |
| 5 | **Guarantees given on behalf of the Company** | | | |
| | Neel C. Raheja | - | 870.36 | - |
| 5 | **Guarantees Outstanding** | | | |
| | Neel C. Raheja | - | 870.36 | - |

## Annexure VI-Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

### Note 50
### Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: *(Continued)*

**Related party disclosures for Year ended March 31, 2017**

| Sr.no | Particulars | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties |
|---|---|---|---|---|
| 1 | Dividend received | 0.00 | - | - |
| 2 | Interest income from instruments measured at amortised cost | - | - | 219.48 |
| 3 | Interest expenses | - | - | 35.53 |
| 4 | Sale of services - Lease rent | - | - | 0.98 |
| 5 | Sale of investments | - | - | 3,769.20 |
| 6 | Sales of services - Rooms income, Food, beverages and smokes | 16.78 | - | 15.57 |
| 7 | Other expenses | 2.10 | - | 50.08 |
| 8 | Salaries, wages and bonus | - | 51.99 | - |
| 9 | Director sitting fees | - | 0.19 | - |
| 10 | Loans repaid | - | 2.50 | 7,588.77 |
| 11 | Loans taken | - | 74.00 | 1,174.21 |
| 12 | Loans given | - | - | 7,354.03 |
| 13 | Deposit given | - | | 5.00 |
| 14 | Deposit received | 11.98 | - | - |
| 15 | Purchase of property, plant and equipment | - | - | 2.05 |
| 16 | Guarantees given on behalf of the Company | - | 432.28 | - |
| | **Balances outstanding as at the year-end** | | | |
| 17 | Trade receivables | 0.11 | - | 2.96 |
| 18 | Trade payables | 10.64 | - | 22.34 |
| 19 | Deposits outstanding as at the year-end | 10.25 | - | 31.98 |
| 20 | Investment Outstanding | - | - | 0.73 |
| 21 | Loans receivable | - | 7.50 | 1,587.07 |
| 22 | Interest receivable | - | - | 184.59 |
| 23 | Loans payable | 1,925.73 | 74.00 | 846.40 |
| 24 | Interest payable | - | - | 41.10 |

**Significant transactions with material related parties for Year ended March 31, 2017**

| Sr.no | Particulars | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties |
|---|---|---|---|---|
| 1 | **Sale of investments** | | | |
| | Ivory Property Trust | - | - | 3,769.20 |
| 2 | **Loans given** | | | |
| | Pact Real Estate Private Limited | - | - | 1,000.00 |
| | Ivory Property Trust | - | - | 3,445.33 |
| | K. Raheja Private Limited | - | - | 1,249.50 |
| | Immense Properties Private Limited | - | - | 550.00 |
| | Convex Properties Private Limited | - | - | 400.00 |
| | Horizonview Properties Private Limited | - | - | 209.20 |
| | KRC Infrastructure And Projects Private Limited | - | - | 500.00 |
| 3 | **Loans repaid** | | | |
| | Pact Real Estate Private Limited | - | - | 1,000.00 |
| | K. Raheja Private Limited | - | - | 2,518.86 |
| | Ivory Property Trust | - | - | 2,058.00 |
| | Immense Properties Private Limited | - | - | 381.00 |
| | Convex Properties Private Limited | - | - | 400.00 |
| | Horizonview Properties Private Limited | - | - | 209.20 |
| | KRC Infrastructure And Projects Private Limited | - | - | 500.00 |
| | Gigaplex Estate Private Limited | - | - | 521.50 |

## Annexure VI-Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 50**

**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below: *(Continued)***

**Significant transactions with material related parties for Year ended March 31, 2017 *(Continued)***

| Sr.no | Particulars | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties |
|---|---|---|---|---|
| 4 | **Loans taken** | | | |
| | Gigaplex Estate Private Limited | - | - | 521.50 |
| | Newfound Properties & Leasing Private Limited | - | - | 628.21 |
| 5 | **Loans receivable** | | | |
| | Immense Properties Private Limited | - | - | 169.00 |
| | Ivory Property Trust | - | - | 1,387.33 |
| 6 | **Loans payable** | | | |
| | K. Raheja Corp Private Limited | - | - | 218.40 |
| | Genext Hardware & Parks Private Limited | 1,925.73 | - | - |
| | Newfound Properties & Leasing Private Limited | - | - | 628.00 |

**Related party disclosures for Year ended March 31, 2016**

| Sr.no | Particulars | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties |
|---|---|---|---|---|
| 1 | Dividend received | 7.90 | - | - |
| 2 | Interest income from instruments measured at amortised cost | 17.66 | - | 18.81 |
| 3 | Sale of services - Lease rent | - | - | 0.98 |
| 4 | Sale of investments | - | 0.10 | 543.27 |
| 5 | Sale of material | - | - | 1.54 |
| 6 | Sale of other assets | - | - | 8.51 |
| 7 | Sales of services - Rooms income, Food, beverages and smokes | 0.35 | 0.51 | 9.91 |
| 8 | Interest expenses | - | - | 114.87 |
| 9 | Other expenses | 1.26 | - | 46.84 |
| 10 | Director sitting fees | - | 0.19 | - |
| 11 | Project support services and other expenses | - | - | 2.50 |
| 12 | Purchase of property, plant and equipment | - | - | 1.76 |
| 13 | Salaries, wages and bonus | - | 53.96 | - |
| 14 | Guarantees given by the Company | 2,706.68 | - | - |
| 15 | Loans repaid | 1,212.69 | - | 5,412.64 |
| 16 | Loans taken | - | - | 5,279.24 |
| 17 | Loans given | 430.60 | - | 2,004.00 |
| | **Balances outstanding as at the year-end** | | | |
| 18 | Trade receivables | - | - | 3.16 |
| 19 | Trade payables | - | - | 5.23 |
| 20 | Deposits outstanding as at the year-end | - | - | 26.98 |
| 21 | Investment Outstanding | 3,315.83 | - | - |
| 22 | Loans receivable | - | 10.00 | 1,300.10 |
| 23 | Interest receivable | 17.30 | - | 18.42 |
| 24 | Interest payable | - | - | 113.72 |
| 25 | Loans Payable | - | - | 1,018.50 |
| 26 | Guarantees Outstanding | 2,706.68 | - | - |

## Annexure VI-Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 50**

**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:** ***(Continued)***

**Significant transactions with material related parties for Year ended March 31, 2016**

| Sr.no | Particulars | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties |
|---|---|---|---|---|
| 1 | **Sale of investments** | | | |
| | Ivory Property Trust | - | - | 543.27 |
| 2 | **Loans given** | | | |
| | K. Raheja Corp Private Limited | - | - | 383.90 |
| | K. Raheja Private Limited | - | - | 1,300.10 |
| | Genext Hardware & Parks Private Limited | 430.60 | - | - |
| | Avacado Properties & Trading (India) Private Limited | - | - | 320.00 |
| 3 | **Loans taken** | | | |
| | K. Raheja Corporate Services Private Limited | - | - | 2,417.90 |
| | Mindspace Business Parks Private Limited | - | - | 2,861.34 |
| 4 | **Loans repaid** | | | |
| | Genext Hardware & Parks Private Limited | 1,212.69 | - | - |
| | K. Raheja Corp Private Limited | - | - | 258.00 |
| | Mindspace Business Parks Private Limited | - | - | 2,282.90 |
| | K. Raheja Corporate Services Private Limited | - | - | 2,871.74 |
| 5 | **Loans receivable** | | | |
| | K. Raheja Private Limited | - | - | 1,300.10 |
| 6 | **Investment Outstanding** | | | |
| | Genext Hardware & Parks Private Limited | 2,974.83 | - | - |
| | Intime Properties Limited | 340.99 | - | - |
| 7 | **Loans payable** | | | |
| | Mindspace Business Parks Private Limited | - | - | 578.44 |
| | K. Raheja Corp Private Limited | - | - | 193.90 |
| | K. Raheja Corporate Services Private Limited | - | - | 246.16 |
| 8 | **Guarantees given by the Company** | | | |
| | Genext Hardware & Parks Private Limited | 2,706.68 | - | - |
| 9 | **Guarantees Outstanding** | | | |
| | Genext Hardware & Parks Private Limited | 2,706.68 | - | - |

## Annexure VI-Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 50**

**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:** ***(Continued)***

**Related party disclosures for Year ended March 31, 2015**

| Sr.no | Particulars | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties |
|---|---|---|---|---|
| 1 | Dividend received | 1.32 | - | - |
| 2 | Interest income from instruments measured at amortised cost | 179.11 | - | 28.15 |
| 3 | Sale of services - Lease rent | - | - | 0.99 |
| 4 | Sale of investments | 582.22 | - | - |
| 5 | Sale of material | - | - | 0.13 |
| 6 | Sales of services - Rooms income, Food, beverages and smokes | 0.57 | 0.01 | 4.57 |
| 7 | Sale of other assets | - | - | 3.94 |
| 8 | Interest expenses | - | - | 104.12 |
| 9 | Other expenses | 0.36 | - | 33.16 |
| 10 | Director sitting fees | - | 0.18 | - |
| 11 | Salaries, wages and bonus | - | 48.44 | - |
| 12 | Loans taken | - | - | 960.00 |
| 13 | Loans repaid | 1,695.50 | - | 2,302.23 |
| 14 | Loans given | 1,071.73 | 10.00 | 2,002.23 |
| 15 | Deposit given | - | - | 10.04 |
| 16 | Project support services and other expenses | - | - | 30.00 |
| 17 | Guarantees given by the Company | 2,772.67 | | |
| 18 | Short-term investment made | 3.34 | - | - |
| 19 | Short-term investment written off | 3.34 | - | - |
| | **Balances outstanding as at the year-end** | | | |
| 20 | Trade receivables | - | - | 0.04 |
| 21 | Trade payables | - | 0.04 | 10.03 |
| 22 | Deposits outstanding as at the year-end | - | - | 26.98 |
| 23 | Outstanding Investment | 3,868.50 | - | - |
| 24 | Loans Receivable | 782.09 | 10.00 | - |
| 25 | Interest receivable | 179.11 | - | - |
| 26 | Loans Payable | - | - | 768.00 |
| 27 | Interest payable | - | - | 54.01 |
| 28 | Guarantees given by the Company | 2,772.67 | - | - |

**Significant transactions with material related parties for Year ended March 31, 2015**

| 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** | | | |
| | Genext Hardware & Parks Private Limited | 179.11 | - | - |
| 2 | **Loans given** | | | |
| | Ivory Properties And Hotels Private Limited | - | - | 240.00 |
| | K. Raheja Corporate Services Private Limited | - | - | 700.00 |
| | Genext Hardware & Parks Private Limited | 1,071.73 | - | - |
| | Newfound Properties & Leasing Private Limited | - | - | 1,062.23 |
| 3 | **Sale of investments** | | | |
| | Genext Hardware & Parks Private Limited | 582.22 | - | - |
| 4 | **Loans repaid** | | | |
| | Ivory Properties And Hotels Private Limited | - | - | 240.00 |
| | Genext Hardware & Parks Private Limited | 1,695.50 | - | - |
| | K. Raheja Corporate Services Private Limited | - | - | 500.00 |
| | Newfound Properties & Leasing Private Limited | - | - | 1,062.23 |
| | K. Raheja Corp Private Limited | - | - | 500.00 |
| 5 | **Loans taken** | | | |
| | K. Raheja Corp Private Limited | - | - | 260.00 |
| | K. Raheja Corporate Services Private Limited | - | - | 700.00 |

## Annexure VI-Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 50**

**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:** ***(Continued)***

**Significant transactions with material related parties for Year ended March 31, 2015** ***(Continued)***

| Sr.no | Particulars | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties |
|---|---|---|---|---|
| 6 | **Interest receivable** | | | |
| | Genext Hardware & Parks Private Limited | 179.11 | - | - |
| 7 | **Loans Receivable** | | | |
| | Genext Hardware & Parks Private Limited | 782.09 | - | - |
| 8 | **Oustanding Investments** | | | |
| | Genext Hardware & Parks Private Limited | 2,974.83 | - | - |
| | Intime Properties Limited | 893.66 | - | - |
| 9 | **Loans Payable** | | | |
| | K. Raheja Corporate Services Private Limited | - | - | 700.00 |
| 10 | **Guarantees given by the Company** | | | |
| | Genext Hardware & Parks Private Limited | 2,772.67 | - | - |
| 11 | **Guarantees Outstanding** | | | |
| | Genext Hardware & Parks Private Limited | 2,772.67 | - | - |

**Related party disclosures for Year ended March 31, 2014**

| 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 | - | - | 90.74 |
| 2 | Sale of services - Lease rent | | | 0.97 |
| 3 | Sale of investments | - | - | 433.34 |
| 4 | Sales of services - Rooms income, Food, beverages and smokes | 0.32 | 0.00 | 5.83 |
| 5 | Interest expenses | - | - | 9.52 |
| 6 | Other expenses | - | - | 63.05 |
| 7 | Director sitting fees | - | 0.15 | - |
| 8 | Salaries, wages and bonus | - | 41.35 | - |
| 9 | Loans given | - | - | 271.73 |
| 10 | Loans repaid | - | - | 3,719.81 |
| 11 | Project support services and other expenses | - | - | 39.96 |
| 12 | Deposit received | - | - | 0.23 |
| 13 | Advance received | 0.14 | - | - |
| 14 | Purchase of Investments | 4,299.01 | - | - |
| 15 | Guarantees given by the Company | 2,954.84 | - | - |
| | **Balances outstanding as at the year-end** | | | |
| 16 | Trade receivables | - | - | 0.26 |
| 17 | Trade payables | - | 0.03 | 4.85 |
| 18 | Deposits outstanding as at the year-end | - | - | 16.94 |
| 19 | Outstanding Investment | 4,299.01 | - | - |
| 20 | Interest payable | - | - | 9.65 |
| 21 | Loans Outstanding | 1,652.92 | - | - |
| 22 | Interest receivable | 160.11 | - | - |
| 23 | Loans Payable | - | - | 308.00 |
| 24 | Guarantees outstanding | 2,954.84 | - | - |

## Annexure VI-Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

**Note 50**

**Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:** ***(Continued)***

**Significant transactions with material related parties for Year ended March 31, 2014**

| Sr.no | Particulars | Associates | Key Management Personnel / Relative | Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other related parties |
|---|---|---|---|---|
| 1 | **Sale of investments** | | | |
| | Inorbit Malls (India) Private Limited | - | - | 433.34 |
| 2 | **Loans given** | | | |
| | Stargaze Properties Private Limited | - | - | 173.00 |
| 3 | **Loans repaid** | | | |
| | K. Raheja Private Limited | - | - | 885.00 |
| | Mindspace Business Parks Private Limited | - | - | 855.50 |
| | Newfound Properties & Leasing Private Limited | - | - | 559.09 |
| | Horizonview Properties Private Limited | - | - | 461.50 |
| | Convex Properties Private Limited | - | - | 261.50 |
| | Stargaze Properties Private Limited | - | - | 233.44 |
| | Immense Properties Private Limited | - | - | 155.00 |
| | Brookfields Agro & Development Private Limited | - | - | 130.00 |
| | Sustain Properties Private Limited | | | 95.07 |
| 4 | **Purchase of Investment** | | | |
| | Genext Hardware & Parks Private Limited | 2,816.94 | - | - |
| | Intime Properties Limited | 893.66 | - | - |
| | Sundew Properties Limited | 588.41 | - | - |
| 5 | **Outstanding Investment** | | | |
| | Genext Hardware & Parks Private Limited | 2,816.94 | - | - |
| | Intime Properties Limited | 893.66 | - | - |
| | Sundew Properties Limited | 588.41 | - | - |
| 6 | **Loans Payable** | | | |
| | K. Raheja Corp Private Limited | | | 240.00 |
| 7 | **Loans Receivable** | | | |
| | Genext Hardware & Parks Private Limited | 1,652.92 | | - |
| 8 | **Interest receivable** | | | |
| | Genext Hardware & Parks Private Limited | 160.11 | | - |
| 9 | **Guarantees given by the Company** | | | |
| | Genext Hardware & Parks Private Limited | 2,954.84 | - | - |
| 10 | **Guarantees outstanding** | | | |
| | Genext Hardware & Parks Private Limited | 2,954.84 | - | - |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 51
### Details of interests in subsidiaries and associates

**Subsidiaries**

The details of the Company's subsidiaries at March 31, 2018 are set below. The country of incorporation is also the principal place of business

| Name of entity | Country of Incorporation | Shareholding % as at | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
| Magna Warehousing & Distribution Private Limited | India | - | 100.00% | 100.00% | 100.00% | 100.00% |
| Grandwell Properties & Leasing Private Limited (sold on November 27, 2017) | India | - | 100.00% | 100.00% | 100.00% | 100.00% |
| Sycamore Properties Private Limited (sold on November 27, 2015) | India | - | - | - | 100.00% | - |
| Chalet Hotels & Properties (Kerala) Private Limited | India | 90.00% | 90.00% | 90.00% | 90.00% | 90.00% |
| Strength Real Estate Private Limited (From August 18, 2014 to September 30, 2014)* | India | - | - | - | 66.67% | - |

* Ownership interest held by Grandwell Properties & Leasing Private Limited. On October 12, 2015, Strength Real Estate Private Limited was “lawfully dissolved”.

The carrying amount of investments was written off in the year of dissolution.

**Non-controlling interests**

Below is the partly owned subsidiary of the Group and the share of the non-controlling interests.

| Name | Country of Incorporation and Principal Place of Business | Non-controlling interest | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 |
| Chalet Hotels & Properties (Kerala) Private Limited | India | 10.00% | 10.00% | 10.00% | 10.00% | 10.00% |
| Strength Real Estate Private Limited (From August 18, 2014 to September 30, 2014)* | India | - | - | - | 33.33% | - |

The balance attributable towards the non-controlling interest of Chalet Hotels & Properties (Kerala) Private Limited was nil as at each reporting date. Further, the non-controlling interest in relation to Strength Real Estate Private Limited was not outstanding as at any of the reporting dates. Accordingly, disclosures applicable to non-controlling interest have not been provided.

**Interest in Associates**

| Name of entity | Country of Incorporation | Shareholding % as on | | | | |
|---|---|---|---|---|---|---|
| | | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
| Genext Hardware & Parks Private Limited | India | - | - | 41.05% | 40% | 40% |
| Intime Properties Limited * | India | - | - | - | 39% | 39% |
| Starshine Warehousing & Logistics Private Limited (From August 18, 2014 to September 30, 2014) ** | India | - | - | - | 50% | - |

* Ceased to be an associate w.e.f. March 30, 2016. The residual stake of 15.03% has been accounted as investment in equity shares measured at fair value through profit and loss.

** Ownership interest held by Grandwell Properties & Leasing Private Limited. On October 12, 2015, Starshine Warehousing & Logistics Private Limited was “lawfully dissolved”.
The carrying amount of investments was written off in the year of dissolution.

**Method of accounting of investment in associates**

Investment in associates were acquired exclusively with a view to resale and meets the criteria to be classified as held for sale. The investment has been accounted as per Ind AS 105 and measured at the lower of carrying amount and fair value less costs to sell and hence are not consolidated with reference to the equity method.

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 52
### Disclosure as per Guidance Note on Accounting for Real Estate Transactions

**(Rs. in million)**

| **Particulars** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| Gross Project Revenue recognised as revenue | 102.13 | 111.44 | 77.39 | 104.64 | 179.09 |
| 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 respect of all projects in progress as at** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| Aggregate amount of cost incurred to date | 70.66 | 76.49 | 48.02 | 71.65 | 391.91 |
| Advances received as at | 1,026.35 | 1,274.25 | 1,469.77 | 1,633.13 | 2,180.10 |
| Income received in advance (net) as at | 208.36 | 334.94 | 381.03 | 403.76 | 509.64 |
| Amount of work in progress | 3,031.94 | 3,020.34 | 3,026.65 | 2,949.87 | 2,619.19 |
| Less: Provision for impairment | (376.65) | (376.65) | (376.65) | (376.65) | (376.65) |
| Amount of work in progress (net) | 2,655.29 | 2,643.69 | 2,650.00 | 2,573.22 | 2,242.54 |
| Excess of revenue recognised over actual bills raised (unbilled revenue) | 195.33 | 148.72 | 145.55 | 119.23 | 112.22 |

### Note 53
### Bengaluru Residential Project

Amounts related to the Bengaluru Residential project carried under inventories and trade receivables are as under **(Rs. in million)**

| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| Inventories | 3,031.94 | 3,020.34 | 3,026.65 | 2,949.87 | 2,619.19 |
| Less: Provision for impairment | (376.65) | (376.65) | (376.65) | (376.65) | (376.65) |
| Inventories, net | 2,655.29 | 2,643.69 | 2,650.00 | 2,573.22 | 2,242.54 |
| Trade receivables | 32.46 | 32.46 | 32.46 | 32.46 | 32.46 |
| Income received in advance (Unearned revenue) | 208.36 | 334.94 | 381.03 | 403.76 | 509.64 |
| Advances from Customers towards Sale of residential flats | 967.91 | 1,268.14 | 1,469.77 | 1,627.98 | 2,151.92 |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 54
### First time adoption of Ind AS

The Restated Consolidated statement of assets and liabilities of the Group as at March 31, 2018 and March 31, 2017 and the Restated Consolidated statement of profit and loss, the Restated statement of changes in equity and the restated statement of cash flows for the years ended March 31, 2018 and March 31 2017 and restated other financial information (together referred as 'restated consolidated financial information') 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.

The Group has elected to present all five years as per Ind AS / Proforma Ind AS. The restated consolidated financial information for the years ended March 31, 2016, 2015 and 2014 has been prepared on Proforma basis (i.e. "Proforma Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS financial information for the year ended March 31, 2016, 2015 and 2014, the Group has followed the same accouniting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS financial information as of and for the years ended March 31, 2016, 2015, and 2014 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2016).

In addition to the adjustments carried herein, the Group has also made material restatement adjustments as required by the SEBI Circular and the Guidance note on reports in company prospectuseses (refer Annexure VII). Together these constitute the restated consolidated summary financial information.

**Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

1 **Business combination**

The Group has applied the exemption as provided in Ind AS 101 in relation to Ind AS 103, "Business Combinations" for business combinations consummated prior to the date of transition (April 1, 2016). Pursuant to this exemption, goodwill arising from business combination has been stated at the carrying amount under previous GAAP. Accordingly, Ind AS 103 has been applied prospectively to business combinations occurring after its transition date.

Further, in accordance with Guidance Note on Reports in Company Prospectuses (Revised 2016), the Group has adopted the same accounting policy choice for preparing the restated Proforma Ind AS financial statements as adopted initially at the transition date. Accordingly, business combinations that have occurred between April 1, 2013 and March 31, 2016 have not been restated as per Ind AS 103 Business Combinations.

2 **Property, plant and equipment**

On the date of transition the Group has chosen to reflect the fair value of all freehold land as of April 1, 2016 as their respective deemed cost. All other items of property, plant and equipment have been measured as per the requirements of Ind AS 16 "Property, Plant and Equipment" retrospectively.

3 **Intangible assets and Investment property**

As permitted by IND AS 101, the Group has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2016 for all the items of intangible assets and investment property. For the purpose of Proforma Ind AS financial information for the year ended March 31, 2016, 2015 and 2014, the Group has provided the depreciation based on the estimated useful life of respective years.

4 **Classification and measurement of financial assets and financial liabilities**

Ind AS 101 requires an entity to assess classification of financial assets and financial liabilities on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets and financial liabilities accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets and financial liabilities based on facts and circumstances that exist on the date of transition. Measurement of the financial assets and financial liabilities accounted at amortised cost has been done retrospectively except where the same is impracticable.

5 **Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**Note 54** **(Rs. in million)**
**First time adoption of Ind AS**

**A. Reconciliation between previous GAAP and Ind AS**

**(I) Reconciliation of equity as previously reported under IGAAP and Ind AS**

| Particulars | Notes to First time adoption | As at March 31, 2017 | As at March 31, 2016 Proforma | As at March 31, 2015 Proforma | As at March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **(i) Total equity as per previous GAAP** | | **7,053.71** | **1,292.62** | **3,343.43** | **3,756.28** |
| **(ii) Ind AS adjustments** | | | | | |
| Fair valuation of land treated as deemed cost | 1 | - | 5,186.49 | 5,186.49 | 3,916.84 |
| Accounting for transaction costs on borrowings as per effective interest method | 2 | 83.52 | 114.51 | 90.81 | 118.92 |
| Fair value movement of FVTPL investments | 3 | 1.22 | (9.60) | - | - |
| Investment in preference shares measured at amortised cost | 4 | - | 38.14 | 23.71 | 8.66 |
| Accounting of EPCG Scheme as a government grant, including depreciation impact | 5 | 378.70 | 198.69 | 153.64 | 165.71 |
| Net assets transferred out of hotel and retail undertaking from Magna Warehousing & Distribution Private Limited (Magna) under Court scheme reflected from appointed date i.e. April 1, 2013 | 6 | - | - | - | 1,022.92 |
| Net assets acquired of hotel and retail undertaking from Genext Hardware & Parks Private Limited (Genext) under Court scheme reflected from appointed date i.e. November 1, 2016 | 7 | (1,809.16) | - | - | - |
| Deferred tax on above adjustments, as applicable | 9 | (250.22) | (106.47) | (84.60) | (96.75) |
| Deferred tax impact on fair valuation and indexation benefit on land | 9 | (775.27) | (1,257.59) | (1,259.66) | (1,001.48) |
| Deferred tax impact on indexation benefit on investment property | 9 | 94.66 | 64.72 | 54.12 | 43.82 |
| Deferred tax impact on brought forward business losses and unabsorbed depreciation | 9 | 865.20 | 635.32 | 116.20 | 114.13 |
| Deferred tax impact on investments held for sale | 9 | 0.03 | 110.30 | - | - |
| **Total Ind AS adjustments *** | | **(1,411.33)** | **4,974.52** | **4,280.72** | **4,292.77** |
| **(ii) Total restatement adjustments (refer Annexure VII)** | | **(971.94)** | **(1,096.31)** | **(1,303.70)** | **(1,444.05)** |
| **(iii) Total equity as per Restated Consolidated Summary Statement of Assets and Liabilities (iii + iv + v)** | | **4,670.45** | **5,170.83** | **6,320.45** | **6,605.00** |

* The Ind AS adjustments reflected for adjustment with equity as at April 1, 2016 are consistent with those made as part of the first Ind AS financial statements of the Group. The adjusted net worth of the Group so arrived at shall differ from the total equity as per Restated Consolidated Summary Statement of Assets and Liabilities to the extent of the restatement adjustments identified in the table above and explained as part of Annexure VII.

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**Note 54**
**First Time Adoption of Ind AS *(Continued)***

**A. Reconciliation between previous GAAP and Ind AS *(Continued)*** **(Rs. in million)**

**(II) Reconciliation of net profit after tax/total comprehensive income (as applicable) as previously reported under IGAAP and Ind AS**

| Particulars | Notes to First time adoption | For the year ended March 31, 2017 | For the year ended March 31, 2016 Proforma | For the year ended March 31, 2015 Proforma | For the year ended March 31, 2014 Proforma |
|---|---|---|---|---|---|
| **(i) Net profit after tax as per previous GAAP** | | **574.60** | **(2,089.11)** | **(1,433.94)** | **(1,399.42)** |
| **(ii) Ind AS adjustments** | | | | | |
| Accounting for transaction costs on borrowings as per effective interest method | 2 | (31.00) | 23.69 | (28.11) | 50.47 |
| Fair value movement of FVTPL investments | 3 | 10.82 | (9.60) | - | - |
| Investment in preference shares measured at amortised cost | 4 | (38.14) | 14.43 | 12.94 | 10.77 |
| Accounting of EPCG Scheme as a government grant, including depreciation impact | 5 | 180.01 | 45.05 | (12.07) | 48.34 |
| Net assets transferred out of hotel and retail undertaking from Magna Warehousing & Distribution Private Limited (Magna) under Court scheme reflected from appointed date i.e. April 1, 2013 | 6 | - | - | - | 770.73 |
| Net assets acquired of hotel and retail undertaking from Genext Hardware & Parks Private Limited (Genext) under Court scheme reflected from appointed date i.e. November 1, 2016 | 7 | (34.29) | - | - | - |
| Adjustment for profit on sale of subsidiary | 8 | - | 38.31 | - | - |
| Deferred tax on above adjustments, as applicable | 9 | (143.74) | (21.57) | 12.14 | (33.59) |
| Deferred tax impact on fair valuation and indexation benefit on land | 9 | 482.32 | 28.06 | 29.52 | 24.11 |
| Deferred tax impact on indexation benefit on investment property | 9 | 29.97 | 10.60 | 10.31 | 8.38 |
| Deferred tax impact on brought forward business losses and unabsorbed depreciation | 9 | 229.88 | 519.13 | 2.08 | 114.13 |
| Deferred tax impact on investments held for sale | 9 | (110.27) | 110.30 | - | - |
| **Total Ind AS adjustments** | | **575.56** | **758.39** | **26.82** | **993.35** |
| **(iii) Total restatement adjustments (refer Annexure VII)** | | **124.36** | **207.09** | **140.62** | **(685.10)** |
| **(iv) Total comprehensive income as per Restated Consolidated Summary Statement of Profit and Loss (i + ii + iii)** | | **1,274.51** | **(1,123.63)** | **(1,266.51)** | **(1,091.17)** |

**(III) Impact of Ind AS adoption on the Restated Consolidated Summary Statement of Cash Flows**

There were no material differences between the restated consolidated summary statement of cash flows and cash flow statement under previous GAAP (as adjusted for the impact of the demerger of Hotel & Retail undertaking from Magna and merger of Hotel & Retail undertaking from Genext - refer note 41).

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

### Note 54
### First Time Adoption of Ind AS *(Continued)*

**A. Reconciliation between previous GAAP and Ind AS *(Continued)***

**(IV) Notes to First time adoption:**

The Group has followed the same accounting policy choice as initially adopted on transition date i.e. April 1, 2016 while preparing Proforma Restated Consolidated Summary Financial Information for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 and as at April 1, 2013. Accordingly, suitable restatement adjustments are made to the consolidated retained earnings as at March 31, 2016, March 31, 2015, March 31, 2014 and April 1, 2013.

1 **Fair valuation of land treated as deemed cost**

On the date of transition the Group has chosen to reflect the fair value of all freehold land as of April 1, 2016 as their respective deemed cost. All other items of property, plant and equipment have been measured as per the requirements of Ind AS 16 "Property, Plant and Equipment" retrospectively. The impact of both these adjustments has been considered through retained earnings and corresponding assets/liabilities, as appropriate. The fair value has been determined with reference to residual value approach which also involves determining the business value of the respective hotel building. The fair value so determined is categorised as Level 3 in accordance with the requirements of Ind AS 113. The key unobservable inputs used for determination of the fair value referred to above includes the rate used for discounting (12.10%) and growth rate (5%).

The fair value of land taken as deemed cost on transition date has been pushed back for restated consolidated financial statements as per the Guidance note on Reports in Company Prospectus (revised 2016) issued by the Institute of Chartered Accountants of India. The fair value as on transition date is basis the land parcels and subsequent capitalisations made to the cost of land (for purchase of additional FSI) till such date (i.e. April 1, 2016). For the purpose of pushback of such fair value, proportionate fair value of such additions made is calculated based on the ratio of cost (adjusted for inflation) incurred for purchase of such additions to the total cost of such land. The fair value of such additions has been considered in their respective years of purchase by the company.

2 **Accounting for transaction costs on borrowings as per effective interest method**

Under previous GAAP, directly attributable transaction costs were charged to the Consolidated Statement of Profit and Loss or capitalised as part of property, plant and equipment in the year of disbursement of the loan. As per the requirements of Ind AS, the Group has measured the borrowings at amortised cost (including the directly attributable transaction costs) based on the effective interest rate of the borrowings. Accordingly, suitable restatement adjustments have been made in the Restated Consolidated Summary Statement of Profit and Loss and Property, plant and equipment.

3 **Fair value movement of FVTPL investments**

Under previous GAAP, non-current investments were carried at cost less provision for diminution (other than temporary). Under Ind AS, investment in equity shares (other than subsidiaries and associates) are measured at fair value, with fair value changes being routed through the Consolidated Summary Statement of Profit and Loss.

4 **Investment in preference shares measured at amortised cost**

Under previous GAAP, non-current investments in preference shares were carried at cost less provision for diminution (other than temporary). Under Ind AS, investment in 0.001% non-cumulative redeemable preference shares of Genext Hardware & Parks Private Limited are measured at amortised cost as per Ind AS 109. Accordingly, suitable restatement adjustments have been made in the Restated Consolidated Summary Statement of Profit and Loss and Investment in preference shares.

5 **Accounting of EPCG Scheme as a government grant, including depreciation impact**

The Group under the EPCG Scheme has received grants from the Government in form of waiver of import duty on purchase of capital goods. These, however are conditional on the Group achieving specified future export obligations.

Under previous GAAP, the Group recognised its property, plant and equipment at the net cost i.e. the import duty was excluded from the cost of the property, plant and equipment and adjusted directly with the export benefits. Under Ind AS, the Group has recognised the value of import duty waiver as part of the cost of the property, plant and equipment with the corresponding impact to deferred grant. The deferred grant is recognised in Restated Consolidated Summary Statement of Profit and Loss on fulfilment of the respective export obligation.

6 **Scheme of arrangement - hotel and retail undertaking (refer note 41)**

The Board of Directors at their meeting held on October 26, 2013 had approved the merger proposal and approved the "Scheme of Arrangement" to demerge the Hotel Undertaking and the Retail Undertaking (together referred to as 'Demerged Undertaking') at Bengaluru from a subsidiary company, namely Magna Warehousing & Distribution Private Limited under Section 391 read with Section 394 of the Companies Act, 1956, with effect from April 1, 2013, ("the Appointed Date") subject to obtaining necessary approvals of the Shareholders, Honourable High Court of Karnataka at Bangalore and Honourable High Court of Bombay and other statutory and regulatory authorities. The Scheme has become effective from September 11, 2015 and has been given effect to from the appointed date (in line with the accounting treatment prescribed in the Scheme).

The effect of the above scheme of demerger under previous GAAP was given in the consolidated statutory accounts in the financial year ended March 31, 2015 when the scheme had received all the requisite approvals with effect from Appointed Date. However for the purpose of restated proforma Ind AS financial information, the effect of the above scheme has been given in the consolidated financial information on the Appointed Date (April 1, 2013).

7 **Merger of Genext Hardware & Parks Private Limited (refer note 41)**

The Board of Directors at their meeting held on January 5, 2017, had approved the merger proposal and approved the "Scheme of Arrangement" to merge the Hotel Undertaking and the Retail Undertaking at Bengaluru from Genext under Section 230 to 232 of the Companies Act, 2013, with effect from November 1, 2016, ("the Appointed Date") subject to obtaining necessary approvals of the Shareholders, Honourable High Court of Karnataka at Bangalore and Honourable High Court of Bombay and other statutory and regulatory authorities. The Scheme has become effective from October 1, 2017 and has been given effect to from the appointed date (in line with the accounting treatment prescribed in the Scheme).

8 **Adjustment for profit on sale of subsidiary**

The Group had earlier recognised unrealised profit on disposal of the related subsidiary through retained earnings. Such unrealised profit, under Ind AS, has been recognised through the statement of profit and loss.

9 **Deferred tax**

Previous GAAP requires deferred tax to be recognised with reference to the income statement approach. Ind AS 12 requires entities to determine deferred taxes with reference to the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax related adjustments in relation to certain items such as fair valuation of land, indexation benefit on land, indexation benefit on investment property, fair value of investments which were not required to be considered under the income statement approach.

Further, under the previous GAAP, deferred tax asset on carry forward business losses and unabsorbed depreciation was recognised only on existence of virtual certainty of taxable profits. The application of Ind AS 12 approach has resulted in recognition of deferred tax assets in case of reasonable certainty. The deferred tax impact of all Ind AS adjustments (as applicable) has also been considered.

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information (Continued)

**(V) Reconciliation of retained earnings as at April 1, 2013**

As specified in the Guidance Note, the equity balance computed under Proforma Consolidated Ind AS financial information for the year ended March 31, 2016 (i.e. equity under Indian GAAP as at April 1, 2015, 2014 and 2013 adjusted for impact of Ind AS 101 items and after considering profit or loss for the years ended March 31, 2016, 2015 and 2014 with adjusted impact due to Ind AS principles applied on proforma basis) and equity balance computed in opening Consolidated Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2015, 2014 and 2013. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Consolidated Ind AS financial information has not been carried forward to the opening Consolidated Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed below:

| **Particulars** | **Notes to First time adoption** | **April 1, 2013 Proforma** |
|---|---|---|
| **A. Total retained earnings as per audited consolidated financial statements as per previous GAAP** | | **5,155.70** |
| **Ind AS adjustments** | | |
| Fair valuation of land treated as deemed cost | **1** | 3,743.29 |
| Accounting for transaction costs on borrowings as per effective interest method | **2** | 68.45 |
| Investment in preference shares measured at amortised cost | **4** | (2.11) |
| Accounting of EPCG Scheme as a government grant, including depreciation impact | **5** | 117.37 |
| Net assets transferred out of hotel and retail undertaking from Magna Warehousing & Distribution Private Limited (Magna) under Court scheme reflected from appointed date i.e. April 1, 2013 | **6** | 252.19 |
| Deferred tax on above adjustments, as applicable | **9** | (63.16) |
| Deferred tax impact on brought forward business losses and unabsorbed depreciation | **9** | (1,036.69) |
| Deferred tax impact on investments held for sale | **9** | 35.44 |
| **B. Total Ind AS adjustments** | | **3,114.78** |
| **C. Adjustments:** | | |
| **Material restatement adjustments** | | |
| **(i) Audit qualifications** | | **-** |
| **Total:** | | **-** |
| **(ii) Other adjustments** | | |
| **C. Total impact of restatement adjustments (refer Annexure VII)** | | **(758.96)** |
| **D. Total equity as per restated consolidated summary financial information (A + B + C)** | | **7,511.52** |

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

**Note 55**

**(Rs. in million)**

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule

**March 31, 2018**

| | **Net assets (total assets minus total liabilities)** | | **Share in profit or loss** | | **Share in other comprehensive income** | | **Share in total comprehensive income** | |
|---|---|---|---|---|---|---|---|---|
| | **As % of consolidated net assets** | **Amount** | **As % of consolidated profit or loss** | **Amount** | **As % of consolidated other comprehensive income** | **Amount** | **As % consolidated of total comprehensive income** | **Amount** |
| **Parent** | | | | | | | | |
| Chalet Hotels Limited | 105% | 5,223.00 | 72% | 204.42 | 100% | 14.66 | 73.29% | 219.08 |
| **Subsidiary (parent's share)** | | | | | | | | |
| Chalet Hotel & Properties (Kerala) Private Limited | -2% | (103.60) | -10% | (28.00) | 0% | - | -9.37% | (28.00) |
| Grandwell Properties & Leasing Private Limited | - | - | 0% | (0.03) | 0% | - | -0.01% | (0.03) |
| **Non-controlling interests in subsidiaries** | 0% | - | 0% | - | 0% | - | 0.00% | - |
| **Eliminations** | -3% | (164.34) | 38% | 107.88 | 0% | - | 36.09% | 107.88 |
| **At March 31, 2018** | **100%** | **4,955.06** | **100%** | **284.26** | **100%** | **14.66** | **100%** | **298.92** |

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule

**March 31, 2017**

| | **Net assets (total assets minus total liabilities)** | | **Share in profit or loss** | | **Share in other comprehensive income** | | **Share in total comprehensive income** | |
|---|---|---|---|---|---|---|---|---|
| | **As % of consolidated net assets** | **Amount** | **As % of consolidated profit or loss** | **Amount** | **As % of consolidated other comprehensive income** | **Amount** | **As % consolidated of total comprehensive income** | **Amount** |
| **Parent** | | | | | | | | |
| Chalet Hotels Limited | 107% | 5,018.24 | 102% | 1,301.40 | 100% | 0.13 | 102.12% | 1,301.53 |
| **Subsidiary (parent's share)** | | | | | | | | |
| Chalet Hotel & Properties (Kerala) Private Limited | -2% | (75.60) | -2% | (26.04) | 0% | - | -2.04% | (26.04) |
| Grandwell Properties & Leasing Private Limited | 0% | 4.75 | 0% | (0.03) | 0% | - | 0.00% | (0.03) |
| Magna Warehousing & Distribution Private Limited | -2% | (115.53) | -12% | (158.26) | 0% | - | -12.42% | (158.26) |
| **Non-controlling interests in subsidiaries** | 0% | - | 0% | | 0% | - | 0.00% | - |
| **Eliminations** | -3% | (161.42) | 12% | 157.31 | 0% | - | 12.34% | 157.31 |
| **At March 31, 2017** | **100%** | **4,670.45** | **100%** | **1,274.38** | **100%** | **0.13** | **100%** | **1,274.51** |

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

**Note 55**

**(Rs. in million)**

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of

**March 31, 2016**

| | **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 | 106% | 5,491.59 | 101% | (1,131.11) | 100% | 1.26 | 100.55% | (1,129.85) |
| **Subsidiary (parent's share)** | | | | | | | | |
| Chalet Hotel & Properties (Kerala) Private Limited | -1% | (49.56) | 2% | (23.92) | 0% | - | 2.13% | (23.92) |
| Grandwell Properties & Leasing Private Limited | 0% | 4.78 | 0% | (0.06) | 0% | - | 0.01% | (0.06) |
| Magna Warehousing & Distribution Private Limited | 1% | 42.73 | 1% | (8.85) | 0% | - | 0.79% | (8.85) |
| **Non-controlling interests in subsidiaries** | 0% | - | 0% | - | 0% | - | 0.00% | - |
| **Eliminations** | -6% | (318.71) | -3% | 39.05 | 0% | - | -3.48% | 39.05 |
| **At March 31, 2016** | **100%** | **5,170.83** | **100%** | **(1,124.89)** | **100%** | **1.26** | **100%** | **(1,123.63)** |

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of

**March 31, 2015**

| | **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% | 6,647.41 | 92% | (1,163.51) | 100% | (2.60) | 92.07% | (1,166.11) |
| **Subsidiary (parent's share)** | | | | | | | | |
| Chalet Hotel & Properties (Kerala) Private Limited | 0% | (25.64) | 2% | (22.57) | 0% | - | 1.78% | (22.57) |
| Grandwell Properties & Leasing Private Limited | 0% | 4.84 | 6% | (81.00) | 0% | - | 6.40% | (81.00) |
| Magna Warehousing & Distribution Private Limited | 1% | 51.58 | 1% | (7.95) | 0% | - | 0.63% | (7.95) |
| Sycamore Properties Private Limited | 0% | (7.57) | 0% | (0.04) | 0% | - | 0.00% | (0.04) |
| **Non-controlling interests in subsidiaries** | 0% | - | 0% | - | 0% | - | 0.00% | - |
| **Eliminations** | -6% | (350.17) | -1% | 11.17 | 0% | - | -0.88% | 11.17 |
| **At March 31, 2015** | **100%** | **6,320.45** | **100%** | **(1,263.91)** | **100%** | **(2.60)** | **100%** | **(1,266.51)** |

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

**Note 55**

**(Rs. in million)**

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of
**March 31, 2014**

| | 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 | 103% | 6,831.56 | 99% | (1,080.15) | 100% | (3.12) | 99.28% | (1,083.27) |
| **Subsidiary (parent's share)** | | | | | | | | |
| Chalet Hotel & Properties (Kerala) Private Limited | 0% | (3.07) | 0% | (0.66) | 0% | - | 0.06% | (0.66) |
| Grandwell Properties & Leasing Private Limited | 1% | 85.85 | 0% | (0.11) | 0% | - | 0.01% | (0.11) |
| Magna Warehousing & Distribution Private Limited | 1% | 59.53 | 1% | (6.16) | 0% | - | 0.56% | (6.16) |
| Sycamore Properties Private Limited | 0% | (7.53) | 0% | 0.08 | 0% | - | -0.01% | 0.08 |
| **Non-controlling interests in subsidiaries** | 0% | - | 0% | - | 0% | - | 0.00% | - |
| **Eliminations** | -5% | (361.34) | 0% | (1.05) | 0% | - | 0.10% | (1.05) |
| **At March 31, 2014** | **100%** | **6,605.00** | **100%** | **(1,088.05)** | **100%** | **(3.12)** | **100%** | **(1,091.17)** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

### Note 56
### Disclosure under Section 186 of the Act

The operations of the Company are classified as ‘infrastructure facilities' as defined under Schedule VI to the Act. Accordingly, the disclosure requirements specified in sub-section 4 of Section 186 of the Act in respect of loans given, guarantee given or security provided and the related disclosures on purposes/ utilisation by recipient companies, are not applicable to the Company.

Details of investments made during the year ended March 31, 2018 as per section 186(4) of the Act:

| **Name of entity** | **March 31, 2017** | **Investments made** | **Investments redeemed / sold** | **March 31, 2018** |
|---|---|---|---|---|
| Grandwell Properties and Leasing Private Limited | 0.10 | - | 0.10 | **-** |
| Chalet Hotels and Properties (Kerala) Private Limited | 0.09 | - | - | **0.09** |
| Stargaze Properties Private Limited | 0.01 | - | - | **0.01** |
| Intime Properties Limited | 0.72 | - | - | **0.72** |
| Krishna Valley Power Private Limited | - | 8.64 | - | **8.64** |
| Sahyadri Renewable Energy Private Limited | - | 31.45 | - | **31.45** |
| Renew Wind Power Energy (AP) Limited | 1.00 | - | - | **1.00** |
| National Saving Certificates | 0.13 | - | - | **0.13** |

Details of investments made during the year ended March 31, 2017 as per section 186(4) of the Act:

| **Name of entity** | **March 31, 2016** | **Investments made** | **Investments redeemed / sold** | **March 31, 2017** |
|---|---|---|---|---|
| Grandwell Properties and Leasing Private Limited | 0.10 | - | - | **0.10** |
| Chalet Hotels and Properties (Kerala) Private Limited | 0.09 | - | - | **0.09** |
| Stargaze Properties Private Limited | 0.01 | - | - | **0.01** |
| Genext Hardware & Parks Private Limited (equity shares) | 2,816.94 | - | 2,816.94 | **-** |
| Genext Hardware & Parks Private Limited (preference shares) | 157.89 | | 157.89 | **-** |
| Intime Properties Limited | 340.99 | - | 340.27 | **0.72** |
| Renew Wind Power Energy (AP) Limited | - | 1.00 | - | **1.00** |
| National Saving Certificates | 0.13 | - | - | **0.13** |

Details of investments made during the year ended March 31, 2016 as per section 186(4) of the Act:

| **Name of entity** | **March 31, 2015** | **Investments made** | **Investments redeemed / sold** | **March 31, 2016** |
|---|---|---|---|---|
| Grandwell Properties and Leasing Private Limited | 0.10 | - | - | **0.10** |
| Chalet Hotels and Properties (Kerala) Private Limited | 0.09 | - | - | **0.09** |
| Sycamore Properties Private Limited | 0.10 | - | 0.10 | **-** |
| Stargaze Properties Private Limited | 0.01 | - | - | **0.01** |
| Genext Hardware & Parks Private Limited (equity shares) | 2,816.94 | - | - | **2,816.94** |
| Genext Hardware & Parks Private Limited (preference shares) | 157.89 | - | - | **157.89** |
| Intime Properties Limited | 893.66 | - | 552.67 | **340.99** |
| National Saving Certificates | 0.13 | - | - | **0.13** |

## Annexure VI - Notes to the Restated Consolidated Summary Financial Information *(Continued)*

**(Rs. in million)**

Details of investments made during the year ended March 31, 2015 as per section 186(4) of the Act:

| Name of entity | March 31, 2014 | Investments made | Investments redeemed / sold | March 31, 2015 |
|---|---|---|---|---|
| Grandwell Properties and Leasing Private Limited | 0.10 | - | - | **0.10** |
| Chalet Hotels and Properties (Kerala) Private Limited | 0.09 | - | - | **0.09** |
| Sycamore Properties Private Limited | 0.10 | - | - | **0.10** |
| Stargaze Properties Private Limited | 0.01 | - | - | **0.01** |
| Genext Hardware & Parks Private Limited (equity shares) | 2,816.94 | - | - | **2,816.94** |
| Genext Hardware & Parks Private Limited (preference shares) | 157.89 | - | - | **157.89** |
| Intime Properties Limited | 893.66 | - | - | **893.66** |
| Sundew Properties Limited | 588.41 | - | 588.41 | **-** |
| National Saving Certificates | 0.07 | 0.06 | - | **0.13** |

As per our examination 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.U55101MH1986PLC038538)

**Aniruddha Godbole**
*Partner*
Membership No: 105149

**Sanjay Sethi**
*Managing Director & CEO*
(DIN. 00641243)

**Rajeev Newar**
*Executive Director & CFO*
(DIN 00468125)

**Christabelle Baptisa**
*Company Secretary*
Membership No: A17817

Mumbai
June 12, 2018

Mumbai
June 12, 2018

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements

Summarised below are the restatement adjustments made to the equity of the audited consolidated financial statements of the Group for the years ended March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 and balance sheet as at April 1, 2013 and their consequential impact on the equity of the Group:

**(Rs. in million)**

| Particulars | Notes | As at 31 March 2017 | As at 31 March 2016 Proforma | As at 31 March 2015 Proforma | As at 31 March 2014 Proforma |
|---|---|---|---|---|---|
| **A. Total equity as per audited consolidated financial statements as per previous GAAP** | | **7,053.71** | **1,292.62** | **3,343.43** | **3,756.28** |
| **B. Total Ind AS adjustments (refer note 54 of Annexure VI)** | | (1,411.33) | 4,974.52 | 4,280.72 | 4,292.77 |
| **C. Total equity as per Ind AS (A+B)** | | **5,642.38** | **6,267.14** | **7,624.15** | **8,049.05** |
| **D. Adjustments:** | | | | | |
| **Material restatement adjustments** | | | | | |
| **(i) Audit qualifications** | | - | - | - | - |
| **Total:** | | - | - | - | - |
| **(ii) Adjustments due to prior period items / other adjustments** | | | | | |
| Adjustments due to change in status of residential project at Bengaluru | 3(b) | (1,521.72) | (1,453.92) | (1,381.72) | (1,299.13) |
| Reversal of revenue on account of cancellation of flats of residential project at Bengaluru | 3(c) | (63.62) | (97.61) | (123.46) | (249.23) |
| Impairment of capital work in progress | 3(d) | - | - | - | (164.13) |
| Adjustments for short / excess provision for income taxes | 3(e) | - | (2.85) | (2.85) | (5.62) |
| Adjustment for cost of mitigation program compensation | 3(f) | (87.39) | (279.20) | (301.48) | (211.14) |
| Adjustment for deferred tax | 3(g) | 241.07 | - | - | - |
| **Total:** | | **(1,431.66)** | **(1,833.57)** | **(1,809.51)** | **(1,929.25)** |
| **(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable** | | | | | |
| Deferred tax impact on restatement adjustments | 3(h) | 459.72 | 737.26 | 505.81 | 485.20 |
| **Total:** | | **459.72** | **737.26** | **505.81** | **485.20** |
| **D. Total impact of adjustments (i + ii + iii)** | | **(971.94)** | **(1,096.31)** | **(1,303.70)** | **(1,444.05)** |
| **E. Total equity as per restated consolidated summary financial information (C+D)** | | **4,670.45** | **5,170.83** | **6,320.45** | **6,605.00** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements

Summarised below are the restatement adjustments made to the net profit / (loss) of the audited consolidated financial statements of the Group for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and their impact on the profit / (loss) of the Group:

**(Rs. in million)**

| **Particulars** | **Notes** | **For the year ended March 31, 2018** | **For the year ended March 31, 2017** | **For the year ended March 31, 2016 Proforma** | **For the year ended March 31, 2015 Proforma** | **For the year ended March 31, 2014 Proforma** |
|---|---|---|---|---|---|---|
| **A. Net profit after tax as per audited consolidated financial statements as per previous GAAP** | | **NA** | **574.60** | **(2,089.11)** | **(1,433.94)** | **(1,399.42)** |
| **B. Total Ind AS adjustments (refer Note 54 of Annexure VI)** | | **NA** | **575.56** | **758.39** | **26.82** | **993.35** |
| **C. Net profit after tax as per Ind AS (A+B)** | | **(914.09)** | **1,150.15** | **(1,330.72)** | **(1,407.12)** | **(406.07)** |
| **D. Adjustments:** | | | | | | |
| **Material restatement adjustments** | | | | | | |
| **(i) Audit qualifications** | | - | - | - | - | - |
| **Total:** | | **-** | **-** | **-** | **-** | **-** |
| **(ii) Adjustments for prior period items / other adjustments** | | | | | | |
| Export benefits entitlements written off | 3(a) | - | - | - | - | 58.42 |
| Adjustments due to change in status of residential project at Bengaluru | 3(b) | 1,521.72 | (67.81) | (72.20) | (82.59) | (1,006.60) |
| Reversal of revenue on account of cancellation of flats of residential project at Bengaluru | 3(c) | 63.62 | 33.97 | 25.80 | 125.77 | 17.87 |
| Impairment of capital work in progress | 3(d) | - | - | - | 164.13 | (20.81) |
| Adjustments for short / excess provision for income taxes | 3(e) | - | 2.85 | - | 2.77 | (7.51) |
| Adjustment for cost of mitigation program compensation | 3(f) | 87.39 | 191.81 | 22.28 | (90.34) | 108.09 |
| Adjustment for deferred tax | 3(g) | - | 241.07 | - | - | - |
| **Total:** | | **1,672.75** | **401.90** | **(24.10)** | **119.75** | **(850.53)** |
| **(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable** | | | | | | |
| Deferred tax impact on restatement adjustments | 3(h) | (459.72) | (277.55) | 231.20 | 20.87 | 165.43 |
| **Total:** | | **(459.72)** | **(277.55)** | **231.20** | **20.87** | **165.43** |
| **E. Total impact of adjustments (i + ii + iii)** | | **1,213.02** | **124.36** | **207.09** | **140.62** | **(685.10)** |
| **F. Net profit after tax as per restated consolidated summary financial information (C+E)** | | **298.93** | **1,274.51** | **(1,123.63)** | **(1,266.51)** | **(1,091.17)** |

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements *(Continued)*

## Notes to Adjustments

**1. Adjustments for audit qualification: None**

**2. Material regrouping**

Appropriate adjustments have been made in the Restated Consolidated Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited consolidated financial statements of the Group and its associate as at and for the year ended March 31, 2018, prepared in accordance with Division II Ind AS Schedule III of the Companies Act, 2013 ('the Act') and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Accordingly, the Group has presented the Restated Consolidated Financial Information as at and for the years ended march 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 following the requirements of Schedule III of the Act.

**3. Material restatement adjustments**

**(a) Export benefit entitlements written off**

The Group recognises income in respect of duty credit entitlement arising from export sales under the "Served from India Scheme" 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 utilised within a specified benefit period, by way of adjustment against duties payable on purchase of capital equipments, spare parts and consumables. Unutilised export entitlement is written off in the year in which the time period of utilisation of such licenses expires. The Group had written off export entitlement receivable during the year ended March 31, 2014 on expiry of the utilisation period.

For the purpose of these restated consolidated financial information, the Group has appropriately adjusted this in the year in which the duty credit entitlement was first recognised. Adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of the retained earnings as per restated consolidated financial information as at April 1, 2013.

**(b) Adjustments due to change in status of residential project at Bengaluru**

In view of Hindustan Aeronautical Limited (HAL's) raising an objection with regards to the permissible height and pursuant to the interim order passed by the Honourable Karnataka High Court ('the Court') in the petition filed by the Group, in respect of the Group's residential project at Bengaluru during the year 2013-14, the Group suspended and limited the vertical construction of all wings up to a particular height, pending outcome of the matter.

Further, pending the outcome of the proceedings and a final closure of the matter, the Company had decided to suspend revenue recognition based on the percentage completion method and has also been derecognising profits on cancellation of flats previously sold. Pursuant to a subsequent order passed by the Court for conduct of an Aeronautical Study by the Airports Authority of India [AAI], AAI conducted the required Aeronautical Study and filed its report in January 2015, confirming that the full height of the then completed building-wings does not adversely affect aircraft operations. HAL has filed objections to the Aeronautical Study Report of AAI, and the matter is currently sub-judice.

Since the litigation has prolonged and is yet to be concluded, the Group explored the option of restructuring the construction plan in consultation with the relevant stakeholders to achieve a mutually beneficial solution. Consequently, during the year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Holding Company, decided that the Group should proactively consider re-commencement of construction upto the permissible limit 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 the 10th floor as per the aforementioned plan and has recorded the following adjustments as exceptional items during the year ended March 31, 2018:

i) the provision towards impairment of super structure of Rs. 350.89 million and the expected cost of alteration of super structure of Rs. 250 million during the year ended March 31, 2014, being the year in which the litigation had initiated.

ii) Provision for cost of mitigation program compensation and related expenses of Rs 555 million for expected cancellations for flats above 10th floor, net of compensation already provided for has been adjusted to the respective year to which interest cost relates. Adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of the retained earnings as per restated financial information as at April 1, 2013.

iii) Impact of revised estimated cost of completion of the project on the net realisable value of inventory resulting in write down of Rs 25.76 million has been adjusted during the year ended March 31, 2014, being the year in which the litigation had initiated.

The auditors' reports for the years ended March 31, 2017 and March 31, 2016 included an Emphasis of Matters paragraph in respect of the amounts related to the residential project at Bengaluru (inventories aggregating to Rs 2,659.87 million and Rs 2,533.02 million and trade receivables of Rs 9.12 million and Rs 6.77 million as at March 31, 2017 and March 31, 2016 respectively. The Group has made necessary adjustments to inventories and trade receivables in these Restated Consolidated Summary Financial Information as per the aforementioned plan.

The auditors' reports for the year ended March 31, 2014 included an Emphasis of Matters paragraph in respect of the residential project at Bengaluru for which the Group had not recognized profits during the year on flats sold above 40 meters, derecognized profits on sales of previous years that have been cancelled during the year, the Group had recompensed flat owners, in accordance with mitigation plan, with payments on account of the delay in completion of the project and additionally provision for estimated loss on account of cancellation in the subsequent year was been made in the accounts. The Group has made necessary adjustments in these Restated Consolidated Summary Financial Information as per the aforementioned plan.

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements (Continued)
## Notes to Adjustments (Continued)

**(c) Reversal of revenue on account of cancellation of flats of residential project at Bengaluru**

The Group reversed the revenue and derecognised margins, in respect of its residential project at Bengaluru, in the respective year of cancellation. Further, during the year ended March 31, 2018, as mentioned in paragraph b) above, the Group reversed revenue and margins aggregating Rs 524 million and Rs 122 million respectively, in respect of the flats for all wings above 40 meters and also recognised additional revenue and incremental cost of sale of residential flats aggregating Rs 42.02 million and Rs 278.03 million respectively due to revision of the estimated percentage of completion.

The Group, on restatement, has adjusted the cancellations / revenue reversals in the year in which the revenue and margins were originally recognised. Adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of the retained earnings as per restated consolidated financial information as at April 1, 2013.

**(d) Impairment of capital work in progress**

The Group had recognised impairment of capital work in progress in the audited consolidated financial statements for the year ended March 31, 2015.

For the purpose of these restated consolidated financial information, the Group has appropriately adjusted this in the respective year in which the provision should have been originally created. Further, adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of the retained earnings as per restated consolidated financial information as at April 1, 2013.

**(e) Prior period tax adjustments**

Excess and short provision for income taxes pertaining to earlier years, based on intimations / orders / received / returns filed, accounted for during the years ended March 31, 2017 of Rs 7.50 million and March 31, 2014 of Rs 2.85 million respectively has been adjusted in the respective financial years to which it pertains. The Group had also written off MAT credit of Rs 2.7 million during the year ended March 31, 2015. The adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of retained earnings as per restated consolidated financial information as at April 1, 2013.

**(f) Adjustment for cost related to mitigation program compensation**

The Group has recorded additional compensation net of goodwill compensation, in respect of its residential project at Bengaluru, in the respective year of cancellation.

The Group, on restatement, has adjusted the additional compensation cost net of goodwill compensation to the year to which the same pertains as it relates to period cost and is payable for period of delay. Adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of the retained earnings as per restated consolidated financial information as at April 1, 2013.

**(g) Adjustment for deferred tax**

The Group has recognised deferred tax credit pertaining to incorrect computation in deferred taxes for the year ended March 31, 2017. The Group, on restatement, has adjusted the deferred tax credit in the financial statements as of and for the year ended March 31, 2017.

**(h) Deferred tax impacts**

Deferred tax has been computed on adjustments made as detailed above and has been adjusted in the restated consolidated financial information for the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. The adjustments related to financial years prior to March 31, 2014 have been adjusted against the opening balance of retained earnings as per restated consolidated financial information as at April 1, 2013.

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements (Continued)
## Notes to Adjustments (Continued)

**Non-adjusting items**

**1. Emphasis of matters in the Auditors' report which do not require any corrective adjustments in the Restated Consolidated Summary Financial Information**

**a) Leasehold land at Vashi**

For the years ended March 31, 2018, March 31, 2017 and March 31, 2016: the auditors' report has drawn attention in respect of the hotel building purchased, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the standalone Ind AS financial statements as at and for the year ended 31 March 2018 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to Rs 506 million, Rs 535 million and Rs 574 million as at March 31, 2018, March, 31 2017 and April 1, 2016 respectively. (Refer Annexure VI, Note 4 and 10).

**b) Acquisition of Hotel and Retail division at Bengaluru from Genext Hardware & Parks Private Limited**

For the year ended March 31, 2018, the auditors' report has drawn attention in respect of the Scheme of Arrangement ('the Scheme') between Genext Hardware & Parks Private Limited ('Genext') and the Company for demerger of the Hotel undertaking and Retail undertaking ('demerged undertaking') of Genext which has been approved by the National Company Law Tribunal ('NCLT') at Mumbai and Bengaluru and other regulatory authorities on September 11, 2017, with effect from the Appointed date specified in the Scheme i.e. November 1, 2016. The Scheme has been accounted in the manner prescribed by the NCLT order i.e. the book values of the assets, liabilities and reserves of the demerged undertaking of Genext as of November 1, 2016 have been recorded by the Company and the identity of the reserves have been maintained. The excess of the book value of the net assets and reserves of the demerged undertaking of Genext acquired over the face value of the shares issued by the Company amounting to Rs. 189.53 million has been debited to Goodwill in accordance with the Scheme. This accounting treatment is different from that prescribed under Ind AS 103 on Business Combination. (Refer Annexure VI, Note 41).

**2. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Summary Financial Information**

In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ('CARO') issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the years ended March 31, 2018, March 31, 2017 and March 31, 2016, the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the year ended March 31, 2015 and the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India under sub-section (4A) of Section 227 of the Companies Act, 1956 for the year ended March 31, 2014. Certain statements/comments included in the annexure to the Auditors' report on the financial statements (i.e. CARO), which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented:

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements (Continued)
## Notes to Adjustments (Continued)

**For the year ended March 31, 2018**

**Chalet Hotels Limited**
**Clause (i) (c)**
According to the information and explanations given to us and based on the examination of the registered transfer deeds provided to us and based on confirmations directly received by us from the lenders where the title deeds have been mortgaged as security for loans taken from Banks and financial institutions, we report that, the title deeds, of immovable properties comprising of freehold land and buildings as listed in Notes 2 and 4 of the standalone Ind AS financial statements, are held in the name of the Company, except as stated in the table below:

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

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

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

**Clause (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 Employees' State Insurance, Income-tax, Sales tax, Service tax and Duty of excise dues have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases.

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements (Continued)
## Notes to Adjustments (Continued)

**Clause (vii) (b)**

According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Duty of excise and Goods and Service tax which have not been deposited with the appropriate authorities on account of any dispute.
According to the information and explanations given to us, the following dues of Service tax, Duty of customs and Value added tax have not been deposited as on 31 March 2018 by the Company on account of disputes:

| Name of the statute | Demand (Rs. in million) | Amount deposited on account of demand (Rs. in million) | Financial year (F.Y.) to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Finance Act 1994 (Service Tax) | 53.62 | - | FY 2004-05 to FY 2010-11 | Order-in-Appeal awaited from the CESTAT, Mumbai |
| Finance Act 1994 (Service Tax) | 17.7 | - | April 2006 to March 2008 | Order-in-Appeal awaited from the CESTAT, Mumbai |
| Finance Act 1994 (Service Tax) | 6.53 | - | FY 2012-13 to FY 2014-15 | Order-in-Appeal awaited from the Commissioner (Appeals- Hyderabad) |
| Finance Act 1994 (Service Tax) | 4.73 | - | FY 2012-13 to FY 2014-15 | Commissioner (Appeals), Mumbai |
| Finance Act 1994 (Service Tax) | 3.89 | - | May 2011 to June 2012 | Commissioner (Appeals), Hyderabad |
| Finance Act 1994 (Service Tax) | 3.2 | - | Oct-2006 to Apr 2008 | Assistant Commissioner of Service Tax, Hyderabad |
| Finance Act 1994 (Service Tax) | 3.07 | - | Oct 2014 to June 2017 | Commissioner CGST, Bangalore |
| Finance Act 1994 (Service Tax) | 1.98 | - | 2012-13 to 2015-16 | Commissioner CGST, Mumbai |
| Finance Act 1994 (Service Tax) | 1.44 | - | Feb 2013 to Sept 2014 | Commissioner CGST, Bangalore |
| Finance Act 1994 (Service Tax) | 0.41 | - | FY 2012-13 to FY 2014-15 | Commissioner (Appeals), Hyderabad |
| Foreign Trade Policy (Duty of customs) | 5.74 | - | FY 2016-17 | Karnataka High Court |
| Maharashtra VAT Act,2002 | 9.35 | - | FY 2012-13 | Joint Commissioner Appeals LTU-2 |
| Andhra Pradesh VAT | 1.76 | 0.22 | FY 2013-14 to 2015-16 | Asst.Commissioner (CT) LTU |
| Andhra Pradesh VAT | 1.59 | 0.4 | FY 2010-11 to 2012-13 | Deputy Commissioner, Hyderabad |

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements (Continued)
## Notes to Adjustments (Continued)

**For the year ended March 31, 2017**

**Chalet Hotels Limited**
**Clause (i) (c)**
According to the information and explanations given to us and based on the examination of the registered transfer deed provided to us, we report that, the title deeds, of such immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been mortgaged as security for loans taken from Banks and financial institutions are held in the name of the Company based on confirmations directly received by us from the lenders / parties. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company. Attention is however invited to Footnote (2) to note 13(a) regarding the leasehold land on which the Company's Four Points by Sheraton Hotel - Vashi (Navi Mumbai) has been built, which is presently under litigation.

**Clause (vii) (c)**
According to the information and explanations given to us, in respect of statutory dues:
Details of dues of Service tax, Provident fund and Value added tax which have not been deposited as at March 31, 2017 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Amount (Rs in million) | Period to which it relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Telangana VAT Act | VAT on cocktails | 1.70 * | FY 2013-14 to FY 2015-16 | Telangana VAT Assistant Deputy Commissioner |
| Employees Provident Funds and Miscellaneous Provisions Act | Computation of Provident Fund | 3.78 | FY 2008-09 to FY 2010-11 | Bombay High Court |
| | Computation of Provident Fund | 3.00 | November 2011 to November, 2014 | PF Regional Commissioner |
| Finance Act 1994 (Service Tax) | Service Tax - CENVAT credit disallowed | 5.77 | FY 2012-13 to FY 2014-15 | Additional Commissioner, Service Tax |
| | | 109.09 | FY 2004-05 to FY 2010-11 | Appellate Tribunal |
| | Service Tax demand on foreign currency expenditure under reverse mechanism charge | 17.48 | FY 2003-04 to FY 2007-08 | Superintendent, service tax |
| | Service Tax demand on wrong availment of CENVAT Credit | 3.20 | October 2006 to April 2008 | Assistant Commissioner, Service Tax |
| | Service Tax demand for Laundry and telephone charges | 3.35 | May 2011 to June 2012 | Commissioner Appeals, Service tax |

^ Net of Rs 0.04 million paid under protest
* Net of Rs 0.02 million paid under protest

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements (Continued)
## Notes to Adjustments (Continued)

**For the year ended March 31, 2016**
**Chalet Hotels Limited**
**Clause (i) (c)**
According to the information and explanations given to us and based on the examination of the registered transfer deed provided to us, we report that, the title deeds, of such immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been mortgaged as security for loans taken from Banks and financial institutions are held in the name of the Company based on confirmations directly received by us from the lenders I parties. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company. Attention is however invited to Footnote (2) to note 13(a) regarding the leasehold land on which the Company's Four Points by Sheraton Hotel - Vashi (Navi Mumbai) has been built, which is presently under litigation.

**Clause (iii) (b)**

According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
(b) The schedule of repayment of principal has not been stipulated. The schedule of payment of interest has been stipulated and receipts of interest have been regular as per stipulations, except for a loan granted to one party where interest of Rs. 17.66 million was paid after a delay of 80 days.

**Clause (vii) (c)**
According to the information and explanations given to us, in respect of statutory dues:
Details of dues of Service tax, Excise duty, Provident fund and Value added tax which have not been deposited as at March 31, 2016 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Amount (Rs in million) | Period to which it relates | Forum where the dispute is pending |
|---|---|---|---|---|
| MVAT Act, 2002 | VAT – levy of interest u/s 30 (2) of MVAT Act, 2002 | 8.40 | FY 2006-07 to 2007-08 | Joint Commissioner of Sales Tax – Appeals II |
| Telangana VAT Act | VAT – disallowance of VAT credit on LPG expense | 0.26* | FY 2011-12 to FY 2012-13 | Appellate Deputy Commissioner (CT) Hyderabad Rural |
| | VAT on cocktails | 1.19^ | FY 2010-11 to FY 2012-13 | Telangana VAT Appellate Tribunal |
| Finance Act 1994 (Service Tax) | Service Tax - CENVAT credit disallowed | 19.33 | FY 2011-12 to FY 2014-15 | Additional Commissioner, Service |
| | | 99.71 | FY 2004-05 to FY | Appellate Tribunal |
| | Service Tax demand on foreign currency expenditure under reverse mechanism charge | 14.48 | FY 2003-04 to FY 2007-08 | Superintendent, service tax |
| | Service Tax demand for Laundry and telephone charges | 3.22<br>-<br>- | May 2011 to June 2012 | Commissioner Appeals, Service Tax |
| Employees Provident Funds and Miscellaneous Provisions Act | Computation of Provident Fund | 3.78 | FY 2008-09 to FY 2010-11 | Bombay High Court |

* Net of Rs. 0.33 million paid under protest
^ Net of Rs. 0.40 million paid under protest

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements (Continued)
## Notes to Adjustments (Continued)

**For the year ended March 31, 2015**

**Chalet Hotels Limited**
**Clause (iii) (c)**
In our opinion and according to the information and explanations given to us, the Group has maintained proper records of its inventories and no material discrepancies were noticed on physical verification, other than at the hotel at Sahar (Mumbai) which commenced operations in February 2015 and in respect of which systems for recording of receipt and issue of stocks are being put in place.

**Clause (v)**
In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories other than at the Sahar Hotel (refer clause (iii) (c) above) and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system, except as stated in clause (iii) (c) above.

**Clause (vii) (c)**
According to the information and explanations given to us, in respect of statutory dues:
Details of dues of Service tax and Sales tax which have not been deposited as at March 31, 2015 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Amount (Rs in million) | Period to which it relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Service Tax Rules, 1994 | Service Tax | 91.13 | FY 2003-04 to F.Y. 2010-11 & April 2011 | CESTAT |
| Service Tax Rules, 1994 | Service Tax | 12.80 | FY 2003-04 to 2007-08 | Commissioner Service Tax |
| MVAT Act, 2002 | Sales Tax | 8.40 | FY 2006-07 to 2008-09 | Joint Commissioner of Sales Tax |
| APVAT Act, 2005 | Sales Tax | 0.26 | FY 2011-12 to FY 2012-13 | Deputy Commissioner, Commercial Tax |

**Clause (viii)**
The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth. The Company has incurred cash losses during the financial year, there were no cash losses incurred by the Company in the immediately preceding financial year.

**Grandwell Properties and Leasing Private Limited**

**Clause (ix) (b)**
According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute except following:-

| Name of the Statute | Nature of Dues | Forum where dispute is pending | Assessment Year | Amount |
|---|---|---|---|---|
| Income Tax Act, 1961 | Interest | Assessing Officer | 2009-10 | 0.79 |
| Income Tax Act, 1961 | Interest | Assessing Officer | 2010-11 | 0.03 |

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements (Continued)
## Notes to Adjustments (Continued)

**Clause (x)**
The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth. The Company has incurred cash losses during the financial year, there were no cash losses incurred by the Company in the immediately preceding financial year.

**For the year ended March 31, 2014**

**Chalet Hotels Limited**
**Clause (ix) (c)**
According to the information and explanations given to us, in respect of statutory dues:
Details of dues of Service tax and Sales tax which have not been deposited as at March 31, 2014 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Amount (Rs in million) | Period to which it relates | Forum where the dispute is pending |
|---|---|---|---|---|
| Service Tax Rules, 1994 | Service Tax | 83.70 | FY 2003-04 to F.Y. 2010-11 & April 2011 | CESTAT |
| Service Tax Rules, 1994 | Service Tax | 11.45 | FY 2003-04 to | Commissioner Service |
| MVAT Act, 2002 | Sales Tax | 8.40 | FY 2006-07 to | Joint Commissioner of |
| Income Tax Act· 1961 | Income tax | 0.07 | AY 2011-12 | CIT (Appeals) |

**Grandwell Properties and Leasing Private Limited**

**Clause (ix) (b)**
According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute except following:-

| Name of the Statute | Nature of Dues | Forum where dispute is pending | Assessment Year | Amount |
|---|---|---|---|---|
| Income Tax Act, 1961 | Interest | Assessing Officer | 2009-10 | 0.79 |
| Income Tax Act, 1961 | Interest | Assessing Officer | 2010-11 | 0.03 |

**Clause (x)**
The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth. The Company has incurred cash losses during the financial year, there were no cash losses incurred by the Company in the immediately preceding financial year.

**Magna Warehousing & Distribution Private Limited**

**For the year ended March 31, 2017**
**Clause (vii) (a)**
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Duty of customs, Value added tax, Cess, Works contract tax, Property tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of Income-tax and Service tax have generally been regularly deposited with the appropriate authorities, though there have been slight delay in a few cases.

**For the year ended March 31, 2015**
**Clause (viii)**
The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth. The Company, has incurred cash losses in the current financial year and in the immediately preceding financial year.

## Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements (Continued)
## Notes to Adjustments (Continued)

**For the year ended March 31, 2014**
**Clause (x)**
The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current financial year and the immediately preceding financial year.

**Clause (xvii)**
According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that bank overdrafts, inter-company borrowings and other current liabilities have financed a part of the long-term fixed assets, investment property, investment property under construction and debit balance in the statement of profit and loss of the Company to the extent of Rs. 2,100.23 million.

**3. Reconciliation of retained earnings as at April 1, 2013**

As specified in the Guidance Note, the equity balance computed under Proforma Consolidated Ind AS financial information for the year ended March 31, 2016 (i.e. equity under Indian GAAP as at April 1, 2015, 2014 and 2013 adjusted for impact of Ind AS 101 items and after considering profit or loss for the years ended March 31, 2016, 2015 and 2014 with adjusted impact due to Ind AS principles applied on proforma basis) and equity balance computed in opening Consolidated Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2015, 2014 and 2013. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Consolidated Ind AS financial information has not been carried forward to the opening Consolidated Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Note 54 of Annexure VII.

**(Rs. in million)**

| Particulars | Notes | April 1, 2013 Proforma |
|---|---|---|
| **A. Total retained earnings as per audited consolidated financial statements as per previous GAAP** | | 5,155.70 |
| **B. Total Ind AS adjustments (refer Note 54 of Annexure VI)** | | **3,114.78** |
| **C. Adjustments:** | | |
| **Material restatement adjustments** | | |
| **(i) Audit qualifications** | | |
| **Total:** | | |
| **(ii) Other adjustments** | | |
| **<u>Restatement adjustments:</u>** | | |
| Export benefits entitlements written off | **(a)** | (58.42) |
| Reversal of revenue on account of cancellation of flats of residential project at Bengaluru | **(b)** | (267.11) |
| Adjustments due to change in status of residential project at Bengaluru | **(b)(c)** | (292.53) |
| Adjustment for cost of mitigation program compensation | **(b)** | (319.23) |
| Adjustments for short / excess provision for income taxes | **(e)** | 1.89 |
| Impairment of capital work in progress | **(d)** | (143.32) |
| Deferred tax impact on restatement adjustments | **(h)** | 319.75 |
| **Total impact of restatement adjustments** | | **(758.96)** |
| **D. Total equity as per restated consolidated summary financial information (A + B + C)** | | **7,511.52** |

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure VIII - Restated Consolidated Summary Statement of Other Income

**(Rs. in million)**

| **Particulars** | **Nature (Recurring/ Non-recurring)** | **March 31, 2018** | **March 31, 2017** | **March 31, 2016 Proforma** | **March 31, 2015 Proforma** | **For the year ended March 31, 2014 Proforma** |
|---|---|---|---|---|---|---|
| Interest income from instruments measured at amortised cost | Recurring | 190.06 | 227.84 | 50.61 | 221.32 | 126.66 |
| Gain on Foreign Exchange Fluctuation (Net) | Recurring | 4.63 | 169.40 | - | - | - |
| Net mark to market gain on derivative contracts | Recurring | 21.54 | - | - | - | - |
| Export benefits and entitlements | Recurring | - | 42.25 | - | - | - |
| Profit on sale of fixed assets (Net) | Recurring | 1.23 | 3.84 | 0.17 | 1.80 | 12.12 |
| Profit on sale of Investments | Non-recurring | 114.57 | 1,356.67 | 7.79 | - | - |
| Dividend Received | Recurring | 0.00 | 0.00 | 7.90 | 1.32 | - |
| Provision for doubtful debts written back | Recurring | - | 3.62 | - | 1.29 | - |
| Sundry Balances written back | Recurring | - | 15.45 | 13.55 | 0.71 | 0.17 |
| Interest on Income tax refund | Recurring | - | 13.61 | - | - | - |
| Miscellaneous Income | Recurring | 17.60 | 22.87 | 18.27 | 16.65 | 9.91 |
| **Total Other Income as per previous GAAP** | | **349.64** | **1,855.56** | **98.30** | **243.08** | **148.86** |
| *Add/Less: Ind AS adjustments* | | | | | | |
| Business combination of Magna | | - | (66.77) | - | - | 174.85 |
| Interest Income from amortised cost measurement of Preference shares | | - | 17.29 | 14.43 | 12.94 | 10.77 |
| Profit on sale of Investments. | | - | - | 38.31 | - | - |
| Business combination of Genext | | 7.34 | 97.18 | - | - | - |
| Export benefits and entitlements | | - | (42.25) | - | - | - |
| Fair value gain on instruments measured at FVTPL | | - | 10.82 | - | - | - |
| **Total Ind AS adjustments** | | **7.34** | **16.27** | **52.74** | **12.94** | **185.79** |
| **Total Other Income as per Ind AS** | | **356.98** | **1,871.83** | **151.04** | **256.02** | **334.65** |
| *Add/Less: Other adjustments* | | - | - | - | - | - |
| **Total other adjustments** | | | | | | |
| Total Restated Other Income | | 356.98 | 1,871.83 | 151.04 | 256.02 | 334.65 |

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

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## Annexure IX - Restated Consolidated Summary Statement of Accounting Ratios

**(Rs. in million)**

| Sr. No. | Particulars | For the year ended March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|---|
| 1 | Net profit / (loss) available to equity shareholders (Rs. in millions) | 284.27 | 1,274.38 | (1,124.89) | (1,263.91) | (1,088.05) |
| 2 | Weighted average number of basic equity shares outstanding during the year | 17,10,95,293 | 15,99,31,174 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 |
| 3 | Weighted average number of diluted equity shares outstanding during the year | 17,10,95,293 | 15,99,31,174 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 |
| 4 | Net worth for equity shareholders (Rs. in millions) | 4,955.06 | 4,670.45 | 5,170.83 | 6,320.45 | 6,605.00 |
| 5 | Accounting Ratios: | | | | | |
| | Basic Earnings per Share (1)/(2) | 1.66 | 7.97 | (7.39) | (8.31) | (7.15) |
| | Diluted Earnings per Share (1)/(3) | 1.66 | 7.97 | (7.39) | (8.31) | (7.15) |
| | Return on Net Worth for Equity Shareholders (1)/(4) | 5.74% | 27.29% | -21.75% | -20.00% | -16.47% |
| | Net Asset Value Per Share (Rs.) (4)/(2) | 28.96 | 29.20 | 33.99 | 41.54 | 43.41 |

**Note:**

1 The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

2 The ratios have been computed as follows:

a) Earning Per Share (Basic) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

b) Earning Per Share (Diluted) = $\frac{\text{Restated Profit for the year}}{\text{Weighted average number of diluted potential equity shares outstanding during the year}}$

c) Return on Net worth (%) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Restated net worth at the end of the year}}$

d) Net Asset Value per Share (Rs.) = $\frac{\text{Restated net worth at the end of the year}}{\text{Weighted average number of equity shares outstanding during the year}}$

3 Net worth for ratios mentioned in point 4 is = Equity share capital + Reserves and surplus (including Securities Premium, General Reserve and Retained earnings). Retained earnings includes impact of fair valuation of land on transition to Ind AS (net of related tax impact): Rs. 3,710.05 million (March 31 2017: Rs. 3,724.38 million, March 31, 2016: Rs. 3,724.38 million, March 31, 2015: Rs. 3,750.36 million, March 31, 2014: Rs. 2,868.51 million)

4 Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the 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.

5 The Company does not have any revaluation reserves or extra-ordinary items.

6 Earnings per share calculations are in accordance with Indian Accounting Standard 33 (Ind AS 33) - Earnings per share.

Chalet Hotels Limited
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## Annexure X - Restated Consolidated Summary Statement of Capitalisation

**(Rs. in million)**

| Particulars | Pre-issue as at March 31, 2018 | As Adjusted for issue (Refer note ii below) |
|---|---|---|
| **Debt:** | | |
| Long term borrowings | 22,151.53 | [.] |
| Short term borrowings | 1,634.16 | [.] |
| Current portion of Secured long term borrowings, included in Other Current Liabilities | 3,467.40 | [.] |
| **Total debt (A)** | **27,253.09** | |
| **Shareholders Funds:** | | |
| Equity Share Capital | 1,710.95 | [.] |
| Reserves and Surplus | 3,244.11 | [.] |
| **Total Shareholders Funds (B)** | **4,955.06** | |
| **Total Debt/Shareholder fund (A/B)** | **5.50** | **[.]** |

**Notes:**
i) The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.
ii) The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

Chalet Hotels Limited

*(formerly known as Chalet Hotels Private Limited)*

## Annexure XI - Restated Consolidated Summary Statement of Tax Shelter

**(Rs. in million)**

| **Particulars** | **For the year ended March 31, 2018** | **For the year ended March 31, 2017** | **For the year ended March 31, 2016 Proforma** | **For the year ended March 31, 2015 Proforma** | **For the year ended March 31, 2014 Proforma** |
|---|---|---|---|---|---|
| A. Profit before tax as restated | 224.45 | 791.16 | (1,660.03) | (1,408.10) | (1,408.51) |
| B. Company's domestic tax rate | 34.61% | 34.61% | 34.61% | 34.61% | 33.99% |
| **C. Tax using the Company's domestic tax rate** | 77.68 | 273.80 | (574.50) | (487.32) | (478.75) |
| ***Tax impact of permanent differences due to:*** | | | | | |
| Expenses not allowed under tax | (9.05) | 39.13 | 34.80 | (6.50) | 302.49 |
| Income not subject to tax | (0.51) | (36.36) | (3.56) | (1.19) | - |
| Utilisation of brought forward losses | (19.97) | - | - | - | - |
| Difference in applicable tax rates | (13.47) | (1.25) | 1.12 | - | - |
| Change in tax rate | 4.42 | - | - | (4.80) | - |
| Others | - | 34.58 | - | - | 1.08 |
| **D. Total tax impact of permanent differences** | (38.57) | 36.11 | 32.36 | (12.49) | 303.56 |
| ***Tax impact of timing differences due to:*** | | | | | |
| Property, plant and equipment | 113.15 | (1,450.67) | 1,985.35 | (2,239.49) | 44.07 |
| Investment Property | 20.44 | (5.24) | 10.60 | 10.31 | 8.38 |
| Assets classified as held for sale | 0.01 | (110.27) | 110.30 | - | - |
| Adjustment for deferred taxes (prior period) | - | (241.07) | - | - | - |
| Real Estate Inventory | (6.82) | 46.08 | 33.08 | 115.67 | 216.91 |
| Section 35AD deduction | 22.59 | 2,560.46 | (2,309.10) | - | - |
| Investments | - | (2.50) | 2.22 | (2.11) | 2.11 |
| Provisions | 30.50 | (20.82) | 12.90 | 3.90 | 147.02 |
| Borrowings | 8.51 | 7.34 | (17.62) | 7.50 | (17.28) |
| Other current liabilities | (175.23) | (152.15) | (75.85) | (165.08) | (40.74) |
| Other items | 91.08 | (386.71) | 256.26 | 112.30 | (86.39) |
| Indexation of land and investment property | (118.52) | (526.52) | (38.66) | (39.83) | (32.50) |
| Indexation of equity instruments | - | - | (115.29) | (4.48) | (3.73) |
| Recognition of previously unrecognised tax losses | (44.39) | (116.18) | - | - | (2.56) |
| Deferred tax asset not recognised on current year's loss | 19.60 | 88.34 | 687.97 | 2,701.12 | 5.09 |
| **E. Total tax impact of timing differences** | **(39.11)** | **(309.91)** | **542.15** | **499.81** | **240.38** |
| **F. Net adjustments (D+E)** | (77.68) | (273.80) | 574.51 | 487.32 | 543.94 |
| **G. Tax liability (C+F)** | - | - | - | - | **65.19** |

**Notes:**

(i) The figures disclosed above are based on the Restated Consolidated Summary Financial Information of the Group.

(ii) The above statement has been prepared based on the tax computations for the respective years. The figures for year ended March 31, 2018 is based on the provisional computations of total income prepared by the Group and are subject to any changes that may be considered at the time of filing of the return of income.

(iii) The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

Chalet Hotels Limited
*(formerly known as Chalet Hotels Private Limited)*

## Annexure XII - Restated Consolidated Summary Statement of Dividend

**(Rs. in million)**

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Number of Equity Shares | 17,10,95,293 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 | 15,21,42,253 |
| Face value (Rs.) | 10 | 10 | 10 | 10 | 10 |
| Dividend per Equity Share (in Rs.) | Nil | Nil | Nil | Nil | Nil |
| Rate of dividend | Nil | Nil | Nil | Nil | Nil |
| Dividend tax rate | Nil | Nil | Nil | Nil | Nil |
| Total dividend (in Rs.) | Nil | Nil | Nil | Nil | Nil |

| | March 31, 2018 | March 31, 2017 | March 31, 2016 Proforma | March 31, 2015 Proforma | March 31, 2014 Proforma |
|---|---|---|---|---|---|
| Number of Preference Shares | 1,600 | Nil | Nil | Nil | Nil |
| Face value (Rs.) | 1,00,000 | Nil | Nil | Nil | Nil |
| Dividend per Preference Share (in Rs.) | Nil | Nil | Nil | Nil | Nil |
| Rate of dividend | Nil | Nil | Nil | Nil | Nil |
| Dividend tax rate | Nil | Nil | Nil | Nil | Nil |
| Total dividend (in Rs.) | Nil | Nil | Nil | Nil | Nil |

The Non-cumulative redeemable preference shares were issued pursuant to the Scheme of Arrangement to demerge the Hotel Undertaking and the Retail Undertaking of Genext Hardware & Parks Private Limited ("Transferor Company") with the Company ("Transferee Company") under Section 230 to 232 of the Companies Act, 2013, with effect from November 01, 2016, ("the Appointed Date") subject to obtaining necessary approvals of National Company Law Tribunal (NCLT) at Mumbai. The Scheme has become effective October 1, 2017.

These shares are entitled to dividend at the rate of 0.001% per annum. The Company has incurred losses during the financial year ended March 31, 2018 and accordingly has not declared any dividend on the same.

**Notes:**
The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Summary Financial Information appearing in Annexure VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our restated consolidated summary financial information as of the financial years ended March 31, 2018, 2017, and 2016 including the related notes, schedules and annexures. These restated consolidated summary financial information has been prepared under Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable. Our restated consolidated summary financial information have been compiled from the audited consolidated financial statements of our Company for the financial years ended March 31, 2018 and 2017 under Ind AS and for the financial years ended March 31, 2016, 2015, and 2014 under the previous generally accepted accounting principles followed in India ("**Indian GAAP**") and restated in accordance with the SEBI ICDR Regulations. The Restated Consolidated Summary Financial Information, as of and for the years ended March 31, 2016, 2015 and 2014, are referred to as "proforma Ind AS financial statements" and are prepared after making adjustments and in accordance with applicable rules, regulations and the ICAI Guidance Note on Reports in Company Prospectuses. For further information, see the Restated Consolidated Summary Financial Information which begin on page 381 of this Draft Red Herring Prospectus. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year.*

*The industry information contained in this section is derived from a report titled "Industry Report – Top tier and Upscale Hotels" dated June 25, 2018 prepared by Horwath HTL India and commissioned by our Company in connection with the Offer. We have also utilised publically available research reports titled "CBRE India Retail Market View H2 2017", "CBRE India Market Outlook Report April 2018" and "CBRE India Office Market View Q1 2018, released in years 2017 and 2018, prepared by CBRE Research. Neither we, nor the BRLMs, nor any other person connected with the Offer has independently verified this information. References to hotel segments in this section are in accordance with the presentation in the Horwath Report and we do not report our financial information by these segments.*

*This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "**Forward-looking Statements**" and "**Risk Factors**" on pages 16 and 17 of this Draft Red Herring Prospectus, respectively.*

### Overview

We are an owner, developer and asset manager of high-end hotels in key metro cities in India. Our hotel platform comprises five operating hotels, including a hotel with a co-located serviced residence, located in the Mumbai Metropolitan Region, Hyderabad and Bengaluru, representing 2,328 keys, as of March 31, 2018. Our hotels are branded with globally recognized hospitality brands and are in the luxury-upper upscale and upscale hotel segments, according to the Horwath Report. Our hotel platform emphasizes strategic locations, efficient design and development, appropriate positioning in hotel segments together with branding and operational tie-ups with leading hospitality companies. We use our experience to actively manage the hotel assets to drive performance. In addition, we have developed commercial and retail spaces, in close proximity to certain of our hotels.

We have developed our hotels at strategic locations generally with high barriers-to-entry and in high density business districts of their respective metro cities, according to the Horwath Report. We generally develop our hotels on large land parcels, allowing us to situate a greater number of rooms, as well as provide a wide range of amenities, such as, fine dining and specialty restaurants, large banquet and outdoor spaces. We endeavour to build our hotels to superior standards targeting the luxury-upper upscale and upscale hotel segments at an efficient gross built up area and development cost per key.

We believe we have a competitive advantage in key metro cities due to, the significant time outlay required to build and establish a profitable hotel or commercial project, our early mover advantage in large, mixed-use developments in specific micro-markets and availability of unutilized land at certain of our hotel properties to further expand our operations, among others.

We seek to brand our hotels with leading global hospitality brands, which we believe are well matched to the location, size, target customer base and intended hotel segment of our hotel properties. This allows us to save on the time and cost required to build, develop and maintain our 'own hotel brand'. Our hotels are currently branded with global brands such as JW Marriott, Westin, Marriott, Marriott Executive Apartments, Renaissance and Four Points by Sheraton which are held by Marriott Hotels India Private Limited and its affiliates (collectively

“**Marriott**”). We also determine, by detailed financial and operational analysis, whether hotel operations should be undertaken directly by us or by engaging third party hotel operators. Currently, our hotel at Vashi, Navi Mumbai, is operated by us under a license agreement with Marriott, and four of our hotels, including our serviced residence, are operated pursuant to hotel operation and related agreements with Marriott.

We follow an active asset management model for our hotels operated by third parties, pursuant to which we closely monitor, and exercise regular oversight over, the performance of our hotel properties. Among other things, we discuss and agree on budgeting and operational and financial targets, review performance reports, engage with the hotel management team at each hotel by conducting detailed monthly performance review meetings and provide regular inputs on cost saving initiatives and potential improvements. We believe that our active asset management model, the premium location of our hotels, our large room inventory and large function spaces, together with our relationship with international hospitality brands, has allowed our hotels to achieve competitive financial and operational parameters. For example most of our hotels have higher ADR, occupancies and RevPAR compared to the average of other hotels in their respective micro-markets and hotel segments, for the financial year 2017, according to the Horwath Report. See “***Industry Overview***” on page 128.

We are part of K. Raheja Corp group which is a leading business group in India and we believe that we derive significant benefit from the confidence that consumers, lenders, hospitality partners, vendors and others place in the group. The companies forming part of the K. Raheja Corp group (“**K. Raheja Companies**”) have extensive experience in developing large scale real estate, hospitality and commercial projects resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and opportunities. We further leverage the experience and relationships of these companies with construction companies, architects and designers, to develop, refurbish and maintain hotels at optimal cost and quality.

Our Promoters include Mr. Ravi C. Raheja and Mr. Neel C. Raheja, who have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning as well as our hotel and retail businesses. We have a strong management team with significant industry experience. Our Managing Director and CEO, Mr. Sanjay Sethi has three decades of experience in the hospitality industry and our Executive Director and CFO, Mr. Rajeev Newar, has over 26 years of experience in various industries. Our Key Management Personnel and senior management include qualified professionals and industry experts with significant experience across various industries and functions including finance, legal, projects and design, asset management, hospitality and logistics.

**Significant Factors Affecting our Results of Operations**

Our results of operations and financial condition are affected by a number of important factors including:

***Competition***

We operate in a highly competitive industry and our success is dependent on our ability to compete on various factors such as attractiveness and quality of our offerings, quality of accommodation, food and beverage, location, service levels, and amenities, together with the brand reputation of our brand licensors. We may also have to compete with any new hotel properties that commence operation in the markets in which we operate or intend to commence operations. Our engagement with our hotel operators and brand licensors to enhance guest experiences and drive guest satisfaction is critical to compete and outperform other hotels in our markets. In addition, our ability to capture the expected growth in tourism and the hotel industry, and respond to the consequent competition in the hotel industry, will be critical to our results of operations in the future. See “*Risk Factors – Internal Risk Factors - The hotel industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition*.” on page 28.

***Seasonality and Cyclicality of Business***

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

The hospitality industry is cyclical and demand generally follows, on a lagged basis, key macroeconomic indicators. There is a history of increases and decreases in demand for hotel rooms, in occupancy levels and in room rates realized by hotels through economic cycles. The combination of changes in economic conditions and in the supply of hotel rooms can result in significant volatility in results of hotel properties. The costs of running a hotel tend to be more fixed than variable. These expenses include employee costs, utilities and insurance. When demand for our hotels decreases, due to high operating leverage the resulting decline in our revenues can have an adverse effect on our net cash flow, margins and profits. This effect can be especially pronounced during periods of economic contraction or slow economic growth. Similarly in conditions of economic upturns, when the demand for hotel rooms increases, due to high operating leverage, our net cash flow, margins and profits may increase disproportionately to the increase in revenues. See "*Risk Factors – Internal Risk Factors - Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations*." on page 21.

***Changes in Consumer Demand***

Economic growth drives business and leisure travel as well as conferences, banquets and events which impact the success of our operations. In addition, the hotel industry and the demand for rooms is also affected by travel advisories, worldwide health concerns, geo-political developments, natural disasters in the region and inflation. Declines in consumer demand due to adverse general economic conditions, risks affecting or reducing travel patterns, lower consumer confidence and adverse political conditions can lower the revenues and profitability of our hotels. Further, adverse general economic conditions may negatively impact the demand for, and occupancies in, our commercial and retail projects. As a result, changes in consumer demand can subject and have subjected our revenues to significant volatility. See "*Risk Factors – Internal Risk Factors - A slowdown in economic growth in India could have an adverse effect on our business, results of operations and financial condition*" on page 17.

***Relationship with Hotel Operators and Leading Hospitality Brands***

Our hotel at Vashi, Navi Mumbai, is operated by us under a license agreement with Marriott, and four of our hotels, including our serviced residence, are operated pursuant to hotel operation and related agreements with Marriott. We utilize the brands of our hotel operators and brand licensor to operate and market our hotels. Our hotels are generally obliged to pay periodic management fees, royalty fees, fees for technical services and reimbursements for advertising, marketing, promotion, sales and software, among others. These payments to hotel operators and our brand licensor are based on a fixed percentage of the gross revenue of the hotel, as well as a portion of gross operational profits, subject to certain exclusions and adjustments including periodic increments, together with reimbursements for costs incurred and certain per-transaction service charges. In aggregate, payments including reimbursements, made to Marriott ranged from 8% to 12% of each of our hotel's total operating revenue, for the financial years 2018 and 2017.

Further, the hotel operation contracts for our hotel, including out serviced residence, at Powai, Mumbai will be due for renewal in March 2020, and for our hotel at Mindspace, Hyderabad will be due for renewal in December 2021. We may seek to rebrand or reflag our properties by using alternate brands at our hotels or renegotiate terms of our existing hotel operation contracts. In the event we are unable to execute agreements on favorable terms our business, financial condition and results of operations may be adversely affected. See "*Our Business – Description of Our Business – Our Hotel Business*" and "*Risk Factors – Internal Risk Factors - We have entered into hotel operation and related agreements with Marriott to receive operation and marketing services in relation to our hotels. If our hotel operators decide to terminate or not renew any agreement with us, our business, financial condition and results of operations may be adversely affected.*" on pages 154 and 18, respectively.

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

We are developing two additional hotel projects which are expected to have 410 keys and two retail and office projects representing approximately 1.12 million square feet of built up area. We intend to grow our portfolio through both organic and inorganic means. In our efforts to grow organically we face risks with regards to acquisition of the appropriate land and the development costs.

*Land:* The growth of our business is dependent on the availability of vacant land in areas where we intend to develop projects and cost thereof. Any change in regulations relating to land use including recent and proposed changes in land regulations which could increase or decrease the FSI available to us in our existing projects could have an impact on the growth of our business and operations.

*Third Party Contractors and Development Costs*: We utilize third parties for the design, construction and periodic maintenance and repairs of our hotel properties and projects. We engage international and domestic architects and third-party contractors, generally under fixed price contracts. Our development costs largely comprises of cost of various third-party agencies which include contractors, designers, architects, surveyors, engineers, consultants and project management team. The progress and quality of construction of the hotel properties and projects we develop depends on the availability and skill of our contractors and consultants, as well as contingencies affecting them, including labour and industrial actions. Our cost of development and periodic maintenance and repairs is affected by price fluctuations in raw materials (in particular cement and steel), bricks and glass, electrical accessories, plumbing materials, tiles and paints, lifts and escalators. We oversee the progress and quality of construction to ensure that the costs are under budgetary control. However, any unreasonable cost escalation due to shortage, supply limitations or circumstances beyond our control, could adversely impact the cost and time taken for development and resultantly our return on investment.

See "*Risk Factors – Internal Risk Factors – We are exposed to risks associated with the development of our hotel properties and commercial and retail projects. Delays in the constructions of new buildings or improvements on our properties may have an adverse effect on our business, results of operations and financial condition.*" on page 21.

***Government Regulations and Policies***

Our business is subject to significant governmental regulation, particularly in relation to the development of our projects. Regulations applicable during development include standards regarding land acquisition, the ratio of built-up area to land area, land usage, water supply, sewage disposal systems, electricity supply, environmental suitability and size of the project. Approval of development plans is conditioned on, among other things, completion of the acquisition of the site and compliance with relevant conditions. Approvals must be obtained at both the national and local levels, and our results of operations are expected to continue to be affected by the nature and extent of the regulation of our business.

Further, government regulations and policies of India, can also impact the demand for, expenses related to and availability of our hotel services and rooms. We are also subject to regulations, which are periodically amended, including relating to the sale and service of food, alcoholic and non-alcoholic beverages and hosting of events and weddings at our hotel properties. These regulations and policies can be extensive and any amendments thereto would require adequate time for implementation. Further, the regulatory and policy environment in which we operate is evolving and subject to change. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. Generally, the GST rate applicable on room rates at all our hotels is 28% of the declared room rate. For further details see, "*Risk Factors – Internal Risk Factors – We are subject to extensive government regulation with respect to safety, health, environmental, real estate, excise and labour laws. Any non-compliance with, or changes in, regulations applicable to us may adversely affect our business, results of operations and financial condition".*

**Key indicators of operating performance**

The table below sets forth certain key operating performance parameters for our hotels:

| | **Financial Year 2018** | **Financial Year 2017** | **Financial Year 2016** |
|---|---|---|---|
| **For our hotels managed by third parties:** | | | |
| No. of available keys* | 2,176 | 2,109 | 1,771 |
| ADR(1) (₹) | 7,978.76 | 7,975.35 | 7,723.09 |
| Average Occupancy (2) | 71.70% | 65.99% | 58.09% |
| Rev PAR (3) (₹) | 5,720.54 | 5,262.83 | 4,486.35 |
| Total Operating Revenue (₹ million) (4) | 7,883.79 | 6,314.75 | 5,152.01 |
| Total Operating Expenses (₹ million) (5) | 4,704.59 | 4,026.81 | 3,426.94 |
| Staff per Room Ratio as on last day of the year (6) | 1.21 | 1.25 | 1.25 |
| Power units consumed (Kwh) per available room per day(7) | 54.62 | 57.55 | 60.20 |
| **For our hotel managed by us:** | | | |
| ADR(1) (₹) | 6,435.73 | 6,325.59 | 6,494.47 |
| Average Occupancy (2) | 88.10% | 86.14% | 86.42% |
| Rev PAR (3) (₹) | 5,669.57 | 5,449.05 | 5,612.42 |
| Total Operating Revenue (₹ million) (4) | 511.14 | 492.09 | 492.31 |
| Total Operating Expenses (₹ million) (5) | 291.50 | 303.93 | 306.40 |
| Staff per Room Ratio as on last day of the year (6) | 1.40 | 1.38 | 1.48 |

| | Financial Year 2018 | Financial Year 2017 | Financial Year 2016 |
|---|---|---|---|
| Power units consumed (Kwh) per available room per day (7) | 58.23 | 56.03 | 75.44 |

* *As of March 31 at the end of each financial year.*

(1) *ADR represents revenue from room rentals at our hotels divided by total number of room nights sold (including keys that were available for only a certain portion of a period).*

(2) *Average occupancy represents the total number of room nights sold divided by the total number of room nights available at a hotel or group of hotels.*

(3) *RevPAR is calculated by multiplying ADR and average occupancy.*

(4) *Total operating revenue comprises of revenue from hotels including room revenue, food and beverage revenue and other income from hotel operations.*

(5) *Operating expenses comprises of expenses towards food and beverage consumed, operating supplies, employee benefit cost and other expenses.*

(6) *Staff per room is calculated by dividing total staff at the end of the relevant period by number of available keys as of the last date of relevant period. Staff includes our employees and personnel engaged on a contractual basis at our hotel.*

(7) *Average power consumed per day per room for the year.*

**Significant Accounting Policies**

***Basis of preparation and presentation***

The Restated Consolidated Summary Statement of Assets and Liabilities of our Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, the Restated Consolidated Summary Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and Restated Other Consolidated Financial Information (together referred as '**Restated Consolidated Summary Financial Information**') has been prepared under Indian Accounting Standards ('**Ind AS**') notified under Section 133 of the Companies Act, 2013 ('the **Act**') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) Rules, 2016 and other relevant provisions of the Act, to the extent applicable. The Restated Consolidated Summary Financial Information have been compiled by us from:

- Our Audited Consolidated Financial Statements as at and for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 ('**Audited Consolidated Financial Statements**') prepared under previous generally accepted accounting principles followed in India ('**Previous GAAP**' or '**Indian GAAP**').

  The Restated Consolidated Summary Financial Information for these years along with respective underlying schedules and notes are "Proforma Restated Consolidated Ind AS Financial Information", and in accordance with the requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ('**SEBI Circular**') and the Guidance note on Reports in Company Prospectuses (revised 2016) ('**Guidance Note**'), issued by Institute of Chartered Accountants of India ('the **ICAI**').

  We have followed the same accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016 while preparing Restated Standalone Summary Financial Information for the years ended March 31, 2016, March 31, 2015 and March 31, 2014. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Restated Consolidated Ind AS Financial Information as of and for the years ended March 31, 2016, March 31, 2015 and March 31, 2014; and

- Our Audited Consolidated Financial Statements as at and for the years ended March 31, 2018, and March 31, 2017 are prepared under Ind AS (as at and for the year ended March 31, 2017, are in accordance with Ind AS being comparative period for year ended March 31, 2018).

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, we have presented a reconciliation from the presentation of Restated Consolidated Summary Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("**Previous GAAP**" or "**Indian GAAP**") to Ind AS for Restated Consolidated Shareholders' equity as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and April 1, 2013 and of the Restated Consolidated Summary Statement of profit and loss for the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (Refer Note 54 to Annexure VI).

The Restated Consolidated Summary Financial Information have been compiled by us from the Audited Consolidated Financial Statements and:

- there were no changes in accounting policies under Previous GAAP during the years of these financial statements,
- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per our audited consolidated financial statements as at and for the year ended March 31, 2018 prepared under Ind AS and the requirements of the SEBI Regulations, and the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

***Basis of measurement***

The Restated Consolidated Summary Financial Information has been prepared on a historical cost basis, except for the following:

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

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

***Standards issued but not yet effective***

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

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

**Significant accounting policies**

***Business combination***

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

We have accounted merger schemes in a manner prescribed by the High Court orders. The book values of the assets, liabilities and reserves of the transferor company have been recorded and the identity of the reserves has been maintained. The excess of book value of the net assets and reserves of the transferor company taken over, over the face value of the shares issued by the transferee company has been debited to the goodwill as per the scheme. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognised in the restated consolidated summary 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.

***Revenue***

*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 us, all significant risks and rewards of ownership are transferred to the customers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

Revenue from real estate development activity where we still have obligations to perform substantial acts even after the transfer of all significant risks and rewards, is recognised on the 'percentage of completion method'. Revenue is recognised in relation to the sold areas, on the basis of percentage of actual cost incurred, including land, development and construction costs as against the total estimated cost of project. We recognize revenue in accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the institute of Chartered Accountants of India.

Cost of Construction / Development (including cost of land) incurred is charged to the restated summary statement of profit and loss proportionate to area sold and the balance cost is carried over under inventory as part of property under development. Cost of construction / development includes all costs directly related to the project and other expenditure as identified by the management which are reasonably allocable to the project.

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

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

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

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

- all critical approvals necessary for commencement of the project have been obtained;
- the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost);
- when at least 10% of the sales consideration is realised; and
- where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

*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 or rates are fixed or are determinable and collectability is reasonably certain. Revenue recognised is net of indirect taxes, returns and discounts.

*Rental income*

Revenues from property leased out under an operating lease are recognised over the tenure of the lease or 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.

*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.

*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 us, and the amount of dividend can be measured reliably.

*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 restated consolidated statement of profit or loss.

***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 restated consolidated summary statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the restated consolidated summary 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.

***Employee benefits***

*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 we have 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.

*Post-employment benefits*

*Defined contribution plans*

Obligations for contributions to defined contribution plans such as provident fund and family pension maintained with regional provident fund office are expensed as the related service is provided.

*Defined benefit plans*

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

- Gratuity Fund

We provide 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 us. 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 our defined benefit plans. When the calculation results in a potential asset for us, 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 Restated Consolidated Summary Statement of changes in equity and in the Restated Consolidated Summary Statement of Assets and Liabilities.

*Other long-term employee benefits*

Liability toward long-term compensated absences is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the balance sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Restated Consolidated Summary Statement of Profit and Loss.

*Terminal Benefits*

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

***Income-tax***

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

*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 Restated Consolidated Summary 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, we:

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

*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 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.

***Inventories***

*Hospitality*

Stocks of stores, food and beverages and operating supplies (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 (crockery, cutlery, glassware and linen) once issued to the operating departments are considered as consumed and expensed to the Restated Consolidated Summary 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 Restated Consolidated Summary 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.

***Property, plant and equipment***

*Recognition and measurement*

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

*Subsequent expenditure*

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

*Transition to Ind AS*

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

*Depreciation*

Depreciation is provided using the straight line method as per the useful life of the assets estimated by the management.

Depreciation on addition or deletion of fixed asset made during the year is provided on pro-rata basis from or up to the date of each addition or 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** | | | |
|---|---|---|---|---|
| | **Financial Year 2014** | **Financial Year 2015 to Financial Year 2017** | **Financial Year 2018** | **Schedule II** |
| Buildings (Interior and Accessories) | 10 Years | 10 Years | 14 Years | NA |
| Plant and Machinery | | | | |
| Food and Beverages and Kitchen Equipment | 5 Years | 8 Years | 8 Years | |
| Audio Video Equipment | 7 Years | 5 Years | 5 Years | 15 Years |
| Laundry Equipment | 7 Years | 5 Years | 15 Years | |
| Others | 10 Years | 10 Years | 14 Years | |
| Electrical Installation | 10 Years | 10 Years | 14 Years | 10 Years |
| Office Equipment | | | | |
| Mobile Phones | 2 Years | 2 Years | 2 Years | 4 Years |
| Others | 4 Years | 4 Years | 4 Years | |
| Data Processing Equipment | 4 Years | 3 Years | 3 Years | 3 Years |
| Vehicles | 5 Years | 5 Years | 5 Years | 6 Years |
| Furniture and Fixtures | 7 Years | 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 straight line method basis over a period of 10 years, which in our 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 capitalization.

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 our 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 us 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. The fair value of such freehold land has been pushed back to the earliest of reporting period in the restated summary financial information in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2016).

***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.

***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 our financial performance and position, and makes strategic decisions. It is identified as being the chief operating decision maker for our Company. Refer note 49 for segment information presented.

***Intangible assets***

*Recognition and measurement*

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

***Subsequent expenditure***

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

***Transition to Ind AS***

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

***Amortisation***

Amortisation is calculated over the cost of the asset, or other amount substituted for cost less its residual value. Amortisation is recognised in the Restated 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 three 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.

***Intangible assets (continued)***

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 Restated consolidated summary 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 Restated consolidated summary statement of profit and loss, to the extent the amount was previously charged to the Restated consolidated summary statement of profit and loss. In case of revalued assets, such reversal is not recognised.

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

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

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

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

*(b)* *Depreciation*

Depreciation on investment property has been provided pro rata for the period of use by the Straight Line Method. The useful lives of Investment Property is estimated by management and the same is as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life of these assets differs from Schedule II.

Any gain or loss on disposal of an investment property is recognised in Restated Consolidated summary 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.

<table>
<tr><th>Asset Type</th><th>Financial Year 2014 to Financial Year 2017</th><th>Financial Year 2018</th><th>Schedule II</th></tr>
<tr><td>Buildings</td><td>60 Years</td><td>60 Years</td><td>60 Years</td></tr>
<tr><td>Buildings (Interior and Accessories)</td><td>10 Years</td><td>14 Years</td><td>NA</td></tr>
<tr><td>Plant and Machinery</td><td>10 Years</td><td>14 Years</td><td rowspan="2">15 Years</td></tr>
<tr><td>Plant and Machinery – Others</td><td>15 Years</td><td>15 years</td></tr>
<tr><td>Electrical installations</td><td>10 Years</td><td>14 Years</td><td>10 Years</td></tr>
<tr><td>Office Equipments</td><td>4 Years</td><td>4 Years</td><td>5 Years</td></tr>
<tr><td>Data Processing Equipments</td><td>3 Years</td><td>3 Years</td><td>3 Years</td></tr>
<tr><td>Furniture and Fixtures</td><td>10 Years</td><td>10 Years</td><td>10 Years</td></tr>
</table>

***Assets held for sale***

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

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

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

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in Restated Consolidated summary statement of profit and loss. Refer Note 17.

***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 our Company becomes a party to the contractual provisions of the instrument.

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

   b) *Classification and subsequent measurement*

   We classify our financial assets into a) financial assets measured at amortised cost, and b) financial assets measured at 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 restated consolidated summary statement of profit and loss. Any impairment loss arising from these assets are recognised in the restated consolidated summary statement of profit and loss.

   ii. Financial assets measured at fair value through profit and loss

   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 restated consolidated statement of profit or loss.

   iii. Financial assets measured at fair value through other comprehensive income

   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 restated consolidated summary 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 restated consolidated summary statement of profit and loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in Restated consolidated summary 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 Restated consolidated summary statement of profit and loss.

*c)* *Derecognition*

Our 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 Group is recognised as a separate asset and associated liability for any amounts it may have to pay.

*d)* *Impairment of financial assets*

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

i. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

ii. Trade receivables- Our 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 us 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.

Our 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.

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

*b)* *Financial guarantee contracts*

Our Company on a case to case basis elects to account for financial guarantee contracts as a financial instruments or as an insurance contracts as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance contracts. Our Company has regarded all our financial guarantee contracts as insurance contracts. At the end of each reporting period, our 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 restated consolidated summary statement of profit and loss.

*c)* <u>*Derecognition*</u>

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

***Offsetting of financial assets and financial liabilities***

Financial assets and liabilities are offset and the net amount presented in the restated consolidated summary statement of financial position when, and only when, our Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Derivative financial instruments***

Our Company uses derivative financial instruments, such as foreign exchange forward contracts, interest rate swaps and currency options to manage our 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 the Restated Consolidated Summary 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. Our Company does not designate the derivative instrument as a hedging instrument.

***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.

***Cash and cash equivalents***

Cash and cash equivalent in the Restated Consolidated Summary Statement of Assets And Liabilities 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.

***Adjusted EBITDA before Exceptional Items***

We present Adjusted EBITDA before Exceptional Items in the restated summary statement of profit and loss; this is not specifically required by Ind AS 1. The terms EBITDA and Adjusted EBITDA before Exceptional Items 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 their financial position or performance or to cater to industry or sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

<u>*Measurement of Adjusted EBITDA before Exceptional Items*</u>

Accordingly, we have elected to present Adjusted EBITDA before Exceptional Items as a separate line item on the face of the restated summary statement of profit and loss. We measure Adjusted EBITDA before Exceptional Items on the basis of profit/ (loss) from continuing operations including other income. In our measurement, we do not include exceptional items, depreciation and amortisation expense, finance costs, share of profit from associate and tax expense.

***Usefulness for certain Non GAAP items***

*Adjusted EBITDA before Exceptional Items*

Adjusted EBITDA before Exceptional Items is included as supplemental disclosure because we believe it is a useful indicator of our operating performance. Derivations of EBITDA are well-recognized performance measurements that are frequently used by companies, investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry. We also believe Adjusted EBITDA before Exceptional Items is useful for evaluating performance of our senior management team.

*Average Cost of Indebtedness*

The Average Cost of Indebtedness is helpful in understanding the overall interest rate being paid by a company for various types of debt financing. This measure gives investors an idea of a company's risk level compared to others because riskier companies generally have a higher cost of debt.

The table below sets out the manner of calculation for our Average Cost of Indebtedness:

*in ₹ million*

| **Components** | **As of, and for the financial year ended March 31, 2018** | **As of, and for the financial year ended March 31, 2017** | **As of, and for the financial year ended March 31, 2016** |
|---|---|---|---|
| | | | |
| Interest expenses capitalised | 221.41 | 269.65 | 251.90 |
| Interest cost charged to statement of profit and loss | 2,119.21 | 2,179.58 | 2,158.69 |
| Exchange (gain) / loss on foreign currency loans | (21.54) | (35.00) | 46.66 |
| **Total interest expenses** | **2,319.08** | **2,414.23** | **2,457.25** |
| | | | |
| Opening balances – Borrowings | 26,358.73 | 23,506.39 | 20,715.48 |
| Closing balances – Borrowings | 27,253.09 | 26,358.73 | 23,506.39 |
| **Average balance of Borrowings** | **26,805.91** | **24,932.56** | **22,110.94** |
| | | | |
| **Average Cost of Indebtedness (%)** | **8.65%** | **9.68%** | **11.11%** |

**Segmental Information**

Our operations are broadly divided into the following financial segments:

- *Hospitality* comprises of the income earned through hotel operations;
- *Real estate* comprises of income from sale of residential flats; and
- *Commercial and Retail Block* comprises of the income earned through renting and leasing of commercial and retail space.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts are allocated thereunder on a reasonable basis. Net expenditure that is not directly attributable to any business segment is shown under unallocated segment. The following table sets out our segment-wise revenue and results for the periods indicated:

(₹ in million)

| | **Hospitality (Hotels)** | **Real Estate** | **Commercial and Retail** | **Unallocated** | **Total** |
|---|---|---|---|---|---|
| **For the year ended March 31, 2018** | | | | | |
| Total Revenue | 8,595.26 | 102.14 | 240.77 | 0.00 | **8,938.16** |
| Segment profit / (loss) before tax | 2,619.61 | (189.70) | (76.56) | 0.00 | **2,353.35** |
| Total unallocated expenses | 0.00 | 0.00 | 0.00 | (2,485.89) | **(2,485.89)** |
| Total unallocated income | 0.00 | 0.00 | 0.00 | 356.98 | **356.98** |
| Profit before taxation | 0.00 | 0.00 | 0.00 | 0.00 | **224.44** |
| Profit after taxation | 0.00 | 0.00 | 0.00 | 0.00 | **284.26** |
| **For the year ended March 31, 2017** | | | | | |
| Total Revenue | 7,121.58 | 111.44 | 140.52 | 0.00 | **7,373.54** |

| | | | | | |
|---|---|---|---|---|---|
| Segment profit / (loss) before tax | 1,621.74 | (231.32) | (64.32) | 0.00 | **1,326.10** |
| Total unallocated expenses | 0.00 | 0.00 | 0.00 | (2,406.77) | **(2,406.77)** |
| Total unallocated income | | | | 1,871.83 | **1,871.83** |
| Profit before taxation | 0.00 | 0.00 | 0.00 | 0.00 | **791.16** |
| Profit after taxation | | | | | **1,274.38** |
| **For the year ended March 31, 2016 (Proforma Ind AS)** | | | | | |
| Total Revenue | 5,739.45 | 77.39 | 7.73 | 0.00 | **5,824.57** |
| Segment profit / (loss) before tax | 1,031.01 | (325.72) | 0.39 | 0.00 | **705.68** |
| Total unallocated expenses | 0.00 | 0.00 | 0.00 | (2,516.75) | **(2,516.75)** |
| Total unallocated income | 0.00 | 0.00 | 0.00 | 151.04 | **151.04** |
| Profit before taxation | 0.00 | 0.00 | 0.00 | 0.00 | **(1,660.03)** |
| Profit after taxation | | | | | **(1,124.89)** |

**Income and Expenses**

Our income and expenditure is reported in the following manner:

***Income***

Total income consists of revenue from operations and other income.

*Revenue from operations*. Revenue from operations primarily comprises (a) hospitality operations which primarily comprise (i) room income, (ii) food, beverages and smokes, (iii) other hospitality related revenue such as revenue from spa, laundry, car hire and concierge services, and (iv) export benefits and entitlements; (b) property development which comprises revenue from sale of residential flats and sale of transferable development rights; and (c) retail and commercial operations which primarily comprise lease rent received from our properties and revenue from maintenance and other services.

*Other Income.* Other income primarily comprises interest income from instruments measured at an amortised cost, profit on sale of investments and net mark to market gain on derivative contracts.

***Expenses***

Expenses comprise real estate development costs, food and beverages consumed, operating supplies consumed, employee benefits expenses, depreciation and amortisation expenses, finance cost, tax expenses and other expenses.

*Real Estate Development Costs.* Real estate development costs comprise cost of construction and development rights, cost of sale for residential flats and compensation paid to customers for delay in handing over possession including interest payable to customers on cancellation of flats.

*Food and beverages consumed*. Food and beverages consumed consists of expenses towards consumption of all food and beverage items (including alcoholic and non-alcoholic beverages, banquet costs, room service and restaurants), groceries and food staples.

*Operating supplies consumed*. Operating supplies consumed consist of expenses towards purchase of crockery, cutlery, glassware, silverware and linen.

*Employee benefits expense*. Employee benefits expense comprise salaries, wages and bonus, contributions to provident and other funds and other staff welfare expenses.

*Depreciation and amortisation expenses*. Depreciation and amortisation expenses comprise depreciation on tangible assets and amortization of intangible assets.

*Finance costs*. Finance costs comprise interest expenses paid by us for long-term loans and short-term borrowings, including working capital loans, processing fees and incidental borrowing costs.

*Other expenses*. Other expenses primarily comprise power and fuel costs primarily for our hotels, rates and taxes paid, commission, royalty and management fees paid to our hotel operators and their affiliates under our hotel operating agreements and license agreement, legal and professional charges and miscellaneous expenses comprising primarily of security expenses, communication expenses, music and entertainment expenses and others.

*Tax expense*. We are subject to income tax liability in India pursuant to the Income Tax Act, 1961. Also, pursuant to Income Tax Act, 1961, in certain instances, companies are subject to a minimum alternate tax (MAT) liability based on book profit. We make provision for current tax as well as for deferred tax liability (the difference between taxable profit and book profit) based on the effect of timing differences.

**Our Results of Operations**

The following table sets forth select financial data from our restated consolidated statement of profit and loss for the financial years 2018, 2017 and 2016, the components of which are also expressed as a percentage of total revenue for such periods:

| | **Financial Year** | | | | | |
|---|---|---|---|---|---|---|
| | **2018** | | **2017** | | **2016 (Proforma Ind AS)** | |
| | ***(₹ in million)*** | ***(% of Total Income)*** | ***(₹ in million)*** | ***(% of Total Income)*** | ***(₹ in million)*** | ***(% of Total Income)*** |
| **Income:** | | | | | | |
| Revenue from operations | 8,938.16 | 96.16 | 7,373.54 | 79.75 | 5,824.57 | 97.47 |
| Other income | 356.98 | 3.84 | 1,871.83 | 20.25 | 151.04 | 2.53 |
| **Total Income** | **9,295.14** | **100.00** | **9,245.37** | **100.00** | **5,975.61** | **100.00** |
| **Expenses:** | | | | | | |
| Real estate development costs | 194.80 | 2.10 | 207.99 | 2.25 | 253.57 | 4.24 |
| Food and beverages consumed | 765.65 | 8.24 | 667.35 | 7.22 | 603.85 | 10.11 |
| Operating supplies consumed | 256.17 | 2.76 | 218.40 | 2.36 | 190.06 | 3.18 |
| Employee benefits expenses | 1,295.59 | 13.94 | 1,188.25 | 12.85 | 1,067.20 | 17.86 |
| Other expenses | 3,268.87 | 35.17 | 2,655.07 | 28.72 | 2,301.99 | 38.52 |
| **Total expenses** | **5,781.08** | **62.19** | **4,937.06** | **53.40** | **4,416.67** | **73.91** |
| **Adjusted earnings before interest, depreciation, amortisation, and tax (Adjusted EBITDA) Before Exceptional items** | **3,514.06** | **37.81** | **4,308.31** | **46.60** | **1,558.94** | **26.09** |
| Depreciation and amortisation expenses | 1,116.33 | 12.01 | 1269.76 | 13.73 | 988.08 | 16.54 |
| Finance costs | 2,119.21 | 22.80 | 2,179.58 | 23.57 | 2,158.69 | 36.13 |
| **Profit/(loss) before exceptional items and tax** | **278.52** | **3.00** | **858.97** | **9.29** | **(1,587.83)** | **(26.57)** |
| **Exceptional Item:** | **(54.08)** | **(0.58)** | **(67.81)** | **(0.73)** | **(72.20)** | **(1.21)** |
| **Profit/(loss) from continuing operations before income tax** | **224.44** | **2.41** | **791.16** | **8.56** | **(1,660.03)** | **(27.78)** |
| **Tax expenses:** | | | | | | |
| Deferred tax (income)/expense | (59.82) | (0.64) | (483.22) | (5.23) | (535.14) | (8.96) |
| **Profit/ (loss) for the year** | **284.26** | **3.06** | **1,274.38** | **13.78** | **(1124.89)** | **(18.82)** |
| Other comprehensive income for the year, net of tax | 14.66 | 0.16 | 0.13 | 0.00 | 1.26 | 0.02 |
| Total comprehensive income for the year | 298.92 | 3.22 | 1,274.51 | 13.79 | (1,123.63) | (18.80) |

***Financial Year 2018 compared to Financial Year 2017***

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

- the completion of the demerger and transfer of our hotel and commercial and retail project at Whitefield, Bengaluru from an Associate Company into our Company, effective November 1, 2016, as an entire business undertaking. Pursuant to the transfer, we recognized revenues and expenses in relation to hotel operations and 324 keys at our hotel at Whitefield, Bengaluru and lease income and expenses for the retail operations at Whitefield, Bengaluru, for five months in the financial year 2017 as compared to the full year in the financial year 2018;

- an increase in ADR and occupancy levels for our hotels from ₹ 7,821.71 and 67.46%, respectively, for the financial year 2017 to ₹ 7,857.55 and 72.76%, respectively, for the financial year 2018;

- an increase in our total number of keys from 2,259 as of March 31, 2017 to 2,328 as of March 31, 2018; and

- decrease in profit on sale of investments to ₹ 114.57 million for the financial year 2018 from ₹ 1,301.24 million for the financial year 2017 was due to sale of equity in Associates held for sale, in the financial year 2017.

***Income***

Our total income increased by 0.54% to ₹ 9,295.14 million for the financial year 2018 from ₹ 9,245.37 million for the financial year 2017, due to an increase in revenue from operations, which was offset by a decrease in other income.

*Revenue from Operations.* Our revenue from operations increased by 21.22% to ₹ 8,938.16 million for the financial year 2018 from ₹ 7,373.54 million for the financial year 2017, primarily due to:

- an increase in hospitality revenue from room income by 22.59% to ₹ 4,855.89 million for the financial year 2018 from ₹ 3,961.01 million for the financial year 2017 due to recognition of room revenues in relation to hotel operations at Whitefield, Bengaluru for five months in the financial year 2017 as compared to the full year in the financial year 2018 and improvement in operating revenues from the existing keys in line with an increase in ADR and occupancy levels for our hotels from ₹ 7,821.71 and 67.46%, respectively, in the financial year 2017 to ₹ 7,857.55 and 72.76%, respectively, in the financial year 2018, together with an increase in the total number of keys from 2,259 as of March 31, 2017 to 2,328 as of March 31, 2018;

- an increase in hospitality revenue from sale of food, beverages and smokes by 21.25% to ₹ 2,821.93 million for the financial year 2018 from ₹ 2,327.42 million for the financial year 2017 primarily due to recognition of food and beverage revenues in relation to hotel operations at Whitefield, Bengaluru for five months in the financial year 2017 as compared to the full year in the financial year 2018 and in line with a general growth in our business;

- an increase in other hospitality revenue by 38.33% to ₹ 717.11 million for the financial year 2018 from ₹ 518.42 million for the financial year 2017 primarily due to recognition of revenues in relation to hotel operations at Whitefield, Bengaluru for five months in the financial year 2017 as compared to the full year in the financial year 2018 and in line with a general growth in our business; and

- an increase in revenue from retail and commercial operations by 71.35% to ₹ 240.77 million for the financial year 2018 from ₹ 140.51 million for the financial year 2017 due to recognition of revenue in relation to retail and commercial operations at Whitefield, Bengaluru for five months in the financial year 2017 as compared to the full year in the financial year 2018,

  which was partially offset by:

- a decrease in other hospitality revenue in export benefits and entitlements by 36.35% to ₹ 200.33 million for the financial year 2018 from ₹ 314.74 million for the financial year 2017 as per entitlements and availment; and

- a decrease in revenue from real estate operations to ₹ 102.13 million for the financial year 2018 from ₹ 111.44 million for the financial year 2017.

*Other income.* Our other income decreased by 80.93% to ₹ 356.98 million for the financial year 2018 from ₹ 1,871.83 million for the financial year 2017, primarily due to a recognition of profit on sale of investments of ₹ 114.57 million for the financial year 2018 compared to ₹ 1,301.24 million for the financial year 2017 due to sale of equity in Associates held for sale in the financial year 2017, a decrease in gain on foreign exchange fluctuation (net) to ₹ 4.63 million for the financial year 2018 from ₹ 213.66 million for the financial year 2017 due to currency fluctuations and derivative exposure in relation our external commercial borrowings (excluding interest accrued) which were USD 87.05 million as of March 31, 2017 and USD 75.85 million as March 31, 2018; and a decrease in interest income received from instruments measured at amortised cost to ₹ 197.39 million for the financial year 2018 from ₹ 228.70 million for the financial year 2017.

***Expenses***

Our total expenses increased by 17.10% to ₹ 5,781.08 million for the financial year 2018 from ₹ 4,937.06 million for the financial year 2017, primarily due to an increase in food and beverages consumed, operating supplies consumed, employee benefits expense and other expenses, partially offset by a decrease in real estate development costs, including due to recognition of expenses in relation to hotel operations at our hotel at Whitefield, Bengaluru and lease income and expenses for the retail operations at Whitefield, Bengaluru, for five months in the financial year 2017 as compared to the full year in the financial year 2018 and in line with a general growth in our business.

*Real estate development costs.* Real estate development costs decreased by 6.34% to ₹ 194.80 million for the financial year 2018 from ₹ 207.99 million for the financial year 2017.

*Food and beverages consumed.* Food and beverages consumed increased by 14.73% to ₹ 765.65 million for the financial year 2018 from ₹ 667.35 million for the financial year 2017.

*Operating supplies consumed.* Operating supplies consumed increased by 17.29% to ₹ 256.17 million for the financial year 2018 from ₹ 218.40 million for the financial year 2017, primarily due to recognition of operating supplies consumed in relation to hotel operations at Whitefield, Bengaluru for five months in the financial year 2017 as compared to the full year in financial year 2018.

*Employee benefits expense.* Employee benefits expense increased by 9.03% to ₹ 1,295.59 million for the financial year 2018 from ₹ 1,188.25 million for the financial year 2017, primarily due to the employee benefits expense in relation to operations at Whitefield, Bengaluru for five months in the financial year 2017 as compared to the full year operations in the financial year 2018 and the standard increases in the employee benefits expense. Within this increase, there was an increase in salaries, wages and bonus paid to employees to ₹ 1,085.03 million for the financial year 2018 from ₹ 986.60 million for the financial year 2017 and an increase in staff welfare expenses to ₹ 160.08 million for the financial year 2018 from ₹ 148.11 million for the financial year 2017. Our number of permanent employees was 2,347 employees as of March 31, 2017 and 2,402 employees as of March 31, 2018.

*Depreciation and amortisation expense.* Our depreciation and amortisation expense decreased by 12.08% to ₹ 1,116.33 million for the financial year 2018 from ₹ 1,269.76 million for the financial year 2017, primarily due to revision in estimated economic useful life of property, plant and equipment.

*Finance costs.* Our finance costs decreased by 2.77% to ₹ 2,119.21 million for the financial year 2018 from ₹ 2,179.58 million for the financial year 2017, primarily due to a decrease in interest incurred on term loans availed from banks to ₹ 2,076.35 million for the financial year 2018 from ₹ 2,137.84 million for the financial year 2017 due to decrease in our average weighted indebtedness and capitalization of interest for projects under development.

*Other expenses.* Our other expenses increased by 23.12% to ₹ 3,268.87 million for the financial year 2018 from ₹ 2,655.07 million for the financial year 2017, primarily as a result of:

- an increase in rates and taxes to ₹ 417.07 million for the financial year 2018 from ₹ 182.32 million for the financial year 2017 due to stamp duty and transfer charges payable in the financial year 2018 in relation to scheme of amalgamation for the hotel and commercial and retail project in Whitefield, Bengaluru ;

- an increase in miscellaneous expenses to ₹ 358.01 million for the financial year 2018 from ₹ 265.10 million for the financial year 2017 due to recognition of expenses in relation to hotel operations at Whitefield, Bengaluru for five months in the financial year 2017 as compared to the full year in the financial year 2018; and

- an increase in power and fuel to ₹ 627.40 million for the financial year 2018 from ₹ 544.96 million for the financial year 2017 due to recognition of expenses at our hotel in Whitefield, Bengaluru for five months in the financial year 2017 as compared to the full year in the financial year 2018 and in line with an increased number of guests staying at our hotels, which was partially offset by decrease in costs due to purchase of power through open access at our developments.

***Profit from continuing operations before income tax***. Our profit from continuing operations before income tax decreased by 71.63% to ₹ 224.44 million for the financial year 2018 from ₹ 791.16 million for the financial year 2017. Our profit before tax represented 2.41% and 8.56% of our total income for the financial years 2018 and 2017, respectively.

***Tax expenses***. Our tax credit reduced to ₹ (59.82) million for the financial year 2018 as compared to ₹ (483.22) million for the financial year 2017, due to higher deferred tax credit in the financial year 2017.

***Profit for the year***. Our profit for the year decreased by 77.69% to ₹ 284.26 million for the financial year 2018 from ₹ 1,274.38 million for the financial year 2017, primarily due to the aforementioned reasons. Our profit for the year represented 3.06% and 13.78% of our total income for the financial years 2018 and 2017, respectively.

***Total comprehensive income for the year***. Our total comprehensive income for the year decreased by 76.55% to ₹ 298.92 million for the financial year 2018 from ₹ 1,274.51 million for the financial year 2017 in line with a decrease our in profit for the year.

***Financial Year 2017 compared to Financial Year 2016***

Our results of operations for the financial year 2017 compared to the financial year 2016 were particularly affected by the following factors:

- the completion of the demerger and transfer of our hotel and commercial and retail project at Whitefield, Bengaluru into our Company, effective November 1, 2016, as an entire business undertaking. Pursuant to the transfer, we recognized revenues and expenses in relation to 324 keys at our hotel at Whitefield, Bengaluru and lease income and expenses for the commercial and retail project at Whitefield, Bengaluru, for five months in the financial year 2017;

- our luxury hotel at Sahar, Mumbai commenced operations in February 2015. Our revenue from hospitality operations at this hotel were lower in the financial year 2016 compared to the financial year 2017 due to the time taken for a hotel to achieve targeted occupancies and ADRs from its date of commencement of operations;

- an increase in ADR and occupancy levels for our hotels from ₹ 7,585.60 and 60.30%, respectively, in the financial year 2016 to ₹ 7,821.71 and 67.46%, respectively, in the financial year 2017;

- an increase in our total number of keys from 1,921 as of March 31, 2016 to 2,259 as of March 31, 2017; and

- an increase in profit on sale of investments to ₹ 1,301.24 million for the financial year 2017 from ₹ 46.10 million for the financial year 2016 due to sale of equity in Associates held for sale, in the financial year 2017.

***Total Income***

Our total income increased by 54.72% to ₹ 9,245.37 million for the financial year 2017 from ₹ 5,975.61 million for the financial year 2016, due to an increase in revenue from operations and other income.

*Revenue from Operations.* Our revenue from operations increased by 26.59% to ₹ 7,373.54 million for the financial year 2017 from ₹ 5,824.57 million for the financial year 2016, primarily due to:

- an increase in hospitality revenue from room income by 23.16% to ₹ 3,961.01 million for the financial year 2017 from ₹ 3,216.11 million for the financial year 2016 due to recognition of room revenues at our hotel at Whitefield, Bengaluru for five months in the financial year 2017, an increase in ADR and occupancy levels for our hotels from ₹ 7,585.60 and 60.30%, respectively, in the financial year 2016 to ₹ 7,821.71 and 67.46%, respectively, in the financial year 2017, together with an increase in our total number of keys from 1,921 as of March 31, 2016 to 2,259 as of March 31, 2017;

- an increase in hospitality revenue from sale of food, beverages and smokes by 14.61% to ₹ 2,327.42 million for the financial year 2017 from ₹ 2,030.79 million for the financial year 2016 primarily due to recognition of food and beverage revenues in relation to hotel operations at Whitefield, Bengaluru for five months and increased revenues from our hotel in Sahar, Mumbai in the financial year 2017, and in line with the growth of our business;

- an increase in other hospitality revenue by 30.45% to ₹ 518.42 million for the financial year 2017 from ₹ 397.41 million for the financial year 2016 primarily due to recognition of revenues in relation to hotel operations at Whitefield, Bengaluru for five months and increased revenues from our hotel in Sahar, Mumbai in the financial year 2017;

- an increase in hospitality operations for export benefits and entitlements to ₹ 314.74 million for the financial year 2017 from ₹ 95.14 million for the financial year 2016 as per entitlements and availment;

- an increase in revenue from real estate operations by 44.03% to ₹ 111.44 million for the financial year 2017 from ₹ 77.39 million for the financial year 2016 due to increased sales; and

- an increase in revenue from retail and commercial operations to ₹ 140.51 million for the financial year 2017 from ₹ 7.73 million for the financial year 2016 due to recognition of revenue in relation to retail and commercial operations at Whitefield, Bengaluru for five months in the financial year 2017.

*Other income.* Our other income increased to ₹ 1,871.83 million for the financial year 2017 from ₹ 151.04 million for the financial year 2016, primarily due to recognition of profit on sale of investments of ₹ 1,301.24 million for the financial year 2017 compared to ₹ 46.10 million for the financial year 2016 due to sale of equity in Associates held for sale, in the financial year 2017, an increase in gain on foreign exchange fluctuation (net) to ₹ 213.66 million for the financial year 2017 from a loss of ₹ 11.37 million for the financial year 2016 recognized under other expenses due to currency fluctuations and derivative exposure in relation our external commercial borrowings (excluding interest accrued), which were USD 57.20 million as of March 31, 2016 and USD 87.05 million as March 31, 2017; and an increase in interest income received from instruments measured at amortised cost to ₹ 228.70 million for the financial year 2017 from ₹ 50.61 million for the financial year 2016.

***Expenses***

Our total expenses increased by 11.78% to ₹ 4,937.06 million for the financial year 2017 from ₹ 4,416.67 million for the financial year 2016, primarily due to an increase in food and beverages consumed, operating supplies consumed, employee benefits expense and other expenses, including due to recognition of expenses in relation to hotel operations at our hotel at Whitefield, Bengaluru and lease income and expenses for the retail operations at Whitefield, Bengaluru, for five months in the financial year 2017, depreciation and amortization expenses and employee benefits expense, partially offset by a decrease in real estate development cost.

*Real estate development costs.* Real estate development costs decreased by 17.98% to ₹ 207.99 million for the financial year 2017 from ₹ 253.57 million for the financial year 2016, due to lower cancellations and relevant adjustments.

*Food and beverages consumed.* Food and beverages consumed increased by 10.52% to ₹ 667.35 million for the financial year 2017 from ₹ 603.85 million for the financial year 2016.

*Operating supplies consumed.* Operating supplies consumed increased by 14.91% to ₹ 218.40 million for the financial year 2017 from ₹ 190.06 million for the financial year 2016, primarily due to operating supplies consumed pursuant to the opening of our luxury hotel at Sahar, Mumbai.

*Employee benefits expense.* Employee benefits expense increased by 11.34% to ₹ 1,188.25 million for the financial year 2017 from ₹ 1,067.20 million for the financial year 2016, primarily due to the employee benefits expense in relation to operations at Whitefield, Bengaluru for five months in the financial year 2017 and the standard increases in the employee benefits expense for our other hotel operations. Within this increase, there was an increase in salaries, wages and bonus paid to employees to ₹ 986.60 million for the financial year 2017 from ₹ 892.52 million for the financial year 2016 and an increase in staff welfare expenses to ₹ 148.11 million for the financial year 2017 from ₹ 131.79 million for the financial year 2016. Our number of permanent employees was 2,063 employees as of March 31, 2016 and 2,347 employees as of March 31, 2017.

*Depreciation and amortization expense.* Our depreciation and amortization expense increased by 28.51% to ₹ 1,269.76 million for the financial year 2017 from ₹ 988.08 million for the financial year 2016, primarily due to depreciation and amortization in relation to property at Whitefield, Bengaluru for five months in the financial year 2017 and depreciation and amortization recognized on the retail project at Sahar, Mumbai.

*Finance costs.* Our finance costs increased by 0.97% to ₹ 2,179.58 million for the financial year 2017 from ₹ 2,158.69 million for the financial year 2016.

*Other expenses.* Our other expenses increased by 15.34% to ₹ 2,655.07 million for the financial year 2017 from ₹ 2,301.99 million for the financial year 2016, primarily as a result of:

- an increase in miscellaneous expenses to ₹ 265.10 million for the financial year 2017 from ₹ 150.67 million for the financial year 2016 due to recognition of expenses in relation to hotel operations at

Whitefield, Bengaluru for five months in the financial year 2017;

- an increase in royalty and management fees paid to ₹ 304.69 million for the financial year 2017 from ₹ 241.62 million for the financial year 2016 primarily due to increased payments under our hotel operation, license and related agreements, in line with increased revenue and improved operational performance at our hotel in Sahar, Mumbai; and

- an increase in repairs and maintenance for plant and machinery to ₹ 179.94 million for the financial year 2017 from ₹ 107.82 million for the financial year 2016 due to refurbishment and repairs carried out at our hotel and convention center in Powai, Mumbai during the financial year 2017;

  which was partially offset by:

- a decrease in power and fuel from ₹ 612.28 million for the financial year 2016 to ₹ 544.96 million for the financial year 2017 due to purchase of power through open access at our developments which was partially offset by recognized expenses at Whitefield, Bengaluru for five months in the financial year 2017 and in line with an increased number of guests staying at our hotels.

***Profit or loss from continuing operations before income tax***. Our profit before income tax increased to ₹ 791.16 million for the financial year 2017 from a loss of ₹ 1,660.03 million for the financial year 2016. Our profit before tax represented 8.56% of our total income for the financial year 2017.

***Tax expenses***. Our tax credit reduced to ₹ (483.22) million for the financial year 2017 from ₹ (535.14) million for the financial year 2016, on account of higher deferred tax credit recognized in financial year 2016.

***Profit or loss for the year***. Our profit for the year increased to ₹ 1,274.38 million for the financial year 2017 from a loss of ₹ 1,124.89 million for the financial year 2016, primarily due to the aforementioned reasons. Our profit for the year represented 13.78% of our total income for the financial year 2017.

***Total comprehensive income or loss for the year***. Our total comprehensive income for the year increased to ₹ 1,274.51 million for the financial year 2017 from a loss of ₹ 1,123.63 million for the financial year 2016, primarily due to an increase in our profit for the year.

**Cash Flows**

The following table sets forth our cash flows for the periods indicated:

*(₹ in million)*

| | Financial Year | | |
|---|---|---|---|
| | **2018** | **2017** | **2016 (Proforma Ind AS)** |
| Net cash generated from Operating Activities | 2,489.05 | 2,012.24 | 793.40 |
| Net cash generated from/ (used) in Investing Activities | (1,289.98) | 3,249.39 | (1,722.78) |
| Net cash generated from/ (used) in Financing Activities | (1,566.81) | (4,633.70) | 530.39 |
| Net increase/ (decrease) in Cash and Cash Equivalents | (367.74) | 627.94 | (398.99) |

***Operating Activities***

Net cash generated from operating activities was ₹ 2,489.05 million for the financial year 2018. Our net profit before tax was ₹ 224.44 million for the financial year 2018, after finance costs of ₹ 2,119.21 million and depreciation and amortisation costs of ₹ 1,116.33 million. We paid ₹ 123.99 million in direct taxes for the financial year 2018. Further, the income included non-cash income of ₹ 10.00 million towards export benefit and entitlements.

Net cash generated from operating activities was ₹ 2,012.24 million for the financial year 2017. Our profit before tax was ₹ 791.16 million for the financial year 2017, we had finance costs of ₹ 2,179.58 million and depreciation and amortisation costs of ₹ 1,269.76 million. We paid ₹ 67.11 million in direct taxes for the financial year 2017. Further, the income included non-cash income of ₹ 314.74 million towards export benefit and entitlements and profit on sale of investments of ₹ 1,301.24 million.

Net cash generated from operating activities was ₹ 793.40 million for the financial year 2016. Our loss before tax was ₹ 1,660.03 million for the financial year 2016, we had finance costs of ₹ 2,158.69 million and depreciation and amortisation costs of ₹ 988.08 million. We paid ₹ 47.98 million in direct taxes for the financial year 2016.

***Investing Activities***

Net cash used in investing activities was ₹ 1,289.98 million for the financial year 2018, primarily towards purchase of fixed assets of ₹ 622.05 million and investments of ₹ 477.40 million.

Net cash generated from investing activities was ₹ 3,249.39 million for the financial year 2017, primarily towards proceeds from sale of investments of ₹ 4,675.40 million, partially offset by purchase of fixed assets of ₹ 1,145.80 million.

Net cash used in investing activities was ₹ 1,722.78 million for the financial year 2016, primarily towards purchase of fixed assets of ₹ 1,788.89 million.

***Financing Activities***

Net cash used in financing activities was ₹ 1,566.81 million for the financial year 2018, primarily comprising net proceeds from long-term borrowings of ₹ 2,474.81 million, net repayment of short term borrowings ₹ 1,938.74 million and net outflow towards interest and finance charges paid of ₹ 2,102.88 million.

Net cash used in financing activities was ₹ 4,633.70 million for the financial year 2017, primarily comprising net repayment of long-term borrowings of ₹ 1,852.66 million, net repayment of short term borrowings ₹ 540.75 million and net outflow towards interest and finance charges paid of ₹ 2,240.28 million.

Net cash generated from financing activities was ₹ 530.39 million for the financial year 2016, primarily comprising net proceeds from long-term borrowings of ₹ 1,823.70 million, net proceed from short term borrowings of ₹ 612.99 million and net outflow towards interest and finance charges paid of ₹ 1,906.19 million.

**Indebtedness**

As of March 31, 2018, we had outstanding total borrowings of ₹ 27,253.09 million. Our break-down of our indebtedness as well as debt maturity profile is set out below:

*(₹ in million)*

| | As of March 31, 2018 | | | | |
|---|---|---|---|---|---|
| | Payment due by period | | | | |
| | **Total** | **Less than 1 year** | **1-3 years** | **3-5 years** | **More than 5 years** |
| **Long term Borrowings** | | | | | |
| Secured | 22,151.53 | - | 5,857.84 | 10,196.17 | 6,049.35 |
| Unsecured | - | - | - | - | - |
| **Total long term borrowings** | 22,151.53 | - | 5,857.84 | 10,196.17 | 6,049.35 |
| **Current portion of Secured long term borrowings, included in other current liabilities** | 3,467.40 | 3,467.40 | _ | - | - |
| **Short term borrowings:** | | - | - | - | - |
| Secured | 433.19 | 433.19 | - | - | - |
| Unsecured | 1,200.97 | 1,210.08 | - | - | - |
| **Total Short Term Borrowings** | 1,634.16 | 1,643.27 | - | - | - |
| **Total Borrowings** | 27,253.09 | 5,110.67 | 5,857.84 | 10,196.17 | 6,049.35 |

Our total borrowings include redeemable preference shares of ₹ 160 million and adjustment for EIR, however our cash outflow is excluding redeemable preference shares and adjustment for EIR. The preference shares are liable to be redeemed at any time at the option of our Company, but not later than December 8, 2027. See "*Financial Indebtedness*" for a description of broad terms of our indebtedness on page 566 of this Draft Red Herring Prospectus and *"**Summary Financial Information**"* on page 240 of this Draft Red Herring Prospectus.

In the event our lenders declare an event of default, such current and any future defaults could lead to acceleration of our obligations, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our business, results of operations and financial condition. See "*Risk factors –Internal Risk Factors - Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations".*

### Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual obligations and commitments as of March 31, 2018, aggregated by type of contractual obligation, on a consolidated basis:

*(₹ in million)*

| | As of March 31, 2018 | | | | |
|---|---|---|---|---|---|
| | Payment due by period | | | | |
| | Total | Less than 1 year | 1-3 years | 3-5 years | More than 5 years |
| **Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)** | 60.82 | 60.82 | - | - | - |

### Capital Expenditure

For the financial year 2018, we incurred a capital expenditure of ₹ 1,175.76 million, primarily towards (i) capital expenditure for renovation and development of hotels of ₹ 733.10 million in relation to land premium and other renovation; and (ii) capital expenditure for commercial and real estate projects of ₹ 440.70 million in relation to business centres and offices at Sahar, Mumbai.

For the financial year 2017, we incurred a capital expenditure of ₹ 1,030.19 million, primarily towards (i) capital expenditure for renovation and development of hotels of ₹ 306.81 million in relation to room renovations at our hotel and convention center at Powai, Mumbai; and (ii) capital expenditure for commercial and real estate projects of ₹ 721.75 million in relation to retail block at Sahar, Mumbai and commercial block and retail block at Whitefield, Bengaluru.

For the financial year 2016, we incurred a capital expenditure of ₹ 1,607.23 million, primarily towards (i) capital expenditure for hotels of ₹ 755.59 million in relation to renovation at our hotel and convention center at Powai, Mumbai; and (ii) capital expenditure for commercial and retail of ₹ 845.36 million in relation to retail and business centres and offices at Sahar, Mumbai and commercial block and at Whitefield, Bengaluru.

During the financial year 2019, we expect to incur capital expenditure of ₹ 811.80 million, primarily towards construction expenditure of new projects.

### Contingent Liabilities

The following table sets forth certain information relating to our contingent liabilities which have not been provided for, as of March 31, 2018:

| Particulars | Amount (₹ in million) |
|---|---|
| Disputed service tax demands | 96.57 |
| Disputed VAT demands | 12.70 |
| Disputed Provident Fund demands | 5.80 |
| Property Tax | 27.55 |
| SFIS Scheme | 5.74 |
| ESIC | 0.35 |

For details, see *"Summary Financial Information – Contingent Liabilities and Commitments"* on page 240.

### Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements other than a guarantee given by our Company for the loans taken by an Associate in the financial year 2016.

### Quantitative and Qualitative Analysis of Market Risks

***Credit risk***

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our 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.

***Trade receivables from customers***

We have established a credit policy under which each new customer is analyzed 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.

***Currency risk***

We are exposed to currency risk on account of our operating and financing activities. Our functional currency is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. We have availed external commercial borrowings (excluding interest accrued) of USD 75.85 million as of March 31, 2018, which also exposes us to currency risk. Consequently, we use derivative instruments, such as foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recognized liabilities. We enter 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.

***Liquidity risk***

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

***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 our 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 optimizing the return. We use derivatives to manage market risk.

**Certain Exceptional Items**

We own a property situated at Koramangala Industrial Layout, Bengaluru, where we are constructing a residential complex. The completion of the residential complex is stalled on account of the revocation of certain approvals by Hindustan Aeronautical Limited. We have filed a writ petition before the Karnataka High Court in relation to the cancellation of the approvals and the construction and further sale of residential apartments at this property, among others. Pending the outcome of the proceedings and a final closure of the matter, we suspended revenue recognition based on the percentage completion method and have also been derecognizing profits on cancellation of flats previously sold. The accounting impact has been reflected under exceptional items. See "***Our residential project at Koramangala, Bengaluru is the subject matter of a litigation with Hindustan Aeronautics Limited. Any adverse order in relation to this litigation may adversely affect our ability to complete the project, and our business, results of operations and reputation***" on page 22 and see "**Outstanding Litigation and Other Material Developments**" on page 569.

**Known Trends or Uncertainties**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" on page 17. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**Future Relationship between Cost and Revenue**

Other than as described in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 17, 146 and 537, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

**Related Party Transactions**

We have entered into various transactions with related parties, including for the purposes of acquisition of land by sub-lease; provision of goods and services; non-exclusive and limited license use of trademarks; use and occupation of licensed premises; provision of support services; and provision of repairs and maintenance services. As of March 31, 2018, our Company has given loans to our Group Company, Immense Properties Private Limited and, certain of our Promoters (Ivory Properties and Hotels Private Limited, Ivory Property Trust and K Raheja Private Limited )] aggregating to ₹ 1902.14 million. These entities have indicated their intention to repay such loans within 15 days from the receipt of the net proceeds from the Offer by the Company and the Selling Shareholders. See "***Summary Financial Information – Restated Standalone Statement of Related Party Transactions and Balances***" beginning on page 275.

We cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Such related party transactions may potentially involve conflicts of interest. For details on our related party transactions, see "***Related Party Transactions***" on page 237.

**Competitive Conditions**

We operate in a competitive environment. See "***Our Business***", "***Industry Overview***" and "***Risk Factors***" on pages 146, 128 and 17, respectively for further information on our industry and competition.

**Seasonality of Business**

The hotel and hospitality industry in India is subject to seasonal variations. The periods during which our hotel properties experience higher revenues vary from property to property, depending principally upon location and the guests served. Our revenues are generally 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 sector (meetings, incentives, conferences and events) including weddings. According to the Horwath Report, the winter months are preferred for travel in India, for leisure, MICE events, management or business travel and more recently for destination weddings. Further, inbound foreign leisure travel varies more with climatic factors, such that it mainly occurs between October and March and to a lesser extent (with lower visitor profile and travel budgets) during the summer and monsoon seasons, as per the Horwath Report. This seasonality can be expected to cause quarterly fluctuations in our revenue, profit margins and net earnings. Further, the timing of opening of newly constructed hotels and the timing of any hotel acquisitions or dispositions may cause a variation of revenue and earnings from quarter to quarter. Further, the hospitality industry is subject to weekly variations. While business travel is high during the weekdays, leisure travel is picking up during weekends encouraged by greater affordability, changing attitudes towards lifestyle, and improved road and air connectivity.

Further, the hospitality industry is cyclical and demand generally follows, on a lagged basis, key macroeconomic indicators. The combination of changes in economic conditions and in the supply of hotel rooms, including periods of excess supply, can result in significant volatility in results for owners and managers of hotel properties. The costs of running a hotel tend to be more fixed than variable. As a result, in an environment of declining revenues the rate of decline in profits can be higher than the rate of decline in revenues. As a result of such seasonal fluctuations, our room rates, sales and results of operations of a given half of the financial year may not be reliable indicators of the sales or results of operations of the other half of the financial year or of our future performance. See "*Risk Factors – Internal Risk Factors - Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations*." on page 21.

**New Products or Business Segments**

Other than as disclosed in this section and in "***Our Business***" on page 146, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

**Significant developments subsequent to March 31, 2018**

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## FINANCIAL INDEBTEDNESS

Our Company and Subsidiary avail credit facilities in the ordinary course of our business. Pursuant to our Articles of Association, subject to applicable laws and pursuant to a resolution dated June 13, 2018, passed by our shareholders, our Board has been authorised to borrow sums in excess of the aggregate of our paid-up share capital and free reserves, up to ₹ 50,000 million.

As on May 31, 2018, we have outstanding secured borrowings (excluding interest) of ₹ 26,309.95 million and unsecured borrowings (excluding interest) of ₹ 919.99 million on a consolidated basis. Set forth below is a brief summary of our aggregate outstanding borrowings on a consolidated basis as on May 31, 2018.

*(in ₹ million)*

| Category of Borrowing/ Name of Lender | Sanctioned Amount | Outstanding amount as on May 31, 2018 |
|---|---|---|
| **Secured** | | |
| Housing Development Finance Corporation Ltd | 9,450.00 | 6,679.59 |
| Standard Chartered Bank | 7,917.00 | 7,047.91 |
| ICICI Bank | 4,186.87 | 3,626.53 |
| RBL Bank | 1,500.00 | 1,030.00 |
| Yes Bank Ltd | 1,100.00 | 1,038.38 |
| Citibank N.A. | 942.50 | 862.35 |
| Bank of Baroda | 900.00 | 900.00 |
| Indian Overseas Bank | 50.00 | 7.27 |
| HDFC Bank Ltd | 46.95 | 11.76 |
| **Sub –total (Rupee Loan)** | **26,093.32** | **21,203.79** |
| Standard Chartered Bank, UK | 4,047.16 | 3,281.57 |
| ICICI UK Plc | 1011.789 | 1,001.67 |
| ICICI Bank Bahrain | 822.92 | 822.92 |
| **Sub –total (USD Loan)*** | 5,881.87 | 5,106.16 |
| **Total** | **31,975.19** | **26,309.95** |
| **Unsecured** | | |
| Yes Bank Ltd (IBG Unit) | 225.00 | 212.58 |
| Indian Overseas Bank | 750.00 | 29.93 |
| K Raheja Corp** | 49.49 | 49.49 |
| Newfound | 628.00 | 628.00 |
| **Total (Un-secured)** | **1,652.49** | **919.99** |
| **Total** | **32,627.68** | **27,229.95** |

**INR equivalent of USD loan is determined on the basis of INR/USD exchange rate of 67.45 as on May 31, 2018*
*** Borrowing by Subsidiary*

Key terms of our secured borrowings are disclosed below.

- *Tenor and interest rate*: The tenor of the term loan facilities availed by us typically range from 60 months to 156 months. All our borrowings are on floating rates of interest which typically ranges from 8.20 % to 9.95 % per annum for rupee borrowings and LIBOR plus 3.75% to LIBOR plus 4.75% per annum for dollar borrowings.

- *Security*: Our secured borrowings are typically secured against:

  (i) existing and future charge on the immovable properties of the hotels of our Company or the Subsidiary, as applicable;

  (ii) charge on current assets, existing and future, and entire moveable and/or fixed assets of the hotels of our Company or the Subsidiary, as applicable;

  (iii) charge on the book-debts, operating cash flows, receivables, bills receivable, bank accounts, etc. from the hotels of our Company or the Subsidiary, as applicable; and

  (iv) mortgage (including through the deposit of title deeds) on the land and building including installations, fitments, plants and machinery of the hotels of our Company or the Subsidiary, as applicable.

The security created in favour of lenders by our Company is either *pari passu* with other lenders or exclusive to the lender.

Our Promoters, Capstan Trading LLP, Raghukool Estate Development LLP, Touchstone Properties and Hotels Private Limited, Anbee Constructions LLP and Cape Trading LLP, have pledged their shareholding held in our Company, to secure borrowings availed by certain of our Group Companies.

Additionally, our Promoter, Neel C. Raheja has provided a personal guarantee to secure facilities availed by our Company amounting to ₹ 862.35 million as on May 31, 2018.

- *Prepayment*: Loans availed by us typically have prepayment provisions which allows for prepayment of the outstanding loan amount with the consent of the lender, and as laid down in the facility agreements, as the case may be.

- *Re-payment:* The term loans are typically repayable in instalments after a moratorium period.

- *Events of Default:* Our borrowing arrangements typically contain standard events of default, including:

  (i) non-payment or default in payment of any amounts due under the loan facility;

  (ii) breach of any covenants, conditions, representations or warranties;

  (iii) cross default under any arrangement for facilities extended by any other lender;

  (iv) initiation of corporate actions or proceedings relating to winding up, dissolution, reorganization or appointment of liquidator, receivers or administrators or litigation causing material adverse effect to the lender;

  (v) substantial change in the constitution and management or beneficial ownership of our Company or the Subsidiary, as applicable, having an adverse effect on the lender without the previous consent; and

  (vi) ceasing or threatening to cease carrying on the business.

  (vii) failure of our Company or Subsidiary to create and/or perfect the security within the period contemplated

- *Key Restrictive covenants*: Our Company and Subsidiary, under certain financing arrangements availed by them respectively, require the relevant lender's prior written consent for carrying out certain actions, including:

  (i) change in shareholding control or management control without prior consent of the lender, as applicable;

  (ii) undertake or permit any amalgamation, demerger, merger, consolidation, scheme of arrangement or compromise with the shareholders or creditors;

  (iii) changing or altering capital structure;

  (iv) declaration or payment of dividend in case of event of default in payment of dues;

  (v) raising of new loans against the security provided to existing lender;

  (vi) making any amendments to the memorandum and articles of our Company or the Subsidiary, as applicable; and

  (vii) reduction of shareholding of promoter and promoter group below 51 % of our Company.

For further details of financial and other covenants required to be complied with in relation to our borrowing, see "*Risk Factors – We have incurred indebtedness which requires significant cash flows to service, and limits our* *ability to operate freely. We will continue to have indebtedness and debt service obligations following the Offer*" on page 27.

## SECTION VI – LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no (i) outstanding criminal proceedings involving our Company, Subsidiary, Group Companies, Promoters or Directors; (ii) outstanding actions taken by statutory or regulatory authorities involving our Company, Subsidiary, Group Companies, Promoters or Directors; and (iii) outstanding claims involving our Company, Subsidiary, Group Companies, Promoters or Directors for any direct and indirect tax liabilities; (iv) other pending litigations involving our Company, Subsidiary, Directors, Promoters or Group Companies as determined to be material by our Board, in accordance with the SEBI ICDR Regulations; (v) outstanding dues to creditors of our Company as determined to be material by our Board as per the Materiality Policy in accordance with the SEBI ICDR Regulations; and (vi) outstanding dues to small scale undertakings and other creditors.*

*Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on June 12, 2018 for the purposes of litigation disclosure, all pending litigation involving our Company, Subsidiary, Group Companies, Promoters or Directors, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of ₹ 10 million or any such litigation, an adverse outcome of which would materially and adversely affect our Company's business, prospects, operations, financial position or reputation , irrespective of the amount involved in such litigation.*

*It is clarified that pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, our Subsidiary, our Directors, our Promoters or our Group Companies shall not be considered as litigation until such time that any of our Company, our Subsidiary, our Directors, our Promoters or our Group Companies, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.*

*In terms of the Materiality Policy with respect to outstanding dues to creditors, it is determined that outstanding dues to creditors in excess of 5 % of our Company's trade payables as per the Restated Consolidated Summary Financial Information for the financial year ending March 31, 2018, shall be considered as material dues ("**Material Dues**") and the creditors to whom such Material Dues are outstanding as on March 31, 2018 would be considered as the material creditors of our Company ("**Material Creditors**")*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.*

### I. LITIGATION INVOLVING OUR COMPANY

### A. Outstanding criminal proceedings involving our Company

***Litigation against our Company***

1. Maria Ninitte Noronha ("**Complainant**") lodged a first information report dated November 6, 2007 ("**FIR**") against Prashant Gerald Nazereth, partner of Pebbledrops Events, on the grounds of forgery, cheating and dishonestly inducing delivery of property. Pebbledrops Events, acting on behalf of Actis Biologics entered into a group sales agreement dated June 8, 2007 (amended on October 15, 2007) with one of our hotels, Renaissance Mumbai Convention Centre Hotel for utilizing the hotel facilities and rooms and received ₹ 1 million from Prashant Gerald Nazereth as advance consideration. Thereafter, our hotel received a notice dated October 12, 2007 from the Complainant claiming that the advance consideration amount paid to our hotel by Pebbledrops Events was fraudulently obtained by Prashant Gerald Nazereth from her and further demanding for it to be refunded. In pursuance of the FIR, a final report dated April 21, 2008 was prepared by the police and was filed with the Additional Chief Metropolitan Magistrate, Bandra ("**Metropolitan Court**") wherein our Company was named as an accused. As called upon by the investigating officer, our Company deposited ₹ 1 million with the Bandra police station pending conclusion of the trial. Subsequently, the Complainant filed an application in February 2008 before the Metropolitan Court for withdrawing the amount deposited by us with the Bandra police station to which we have filed our reply dated March 26, 2008, denying the claim of the

Complainant to the deposited amount and stating that we are legally entitled to the same. The matter is currently pending before the Metropolitan Court.

2. Novex Communications Private Limited ("**Novex"**) filed a complaint before the Metropolitan Magistrate Court, Andheri ("**Court**") against our Company and its present and former directors i.e. (i) Ravi C. Raheja, (ii) Neel C. Raheja, (iii) Rajeev Chopra, (iv) Chandru Lachmandas Raheja, (v) Hetal Madhukant Gandhi and (vi) Ramesh Mohanlal Valecha on the grounds of cheating and infringement of copyrights of Novex in respect of the public performance rights of various audio-visual content and compositions of Yash Raj Films Private Limited. Novex has alleged that one of our hotels, Renaissance Mumbai Convention Centre Hotel had played a song from a film of Yash Raj Films at a pool party organized in the hotel premises thereby infringing the rights of Novex. The Court, after examining the complaint passed an order directing the Powai police station to hold an investigation and to file their report in the matter. Pursuant thereto our authorized representative submitted the necessary documents and information required at the police station on November 24, 2015. Subsequently, Novex *vide* their letter dated January 13, 2016 addressed to the Powai police station and letter dated March 21, 2017 addressed to our hotel, stated that the dispute arisen with us has been settled amicably and that they do not wish to pursue the matter any further and that they will depose accordingly before the Metropolitan Court. An application dated May 22, 2018 has been filed by Novex before the Court, seeking permission to withdraw the present matter. The matter is transferred to the Lok Adalat and is currently pending.

3. Novex Communications Private Limited ("**Novex**") filed three separate complaints with the Metropolitan Magistrate, Madhapur, Hyderabad ("**Metropolitan Court**") against our Company, the present and former directors i.e. (i) Conrad D'Souza, (ii) Chandru Lachmandas Raheja, (iii) Ravi C. Raheja, (iv) Neel C. Raheja, (v) Hetal Madhukant Gandhi and (vi) Sanjay Sethi among others and the general manager, alleging infringement of copyrights of Novex in respect of the public performance rights of various audio-visual content and compositions of Zee Entertainment Enterprises Limited, Yash Raj Films Private Limited and Eros International Media Limited, within the premises of one of our hotels, The Westin Hyderabad Mindspace. On reference of the Metropolitan Court, three First Information Reports ("**FIRs**") each dated November 11, 2017 have been lodged with the Cyberabad police station, against our Company and its directors and other parties. Notices dated December 4, 2017 have been issued by the police station to our Company, its directors and others to appear and respond to the complaints filed to which we have responded *vide* letter dated December 13, 2017 requesting 15 days' time to respond. The matters are currently pending before the Metropolitan Court.

4. Hitesh Nandlal Ramani ("**Complainant**") lodged a first information report dated December 14, 2015 ("**FIR**") at the Powai police station, Mumbai against one of our employee of our hotel, Renaissance Mumbai Convention Centre Hotel, and its swimming pool life guard, on the grounds of causing death by negligence and endangering life or personal safety of his daughter. The Complainant has alleged that during a party within the hotel premises his daughter accidentally fell into the swimming pool and was rescued by the Complainant's uncle but subsequently passed away on December 14, 2015. The FIR has been filed stating that no lifeguards were present at the time of the incident and further no medical facilities were provided by the hotel during the emergency. The Powai police station has filed its final report dated November 25, 2016 before the Metropolitan Magistrate, Andheri ("**Metropolitan Court**"). The matter is currently pending before the Metropolitan Court.

5. The State of Maharashtra (Excise Department) filed proceedings before the Metropolitan Magistrate Court, Bandra ("**Metropolitan Court**") against Saumen S. Shah, representative of the guests for whom the event was being held, Kailash B. Pandit employee of our hotel and Shivkumar S. Verma a consultant, on the grounds of serving liquor without adequate permission within the premises of one of our hotels, Renaissance Mumbai Convention Centre Hotel on January 10, 2018. Liquor worth ₹ 0.14 million was confiscated by the officials. The matter is currently being investigated and is pending before the Metropolitan Court.

6. Abhimanyu Rishi ("**Complainant**") lodged a first information report dated May 3, 2008 ("**FIR**") at the Powai police station, Mumbai against Prashant More, an employee of one of our hotel, Renaissance Mumbai Convention Centre Hotel and other employees. The Complainant alleged that that on May 2, 2008, he was allegedly pulled out of the hotel lobby and subjected to assault by Prashant More, and nineteen other hotel staff. The Complainant has alleged that he was injured and submitted a medical report dated May 2, 2008 before the Powai police station. The Powai police station has filed its final report dated April 21, 2009 before the Andheri Metropolitan Magistrate Court ("**Court**"). The matter is currently pending before the Court.

7. Mohammad Altaf Abdul Latif Sayyed ("**Complainant**") lodged a first information report dated May 15, 2018 with the Powai police station, Mumbai against two of the employees of one of our hotel, Renaissance Mumbai Convention Centre Hotel. The Complainant has alleged that his ring valued at ₹ 0.12 million had been stolen from his hotel room by two employees of the hotel. The matter is being investigated by the police and there has been no further correspondence or update on same.

***Litigation by our Company***

1. We have filed three criminal proceedings under Section 138 of the Negotiable Instruments Act, 1881 in respect of dishonour of cheques of an aggregate amount of ₹ 1.79 million. One proceeding has been filed before the Metropolitan Magistrate Court, Mumbai against a person who had availed services and facilities of our hotel i.e. & Lakeside Chalet, Mumbai - Marriott Executive Apartments. The matter is currently pending. One proceeding is filed before the Judicial Magistrate Court, CBD/Belapur against a person who had availed the services and facilities of our hotel i.e. Four Points by Sheraton Navi Mumbai, Vashi. The matter is currently pending. Lastly, one proceeding was filed before the Judicial Magistrate Court, Bandra, Mumbai against a person who had availed the services and facilities of our hotel i.e. Four Points by Sheraton Navi Mumbai, Vashi. An order dated October 12, 2012 has been passed in the matter before the Judicial Magistrate Court Bandra *inter alia* directing the accused therein to pay to our Company ₹ 0.4 million. However, our Company has not received the payment thereof.

**B. Pending action by statutory or regulatory authorities against our Company**

1. The Directorate of Revenue Intelligence ("**DRI**"), *vide* its notices dated October 4, 2017 and November 3, 2017, called upon our Company to provide it with the necessary documents and information 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. To this, our Company, *vide* reply dated November 6, 2017, communicated that as per the Customs Act, it was required to produce such information only in case an inquiry was being conducted and which was made known to us and requested the DRI to withdraw their notice. After further correspondence, the DRI issued summons to our Company stating that an inquiry was being conducted and called upon us to appear and produce necessary documents and information which were produced by our Company *vide* letter dated December 12, 2017. Further, summons were issued by the DRI citing submission of incomplete documents and infringement on the grounds of non-appearance of the authorised signatory. The Company appeared before the office of the DRI and its statement was recorded by the DRI along with submission of certain additional documents. No further correspondence has been received thereafter.

2. Demand Notice dated April 9, 2018 has been issued by the Employees State Insurance Corporation ("**ESIC**") to our Company and its former director Ramesh Mohanlal Valecha, stating that it has not paid the required contributions under the Employees State Insurance Act, 1948 for the periods April 2014 to December 2016 and April 2017 to November 2017 for employees at its corporate office. The ESIC has called upon our Company to pay the required contributions or provide the documents evidencing payment thereof, to enable them to remove its name from the defaulter list. The Company has submitted its reply on May 7, 2018 along with the supporting documents thereof stating that there were no employees falling under the ambit of the ESIC. No further correspondence has been received thereafter.

3. Demand Notice dated November 13, 2017 and March 19, 2018 had been issued by the Brihanmumbai Mahanagarpalika ("**BMC**") to our Company in respect of recovery of arrears of municipal/property taxes, in respect of one of our hotels i.e. the Renaissance Mumbai Convention Centre Hotel and the co-located Lakeside Chalet, Mumbai - Marriott Executive Apartments of an aggregate amount of ₹ 0.30 million for the period ending March 31, 2018 and demanding payment to be made by our Company within a period of 21 days from the date of receipt of the notice. The Company by its letter dated June 14, 2018 has denied the liability. No further correspondence has been received thereafter.

4. On April 25, 2018, the Central Excise Department issued a notice under Section 91 of the Criminal Procedure Code, 1973 addressed to our Company to produce documents with respect to purchase of certain foreign liquor by our hotel, Renaissance Mumbai Convention Centre Hotel from M/s. Dhal Foods & Beverages. The Central Excise Department has initiated proceedings against M/s. Dhal Foods & Beverages and have seized goods from their premises. The requested documents were submitted along with letter dated May 22, 2018. No further communication has been received from the Central Excise Department.

5. A demand notice dated February 9, 2018 has been issued by the Tehsildar Thane, addressed to the guest and one of our hotel i.e. Four Points by Sheraton Navi Mumbai, Vashi demanding the payment of ₹ 0.40 million (inclusive of interest) as entertainment tax in respect of a new year's eve party organised and conducted by the guest at our hotel premises on December 31, 2012. The Company has replied *vide* letter dated April 24, 2018 denying the claim and have provided the supporting documents. No further correspondence has been received thereafter.

6. The office of the Collector, Mumbai ("**Collector**") has issued four show cause notices i.e. three dated January 18, 2018 and one dated February 20, 2018 pursuant to certain inspections carried out by them at the premises of our hotel, JW Marriott Mumbai Sahar. The Collector has stated that the hotel has violated certain provisions of the Mumbai Prohibition Act, 1949 as they had found certain discrepancies with the FL-I and FL-III licences granted to the hotel. Our Company has replied to the aforesaid show cause notices *vide* letters dated June 5, 2018 and June 6, 2018. No further correspondence has been received thereafter.

7. A notice has been issued on April 23, 2018 by the Entertainment Tax (Assessment) Officer addressed to one of our hotel i.e. the Four Points by Sheraton Navi Mumbai, Vashi to submit proof evidencing the payment of entertainment tax payable in respect of the television connections within the hotel premises for the period 2009-2012. On June 21, 2018 the Company has made the requisite payment towards said the entertainment tax for television connection to the authority for the period 2009-2012.

8. Show cause notice dated March 19, 2018 was issued by the Employees Provident Fund Organisation ("**EPFO**") addressed to Magna Warehousing & Distribution Private Limited ("**Magna**"), now merged into our Company, alleging that the Company failed to remit the dues under Employees Provident Fund and Miscellaneous Provisions Act, 1952 read with EPF Scheme, 1972. Magna replied to the show cause notice *vide* its reply dated March 22, 2018 stating that minimum administrative charges have been paid by them and challans evidencing the same were also duly submitted. No further correspondence has been received thereafter.

9. A demand notice dated December 19, 2016 was issued by the Bruhat Bengaluru Mahanagar Pallike ("**BBMP**") addressed to Magna Warehousing & Distribution Private Limited ("**Magna**"), now merged into our Company, demanding payment of amount aggregating ₹ 256 million towards outstanding property tax for the period 2008-2009 to 2015-2016 (inclusive of interest/penalty). The said amount was required to be paid within 15 days from the date of issue of the demand notice and failure to respond would result in either attachment of the property or auction of the property belonging to Magna. Magna *vide* reply dated January 1, 2017 denied the claim of BBMP, asserted a mismatch in the area considered by BBMP and has furnished documents evidencing certain payments made by it towards property tax for which credit was not given by BBMP. No further correspondence has been received thereafter.

10. A notice dated February 8, 2018 was issued by the Central Bureau of Investigation (Bank Security and Fraud Cell) ("**CBI**") addressed to Magna Warehousing & Distribution Private Limited ("**Magna**"), now merged into our Company, calling upon Magna to produce certain documents and information required and to appear in person, in the case bearing no. RC 10(E)/2017 dated July 27, 2017, filed by CBI against Shiva Kumar Reddy director of Kaveri Telecom Infrastructure Limited and others. On March 27, 2018 and April 7, 2018, copies of the documents requested were submitted to the CBI. No further correspondence has been received thereafter.

11. A notice dated March 26, 2018 has been issued by the Labour Department, Bengaluru addressed to the Company and its present and former directors (i) Rajeev Chopra, (ii) Ramesh Mohanlal Valecha, (iii) Sanjay Sethi, (iv) Hetal Madhukant Gandhi, (v) Conrad D'Souza, (vi) Chandru Lachmandas Raheja, (vii) Ravi C. Raheja, (viii) Neel C. Raheja, (ix) Rajeev Newar and (x) Arthur William De Haast to produce certain documents in respect of our mall, Inorbit, Bengaluru under the (a) Contract Labour Act, 1970, (b) Minimum Wages Act, 1948, (c) Karnataka Shops and Commercial Establishments Act, 1961, (d) Payment of Wages Act, 1936 and (e) Equal Remuneration Act, 1965, within a period of 7 days from the date of receipt of the notice. The Company has *vide* its letter dated April 10, 2018, addressed to the Labour Department, submitted the necessary documents. No further correspondence has been received thereafter.

12. A show cause notice dated August 9, 2017 has been issued by the Director General of Foreign Trade ("**DGFT**") under Section 13 of the Foreign Trade (Development & Regulation) Act 1992, where the DGFT has imposed penalty with interest on Magna Warehousing & Distribution Private Limited

("**Magna**"), now merged into our Company, for failing to return the terminal excise duty refund for ₹ 0.17 million. The Company has filed its reply on August 28, 2017, denying the alleged liability, submitting the required documents and requesting the DGFT to withdraw the notice. No further correspondence has been received thereafter.

*13.* The Comptroller and Auditor General of India ("**CAG**") *vide* its report for the financial year ended March 2016, has made certain observations with respect to public sector undertakings. In the said report certain adverse observations in respect to a project of our Company in Hyderabad (project land purchased from K. Raheja IT Park for a residential building and The Westin Hyderabad Mindspace Hotel) were made. K. Raheja IT Park has issued a letter dated September 21, 2017 submitting its explanations *inter alia* in respect of the said observations. The matter is currently pending.

14. By letter dated July 10, 2012, Andhra Pradesh Industrial Infrastructure Corporation referred to a report of vigilance and Enforcement Department relating to alleged irregularities / violations / losses to APIIC/Government of` Andhra Pradesh. For further details, please refer "***Pending action by statutory or regulatory authorities against K Raheja IT Park on page 603.***

15. The ministry of corporate affairs, Mumbai ("**MCA**") has issued a notice dated May 14, 2018 addressed to us alleging that our Company is in contravention of the provisions of the Companies Act, 2013 ("**Act**") as allegedly we have failed to file certain requisite forms with the MCA in respect of two of our subsidiaries, for the year 2016-17. The MCA has directed our Company to file its reply within 10 days of receipt of the notice failing which the MCA shall initiate the necessary legal action. The Company has filed its reply dated May 30, 2018 stating that it is not in contravention of the provisions of the Act as the filings are not applicable to it. No further correspondence has been received thereafter.

16. Municipal Corporation of Greater Mumbai ("**MCGM**") has issued a stop work notice dated June 4, 2018 addressed to our Company in respect of alleged unlawful development and construction in Andheri, Mumbai. Our Company has issued a reply dated June 6, 2018 to the MCGM denying their claims and have submitted the requisite documents along with the reply. No further correspondence has been received thereafter. The matter is currently pending.

17. The Additional Commissioner, Mumbai has issued a notice dated February 28, 2018 to our Company in respect of our hotel i.e. Renaissance Mumbai Convention Centre Hotel, alleging failure to pay entertainment duty till June 30, 2017 and called our Company to submit copies of all licenses and permissions obtained from the Excise Department Police (Entertainment), IPRS, PPL and others within 7 days from the receipt of the notice, failing which action would be taken against our Company. The company will, in due course appropriately reply to the same.

18. Pursuant to the visit at our hotel i.e. the Renaissance Mumbai Convention Centre Hotel on June 5, 2018, the Security Guard Board for Brihanmumbai & Thane District ("**Security Guard Board**") has directed our Company to produce necessary documents with respect to the private security contract with the Company. The Company *vide* letter dated June 8, 2018 has replied to the Security Guard Board and provided the requested documents.

19. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 against our Company. Pursuant to the warrant, the Income Tax Department carried out a search on November 30, 2017 at our Company's premises at different locations. The search was concluded on December 6, 2017. During the course of the search and thereafter, statements have been made / submitted to the investigating officials. Further to the search action, we have received a letter dated June 15, 2018 (received on June 22, 2018) issued by the income tax department, calling upon us to furnish a true and correct return for the assessment years 2012-13 to 2017-18 by July 15, 2018. The company will, in due course, abide by the requirements of the said notice.

20. The assistant revenue officer, Koramangala has issued notices dated August 18, 2016 and December 12, 2016 addressed to our Company demanding payment of advertisement fee and penalties for the period 2014-2015 in relation to our property situated at Koramangala. We have responded to the notices *vide* letter dated October 27, 2016 and January 25, 2017. The matter is currently pending.

21. The Ministry of Corporate Affairs ("**MCA**") has issued a notice dated March 16, 2018 addressed to Magna Warehousing & Distribution Private Limited ("**Magna**"), now merged with our Company requiring it to furnish certain information with regard to compliance of the provisions of Section 135 the

Companies Act, 2013 ("**Act**") read with Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014 for the financial year 2015-16. We have responded to the above notice *vide* letter dated June 20, 2018 stating that the above mentioned provisions of the Act are not applicable to us. No further correspondence has been received thereafter.

22. The Employees State Insurance Corporation ("**ESIC**") has issued three demand notices all dated June 14, 2018 addressed to our Company alleging that our Company has violated the provisions of the Employees' State Insurance Act, 1948 and the rules thereof ("**Act**"). The notices allege that (i) our Company has not made the requisite contribution under the Act for the period December 2013 aggregating to ₹ 0.29 million and (ii) remittance made for the period April 2012 to December 2015 has been delayed and hence, levied penalty aggregating ₹ 23,554 thereon. Our company will, in due course respond to the aforesaid notices appropriately.

23. The Directorate General of Goods and Service Tax Intelligence Pune Zonal Unit ("**DG**") has issued a notice dated June 15, 2018 addressed to our Company in relation to an investigation being conducted by the DG in respect of alleged evasion of service tax by M/s Starwood Hotels & Resorts India Private Limited, Gurgaon. ("Starwood"). One of our hotel i.e. The Westin Hyderabad Mindspace is operated by Starwood and the aforesaid investigation is being conducted in relation to the operating agreement executed between us and Starwood. Our Company representative has been directed to attend the investigation before the investigating officer. Our Company will, in due course, abide by the requirements of the said notice.

**C. Other material outstanding litigation involving our Company**

***Material outstanding litigation by our Company***

1. Our Company has filed a writ petition ("**Writ Petition**") before the Karnataka High Court at Bengaluru ("**Court**") regarding the wrongful cancellation of the height NOC dated October 28, 2011 ("**NOC**") issued by Hindustan Aeronautics Ltd. ("**HAL**"). The NOC was issued for the development of a 17 floor residential building complex with a height of upto 62 meters on the Company's land at Koramangala Industrial Layout, Bengaluru. HAL is a public sector undertaking in-charge of the HAL aerodrome and is responsible to issue the height NOC for structures around the HAL aerodrome, as per the Notification SO 84(E) dated January 14, 2010. By a letter dated September 15, 2012, HAL first communicated an issue with the height of the project and asked our Company to conduct a re-survey, and thereafter also requested our Company to stop the construction of the project building. Therefore our Company suspended / limited the vertical construction of certain wings forming part of the project in May 2013; and also obtained and filed with HAL, an aeronautical study report dated March 12, 2013 issued by an expert, confirming that the building-wings completed at that point i.e. upto the full permitted height of 17 floors – 62 meters, did not "adversely affect aircraft operations". A condition for demolition of such part(s) of the structure "which could adversely affect aircraft operations" ("**NOC-Condition**") is provided for in paragraph 3 of the NOC. Thereafter, numerous communications were exchanged between our Company and HAL, and eventually on August 16, 2013, HAL issued communication to our Company cancelling the NOC issued by it, stating that the site elevation data as furnished by our Company varied from the actual elevation and further that our Company failed to carry out the re-survey as advised. At the time of cancellation of the NOC, five wings with 17 floors had been constructed with a height of upto 62 meters and more than 200 flats therein had been marketed by our Company.

Aggrieved, our Company filed the Writ Petition to (a) challenge the cancellation letter dated August 16, 2013 issued by HAL cancelling the NOC (b) for directing HAL to permit construction up to maximum height which does not adversely affect aircraft operations as may be determined by an aeronautical study to be conducted by AAI/ICAO, and ancillary reliefs (including an amended relief for re-validating the NOC for a further period). The Court also passed an interim order dated October 23, 2013 directing our Company not to modify / alter / renovate / develop the building above 40 meters from ground level, and not to sell or agree to sell or enter into any agreement with third parties in whatsoever manner in respect of any portion of the building above 40 meters. Several customers of our Company, as also certain neighbouring residents, have got themselves impleaded as Respondents in the Writ Petition.

By a subsequent detailed judgement and order dated July 31, 2014 ("**Order**"), the Court directed the aeronautical study to be conducted by Airport Authority of India ("**AAI**"). HAL`s writ appeal to challenge the Order was dismissed by the Division Bench of the Court on November 3, 2015 *inter alia* with a direction for expediting the hearing of the writ petition and to decide the matter uninfluenced by the observations in the Order. By a further order dated November 5, 2015, the Court clarified that the aeronautical study was to be carried out in accordance with the notified parameters of HAL Airport and Notification SO 84(E) dated January 14, 2010. Accordingly, AAI conducted the study and filed its report on January 27, 2016, in effect confirming that the full height of the then completed building-wings was permissible as it does not adversely affect aircraft operations. HAL has filed objections to the aeronautical study report of AAI, *inter alia* alleging that it is a unique defence airport carrying out test flying. Our Company has also *inter alia* submitted that it had no motive or any additional area to gain, as the project has sufficient land to absorb and construct the entire FAR sanctioned for 17 floors -62 meters in a horizontal structure of 10 floors - 40 meters. The Writ Petition is currently pending before the High Court of Karnataka.

Further, certain communications were also exchanged between HAL and Bruhat Bengaluru Mahanagara Palike ("**BBMP**") and our Company between 2013 and 2017, wherein our Company *inter alia* updated BBMP regarding the writ petition and furnished an undertaking to BBMP not to make a further vertical expansion / modification, alteration or development above 40 meters. Our Company *vide* letter dated January 16, 2017 requested BBMP for an extension of the validity period of the building sanction plan for the project.

Our Company had executed Memorandum of Understanding's ("**MOU's**") with customers for a provisional reservation of a right to purchase various apartments, providing them with an option right. Our Company has also executed and registered agreements for sale with a few customers. The issue in respect of the NOC cancellation by HAL, was informed to the customers on December 21, 2013 and thereafter numerous communications were exchanged with them. Eventually, our Company proposed a mitigation program. In the events that have followed, some customers exited the project, and some customers have continued with the project and are being paid and have accepted the goodwill compensation pursuant to the mitigation program (which has been extended from time to time)., In view of the Real Estate (Regulation and Development) Act, 2016 ("**RERA**"), our Company addressed a communication dated October 10, 2017 to customers relating to the possession date. Eventually, by letter dated November 18, 2017 the mitigation program was extended up to June 30, 2018 on a without prejudice basis as stated in the communications. Our Company has now by its communication of June 2018, further extended the date of mitigation program upto 31st December 2018. As a matter of abundant caution, our Company has also registered the project under RERA on a without prejudice basis.

2. Magna Warehousing & Distribution Private Limited ("**Magna**"), now merged with our Company, ("**Petitioner**") has filed a writ petition before the Karnataka High Court, *inter-alia* challenging notifications issued by the Bruhat Bengaluru Mahanagara Palike ("**BBMP**") under provisions of the Karnataka Municipal Corporation act, 1976 ("**Act**") for increasing the property tax rate from ₹ 8 to ₹ 20 per square foot, and has challenged a demand notice issued by the BBMP pursuant to Section 108A (3) and (11) of the Act for ₹ 29.82 million. The High Court, *vide* an interim order dated April 30, 2014 directed BBMP not to take any coercive actions against the Petitioner. The matter is currently pending before the Karnataka High Court.

3. Pursuant to the order dated July 23, 2015, passed by the Commissioner, a deficit contribution of Provident Fund dues aggregating to ₹ 3.80 million for the period November 2011 to November 2014 were paid in respect of an expat employee, from Netherlands appointed as general manager of one of our Hotel i.e. The Westin Hyderabad Mindspace Hotel. Subsequent thereto, Employees Provident Fund Organisation ("**EPFO**") issued a show cause notice to our Company to show cause as to why damages and interest should not be levied for the late remittances. Our Company has made payments towards interest. Thereafter, by way of two orders both dated June 2, 2017 out Company was directed to pay an aggregate of ₹ 2.99 million, for belated remittances made. In August 2017, the Company has filed a writ petition before the High Court of Telangana and Andhra Pradesh for challenging the levy of the damages against our Company. An interim stay was granted by the Court, subject to our Company making payment of 25% of the amount, which was duly paid by us. The matter is pending before the Court. Subsequently, upon formation of the labour tribunal, in August, 2017 our Company has also filed an appeal before the Employees Provident Fund Appellate Tribunal, Hyderabad, in relation to the same matter. The matter is currently pending. While the matter is pending before the Court, a notice was issued on April 5, 2018 by the EPFO addressed to the recovery officer and to our Company, under the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952, in respect of dues aggregating to ₹ 2.02 million on account of belated remittance/arrears for the period 2011 to 2014. By letter dated May 2, 2018 our Company has responded to the said letter and requested to stay the recovery proceedings as the matter was sub-judice.

4. Magna Warehousing & Distribution Private Limited ("**Magna**"), which has now merged with our Company ("**Petitioner**"), has filed a writ petition before the Karnataka High Court at Bengaluru ("**Court**") challenging certain recovery notices issued by the Office of Additional Director General of Foreign Trade, for the recovery benefits granted, aggregating to ₹ 9.10 million ("**Impugned Recovery Notices**") on the basis that the Petitioner is ineligible to avail the benefits under the Served From India Scheme ("**SFIS**") which were granted earlier to Magna. The Petitioner duly surrendered credit scrips that were not utilized during its period of validity. The Court has granted a stay on the impugned recovery notices and the matter is currently pending before the Court.

***Material outstanding litigation against our Company***

1. Novex Communications Private Limited ("**Novex"**) filed a suit before the Principal District Civil Judge, Hyderabad ("**Court**") against one of our hotel i.e. The Westin Hyderabad Mindspace Hotel, alleging infringement of copyrights of Novex in respect of the commercial exploitation of various audio-visual content and compositions of Zee Entertainment Enterprises Limited ("**Zee**") without the express consent of Novex which has the copyrights of the songs and other audio-visual content of Zee. The hotel has appeared before the Court and filed its written statement. The matter is currently pending before the Court.

2. The Central Board of Trustees, Employees Provident Fund Organization ("**Petitioner**") has filed a writ petition before the Bombay High Court ("**Court**"), against our Company, challenging an order dated July 21, 2014 ("**Impugned Order**") passed by the Employees Provident Fund Appellate Tribunal, New Delhi which had set aside certain dues of the employees of our hotel i.e. Renaissance Mumbai Convention Centre Hotel aggregating ₹ 3.77 million assessed by the Petitioner as payable by our Company. The Petitioner alleged that our Company deposited provident fund contributions on basic wages which were lower than the minimum wages, and in order to escape the scope and applicability of the Employees Provident Funds & Miscellaneous Provisions Act, 1952 ("**EPF & MP Act**") by deliberately bifurcating the salary of its employees under different heads. The Regional Provident Fund Commissioner had passed an order dated December 14, 2012 on the basis of guidance issued by the Petitioner. Our Company filed an appeal before the Employees Provident Fund Appellate Tribunal, New Delhi challenging the order, which was set aside *vide* the Impugned Order. The matter is currently pending before the Court.

## D. Outstanding dues to small scale undertakings and other creditors

As of March 31, 2018, we had 2005 creditors.

As per the Materiality Policy, a creditor of the Company, shall be considered to be material for the purpose of disclosure in the offer document, including this Draft Red Herring Prospectus, if amounts due to such creditor exceeds 5% of the total consolidated trade payables as on the date of the latest consolidated financial statements included in such offer documents. Based on the above, trade payables as at March 31, 2018 amounting to ₹ 299.93 million, are material dues for us.

| Particulars | No. of Creditors | Amount (₹in Million) |
|---|---|---|
| Material Creditors | 3 | 299.93 |
| MSME Creditors | 19 | 4.55 |
| Total Outstanding Dues | 2005 | 917.03 |

The aggregate amount outstanding to such creditors as on March 31, 2018 was ₹ 917.03 million out of which ₹ 4.55 million is outstanding to micro and small enterprises. For further details, see http://chalethotels.com/wp-content/uploads/2018/06/Annexure-I-II-Material-Creditors.pdf

*Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.chalethotels.com would be doing so at their own risk.*

## II. LITIGATION INVOLVING OUR SUBSIDIARY

*(1)* *Chalet Hotels & Properties (Kerala) Private Limited*

*Nil*

## III. LITIGATION INVOLVING OUR DIRECTORS

*Ravi C. Raheja*

***For details, please see "Litigation Involving our Promoters" on page 578.***

*Neel C. Raheja*

***For details, please see "Litigation Involving our Promoters" on page 578.***

*Sanjay Sethi*

1. Novex Communications Private Limited filed three separate complaints with the Metropolitan Magistrate, Madhapur, Hyderabad against our Company, the directors and the then general manager of our Company. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page*** *570.*

2. A notice dated March 26, 2018 has been issued by the Labour Department, Bengaluru addressed to our Company and the then directors. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page*** *572.*

*Rajeev Newar*

1. A notice dated March 26, 2018 has been issued by the Labour Department, Bengaluru addressed to the Company and the then directors. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page*** *572.*

*Arthur William De Haast*

1. A notice dated March 26, 2018 has been issued by the Labour Department, Bengaluru addressed to the Company and the then directors. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page*** *572.*

*Hetal Gandhi*

1. Novex Communications Private Limited filed three separate complaints with the Metropolitan Magistrate, Madhapur, Hyderabad against our Company, the then directors and the general manager. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page*** *570.*

2. Novex Communications Private Limited ("**Novex**") filed a complaint before the Metropolitan Magistrate Court, Andheri against our Company, its directors and others on the grounds of cheating and infringement of copyrights of Novex in respect of the public performance rights of various audio-visual content and compositions of Yash Raj Films Private Limited. For further details, please refer "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page*** *570.*

3. A notice dated March 26, 2018 has been issued by the Labour Department, Bengaluru addressed to the Company and its then directors. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page*** *572.*

*Conrad D'Souza*

1. Novex Communications Private Limited filed three separate complaints with the Metropolitan Magistrate, Madhapur, Hyderabad against our Company, the then directors and the general manager. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page*** *570.*

2. A notice dated March 26, 2018 has been issued by the Labour Department, Bengaluru addressed to the Company and its directors. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page*** *572.*

**IV. Tax proceedings involving our Company, Subsidiaries, Promoters, Directors and Group Companies**

| Nature of case | Number of cases | Amount involved (`` million) |
|---|---|---|
| ***Company*** | | |
| Direct Tax | 3 | 86.29 |
| Indirect Tax | 18 | 115.00 |
| Indirect Tax (Refund) | 6 | 25.16 |
| ***Subsidiaries*** | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| ***Promoters*** | | |
| Direct Tax | 20 | 271.51 |
| Indirect Tax | 1 | 0.51 |
| ***Directors*** | | |
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| ***Group Companies*** | | |
| Direct Tax | 30 | 293.66 |
| Indirect Tax | 34 | 767.71 |

## V. LITIGATION INVOLVING OUR PROMOTERS

### A. Outstanding criminal litigation involving our Promoters

***Criminal proceedings against our Promoters***

*Proceedings against Ravi C. Raheja*

1. Novex Communications Private Limited filed a complaint dated June 12, 2014 before the Metropolitan Magistrate Court, Andheri, and has filed three separate complaints with the Metropolitan Magistrate, Madhapur, Hyderabad against Ravi C. Raheja. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page*** *570.*

2. Nusli N Wadia ("**Complainant**") lodged a first information report ("**FIR**") against Ravi C. Raheja and Neel C. Raheja ("**Accused**"), under Section 406, 409, 420 and 120(b) of the Indian Penal Code, 1860, *inter alia* alleging criminal breach of trust, cheating and dishonestly inducing delivery of property, causing alleged losses aggregating to ₹ 40 million, arising out of one of the transactions under an agreement entered into with the Complainant which was executed in 1995 in respect of the lands situated at Malad West, admeasuring approximately 32 acres. Under the said transaction, in or about 1996/97 under certain release deeds, Ivory Properties had retained for itself one building to be constructed by it on a demarcated portion of land admeasuring about 11,891.square metres after paying 12% of consideration as per the market rate to the Complainant, being his share towards the land component & informing the Complainant about such retention. Pursuant to the FIR, the Economic Offences Wing, Mumbai filed a charge sheet before the Additional Chief Metropolitan Magistrate, Esplanade Mumbai ("**Court**"). The matter is pending before the Court.

*Proceedings against Neel C. Raheja*

1. Novex Communications Private Limited filed a complaint before the Metropolitan Magistrate Court, Andheri, and has filed three separate complaints with the Metropolitan Magistrate, Madhapur, and Hyderabad against Neel C. Raheja. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page*** *570.*

2. Nusli N. Wadia ("**Complainant**") lodged a first information report ("**FIR**") before the Economic Offences Wing, Mumbai against Ravi C. Raheja and Neel C. Raheja, under Section 406, 409, 420 and 120(b) of the Indian Penal Code, 1860, *inter alia* alleging criminal breach of trust, cheating and dishonestly inducing delivery of property causing alleged losses. For further details, please see "***Outstanding criminal litigation involving our Promoters – Proceedings against Ravi C. Raheja" on page*** *578.*

*Proceedings against K Raheja*

1. The Dy. Superintendent of Police, Criminal Investigation Department ("**CID**") had issued letter dated June 9, 2008 to Chandru L. Raheja (in relation to a project of K Raheja known as Raheja Woods) in connection with an investigation in Swargate Police Station, Pune, in respect of the ULC case No. 23 – WA, S. No. 222/1 ("**ULC proceedings**"). K. Raheja is not a party to the ULC proceedings, however K Raheja has appeared before CID and also submitted the requisite documents with a letter dated June 11, 2008 *inter alia* recording that the enquiry arising out of the notice is complete and nothing more is required from K. Raheja. No further correspondence has been received thereafter.

*Proceedings against K Raheja Corp*

1. Sunil Khare has filed a first information report ("**FIR**") dated March 3, 2013 with the Malawani Police Station, Mumbai against Anuj Prakash, general manager, of one of the hotels of K Raheja Corp i.e. The Resort at Malad, Mumbai, for the use of foul language. The Sessions Court, Borivali ("**Court**") *vide* its order dated April 6, 2013, held that in the event of the arrest of the general manager, he shall be released on interim bail on execution of a bond, with one solvent surety in the manner provided for in the order. The general manager has applied for anticipatory bail *vide* application dated March 30, 2013. The matter is pending before Court.

*Proceedings against Palm Shelter*

1. The Senior Police Inspector, Santacruz Police Station ("Police Station") pursuant a complaint dated April 21, 2016, filed by Claud Fernandez ("Complainant") under Section 420 and 34 of the Indian Penal Code, 1860, had issued a letter dated July 20, 2016 to Palm Shelter Estate Development Private Limited (now Palm Shelter Estate Development LLP) ("PSEDPL") to appear before the police station on July 23, 2017. Certain agreements were entered into between the Complainant, certain family members of the Complainant and PSEDPL, for the handover and re-development of four flats in a building property. The Complainant filed a suit before the Bombay High Court, due to disputes arising between the family members and the Complainant, where PSEDPL was made a defendant to the suit. PSEDPL had later transferred its development rights along with all benefits in the property to Parvesh Constructions Private Limited. Authorized representatives of PSEDPL appeared before the Police Station to provide requested information and documents, and filed their deposition on the matter. There has been no correspondence between the parties in the present matter. The matter is currently pending.

***Criminal proceedings initiated by our Promoters***

*Proceedings initiated by K Raheja Corp*

1. K Raheja Corp filed a complaint under Section 138, read with Section 141 of the Negotiable Instruments Act, 1881, before the Metropolitan Magistrate Court, at Bandra, Mumbai ("**Magistrate Court**") against Omnitech Infosolutions Limited and its directors. The complaint has been filed in respect of dishonour of cheques of an aggregate amount of ₹ 4.73 million. The matter is currently pending before the Magistrate Court.

**B. Pending action by statutory or regulatory authorities against our Promoters**

*Pending actions involving Genext*

1. Genext received demand notices from time to time, from the Collector of Stamps, Enforcement – II ("**Collector**") relating to stamp duty and penalty on various agreements entered into with various parties aggregating to approximately ₹ 208 million. Genext submitted its replies to the Collector against all these demand notices, *inter alia* pointing out that Genext is not a party to the said agreements, and is not liable for any amount. After the hearing was held in these matters, no further communications / demands have been received from the Collector. Genext and K Raheja Corp had also received a demand notice in 2014 from the Collector relating to stamp duty and penalty of approximately ₹ 55 million in respect of a deed of assignment dated August 6, 2007 between Genext and K Raheja Corp. Genext submitted its reply *inter alia* stating that the document was duly adjudicated and accordingly the full stamp duty was paid thereon. After a hearing was held in the said case, no further communications / demands have been received thereafter.

2. The Pest Control Officer at Municipal Corporation of Greater Mumbai ("**MCGM**") issued nine notices from time to time to Genext with respect to water stagnation at its Vivarea project site at Mahalakshmi, Mumbai and other related infringements of the Mumbai Municipal Corporation Act, 1888. Genext has replied to MCGM stating that they have taken corrective measures and requested MCGM to conduct inspection in order to close the matter. Further, no correspondence has been received in the present matter.

3. Proceedings were initiated before the monitoring committee of the Municipal Corporation of Greater Mumbai ("**MCGM**") appointed pursuant to the Development Control Regulation No.58 [7] for monitoring the re-development in respect of the property owned by Capricon Realty Limited situated at Mahalaxmi, Mumbai which is being developed by Genext. A recent issue relating to giving additional allowances to ex-mill-workers employed in the project was agreed and settled in the Monitoring Committee's Meeting held on June 6, 2018. Presently the matter is pending with the Monitoring Committee in respect of the employment of more mill workers in place of the mill workers who have left, retired or have expired in relation to the remaining work in the project. On June 6, 2018 the Monitoring Committee has directed Genext to file its submissions on this issue in the next meeting of the Monitoring Committee. The matter is currently pending.

4. Capricon Realty Limited has filed a special leave petition bearing before the Supreme Court of India ("**Court**") challenging the final judgment of the Bombay High Court dated August 21, 2017 passed in public interest litigation bearing no.6/2016 in respect of the interpretation of the development control regulations of Greater Mumbai and the computation of the Floor-Space Index ("**FSI**") liable to be granted. K Raheja Corp has obtained the development rights of the subject matter lands from Capricon Realty Limited, and has further assigned the same to Genext. By an order dated November 27, 2017, the Court has stayed the judgement of the Bombay High Court. The matter is pending before the Court.

5. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 against Genext. Pursuant to the warrant, the Income Tax Department carried out a search on November 30, 2017 at its premises. The search was concluded on December 6, 2017. During the course of the search and thereafter, statements have been made / submitted to the investigating officials. No further communication has been received thereafter.

6. The Municipal Corporation of Greater Mumbai ("**MCGM**") has issued a notice dated May 30, 2018 to Genext and others *inter alia* demanding demolition of the works in relation to Tower C of one of the projects of Genext which allegedly is not in accordance with the approved amended sanction dated July 18, 2013 or to obtain the regularization of the same from the MCGM within one month from the date of receipt of the said notice. The matter is currently pending.

*Pending actions involving Ivory Properties*

1. Ivory Properties has been disputing the property tax arrears amounting to ₹ 4.11 million in respect of bills received for properties at Malad, Mumbai, from the Brihanmumbai Mahanagarpalika. The matters are currently pending.

2. The Maharashtra Pollution Control Board ("**MPCB**") has issued a notice dated May 28, 2015 addressed to Ivory Properties in relation to certain environmental clearances and approvals for a project at Malad, Mumbai. Ivory Properties has responded to the said notice vide letter dated July 6, 2015 withdrawing its application for grant of consent to operate / establish as being made inadvertently. No correspondence has been received thereafter.

3. The Maharashtra Pollution Control Board ("**MPCB**") has issued a notice dated December 17, 2014 and October 31, 2015 addressed to Ivory Properties in respect of its project at Malad, Mumbai in relation to certain environmental approvals and provision for treatment plants for the sewage generated from the project and further asking for submission of details in respect of the project. Ivory has replied to the said notice *vide* letter dated December 30, 2014 and attended the hearings conducted. The matter is currently pending.

*Pending actions involving K Raheja Corp*

1. The Assistant Assessor and Collector of the Municipal Corporation of Greater Mumbai ("**MCGM**") has issued special notices dated July 11, 2017 to K Raheja Corp and others in respect of the assessment of

property tax for lands situated at Bandra, Mumbai. The assessment has resulted in additional property tax liability aggregating to ₹ 22 million along with applicable interest, with certain bills having been raised by the MCGM. K. Raheja Corp has filed a complaint on May 24, 2018 before the MCGM to the above notices. The matter is currently pending.

2. The Tax Recovery Officer-II has *vide* three separate letters one dated May 28, 2018 and two other dated June 6, 2018 addressed to the Secretary / Chairman / Property Manager of Raheja Vistas, project of Powai Developers (sole proprietary concern of K Raheja Corp), informed them of the attachment of flat nos.H-303, G-601 & D-1904, of Raheja Vistas and further stating that the transfer of ownership of the same would be subject to payment of outstanding arrears of taxes of ₹ 320 million along with applicable interest thereon. The Income Tax Officer has sought from the Chairman / Secretary / Property Manager of Raheja Vistas certain information /documents. Powai Developers *vide* 3 separate letters all dated June 13, 2018 furnished the information/documents to Tax Recovery Officer-II as available with them. No further correspondence has been received thereafter.

3. K Raheja Corp and Genext had received a demand notice from the Collector relating to stamp duty and penalty of approximately ₹ 55 million in respect of a deed of assignment dated August 6, 2007 between Genext and K Raheja Corp. Genext submitted its reply *inter alia* stating that the documents were duly adjudicated and accordingly full stamp duty was paid. After hearing was held in the said case, no further communications / demands have been received thereafter. K Raheja Corp had also received a demand notice from the Collector relation of stamp duty and penalty approximately of ₹ 50 million in respect of a deed of assignment dated August 6, 2007 between IDBI, K Raheja Corp and others. Genext submitted its reply *inter alia* stating that the documents were duly adjudicated and accordingly full stamp duty was paid. After hearing was held in the said case, no further communications / demands have been received thereafter.

4. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 against K Raheja Corp. Pursuant to the warrant, the Income Tax Department carried out a search on November 30, 2017 at its premises. The search was concluded on December 6, 2017. During the course of the search and thereafter, statements have been made / submitted to the investigating officials. No further communication has been received in relation to the matter. Further to the search action, K Raheja Corp has received a letter dated June 15, 2018 (received on June 22, 2018) issued by the income tax department, calling upon it to furnish a true and correct return for the assessment years 2012-13 to 2017-18 by July 15, 2018. K Raheja Corp will, in due course, abide by the requirements of the said notice.

5. The Maharashtra Pollution Control Board has issued notices dated November 14, 2016 and February 22, 2017 directing K Raheja Corp to submit a copy of the no-objection certificate obtained from the Central Ground Water Authority ("**CGWA**") for extraction of ground water. K Raheja Corp has replied vide letters dated November 30, 2016 and March 10, 2017 and has made an application to the CGWA for a no-objection certificate vide its application dated December 8, 2017. The application is pending with the CGWA

*Pending actions involving K. Raheja*

1. The Municipal Corporation of Greater Mumbai ("**MCGM**"), *vide* letters dated September 6, 2017 and November 27, 2017 addressed to K Raheja, has demanded the handing over of a built-up amenity reservation in the municipal library, first floor, Rosemary Apartments, Mumbai. K Raheja, *vide* its letter dated February 9, 2018, has filed its interim reply to MCGM, seeking further time to confirm the factual status of the matter. The matter is currently pending.

2. The Pest Control Officer at Municipal Corporation of Greater Mumbai ("**MCGM**") has issued 23 notices to K Raheja between 2016 and 2017 in respect of water stagnation at K Raheja's project site at Worli, Mumbai and other related infringements of the Mumbai Municipal Corporation Act. K Raheja has replied to MCGM stating that they have taken corrective measures and requested MCGM to conduct inspection in order to close the matter. No further correspondence has been received thereafter.

3. The Bombay Municipal Corporation ("**BMC**") has been issuing property tax bills for the period from 2012 till date, including sewage tax. K Raheja has paid the property tax amounts excluding sewage tax. The unpaid sewage tax arrears amount to ₹ 258 million. The matter is currently pending.

4. The Municipal Corporation of Greater Mumbai ("**MCGM**") has issued a letter dated April 8, 2018 addressed to K Raheja, in pursuance of letter dated March 12, 2018 (wrongly dated March 12, 2010) received by them from Association of Engineering Workers in respect of unpaid dues to labour/workers of Metal Box India Limited ("**MBIL**") and for issuance of stop work notice of further construction of building situated at Worli, Mumbai. MBIL was the predecessor in title of K Raheja. K Raheja has issued letter dated May 14, 2018 responding to MCGM, denying all the allegations made in the letter dated March 12, 2018 and informing that MBIL had deposited the entire gratuity dues of 64 ex-workers. Further, K Raheja has informed the MCGM that for the reasons stated in their letter, MCGM ought not to take action. MCGM has by its letter dated June 5, 2018 forwarded a further letter from the workers/labours alleging that MBIL has not paid the dues. The Deputy Commissioner of Labour has also conducted a site visit on March 21, 2018 requesting information on certain queries. The matter is currently pending.

5. K Raheja had acquired two municipal leasehold properties in Worli, Mumbai. The issues of levy of premium/transfer fees/lease tenure/enhanced lease rent etc. relating to Brihanmumbai Mahanagarpalika ("**MCGM Estates**") leasehold lands are sub-judice before the Bombay High Court ("**Court**") in various petitions filed by various lessees and other parties. K Raheja is not a party to such proceedings and has not filed any petition in court in this respect. MCGM Estates had raised demands on K Raheja for transfer premium and penalty and transfer fee relating to the assignment of the said properties at Worli in favour of K Raheja. K Raheja has filed an undertaking dated July 16, 2015 with its letter dated July 24, 2015 in respect of the first property and undertaking dated October 19, 2015 with its letter dated October 30, 2015 in respect of the second property. K Raheja has also paid the transfer premium/s and other charges/ amounts demanded by the MCGM Estates, relating to the assignment of the aforesaid properties, without prejudice & subject to all rights & contentions of the parties. The same is subject to the final outcome as per the Court orders that may be passed in the pending proceedings filed by 3rd parties i.e. writ petition no.1251/2014 ("**Writ Petition**") and any other proceedings from time to time in this regard. Accordingly, there is now no transfer premium payable on the assignment of the aforesaid properties to K Raheja and K Raheja's name has been mutated as lessee in respect of both the properties in the records of the MCGM Estates. The writ petition is pending before the Court.

*Pending actions involving Ravi C. Raheja*

1. The Assistant Director, Directorate of Enforcement, Mumbai ("**Authority**") has in the recent past issued summons under the Prevention of Money Laundering Act, 2002, calling upon Mr. Ravi C. Raheja to appear before the Authority and to give details and documents in relation to a land parcel purchased at Pune by Pact Real Estate Private Limited. Mr. Ravi C. Raheja has submitted the documents sought by the Authority. No further correspondence has been received thereafter.

2. A notice dated March 26, 2018 has been issued by the Labour Department, Bengaluru addressed to our Company and its directors including Ravi C. Raheja. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page** *572*.

3. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 against Ravi C. Raheja. Pursuant to the warrant, the Income Tax Department carried out a search on November 30, 2017 at his residence and office. The search was concluded on December 6, 2017. During the course of the search and thereafter, statements have been made / submitted to the investigating officials. No further correspondence has been received thereafter. Further to the search action, Ravi C. Raheja has received a letter dated June 15, 2018 (received on June 22, 2018) issued by the income tax department, calling upon it to furnish a true and correct return for the assessment years 2012-13 to 2017-18 by July 15, 2018. Ravi C. Raheja will, in due course, abide by the requirements of the said notice.

*Pending actions involving Neel C. Raheja*

1. The Assistant Director, Directorate of Enforcement, Mumbai has in the recent past issued a notice under section 37 of the Foreign Exchange Management Act, 1999 calling upon Neel C. Raheja to furnish, through one of his authorized dealer banks, details of all foreign inward/outward remittances, with documentary evidences, sources of income, purpose for remittances and other related details, for the years 2005, 2007 and 2010. Neel C. Raheja has replied to the said notice along with the required information and documents. No further correspondence has been received thereafter.

2. The Assistant Director, Directorate of Enforcement, Mumbai ("**Authority**") has in the recent past issued summons under the Prevention of Money Laundering Act, 2002, calling upon Mr. Neel C. Raheja to appear before the Authority and to give details and documents in relation to a land parcel purchased at Pune by Pact Real Estate Private Limited. Mr. Neel C. Raheja have submitted the documents sought by the Authority. No further communication has been received thereafter.

3. The Enforcement Directorate ("**ED**") has issued a summons in the recent past against Neel C. Raheja, in his capacity as a shareholder in Carlton Trading Private Limited, to appear before the ED pertaining to an investigation under the provision of the Prevention of Money Laundering Act, 2002 ("**PMLA**"). The ED has sought information on the directors and shareholders of Carlton Trading Private Limited, and the production of documents pertaining to any consultancy / services provided by Advantage Strategic Consulting Private Limited and Chess Management Services Private Limited to Carlton Trading Private Limited. Written replies have been filed with the ED. No further correspondence has been received thereafter.

4. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 against Neel C. Raheja. Pursuant to the warrant, the Income Tax Department carried out a search on November 30, 2017 at his residence and office. The search was concluded on December 6, 2017. During the course of the search and thereafter, statements have been made / submitted to the investigating officials. No further communication has been received in relation to the matter. Further to the search action, Neel C. Raheja has received a letter dated June 15, 2018 (received on June 22, 2018) issued by the income tax department, calling upon him to furnish a true and correct return for the assessment years 2012-13 to 2017-18 by July 15, 2018. Neel C. Raheja will, in due course, abide by the requirements of the said notice.

5. A notice dated March 26, 2018 has been issued by the Labour Department, Bengaluru addressed to the Company and its directors. For further details, please see "***Outstanding criminal proceedings involving our Company – Litigation against our Company" on page** 572**.**

**C. Other material outstanding litigation involving our Promoters**

*Other material outstanding litigations involving K Raheja Corp*

1. K Raheja Corp ("**Petitioner**") has filed a special leave petition before the Supreme Court of India ("**SLP**") against the common judgement and order dated November 20 and 21, 2014 ("**Impugned Judgement**") passed by the Division Bench of the Bombay High Court in public interest litigation No. 131/2003 and No. 48/2004 ("**PIL Proceedings**"), setting aside the allotment of Plot No. 39/1, 39/6 to 39/15 with open spaces ("**Leasehold Land**") by City & Industrial Development Corporation of Maharashtra Limited ("**CIDCO**") to the Petitioner; and holding the allotment to be illegal, arbitrary and being in violation of the Article 14 of the Constitution of India. The Impugned Judgment *inter alia* further directed the Petitioner to restore the Leasehold Land in their original condition and hand over vacant possession of the Leasehold Land upon which the Four Points by Sheraton Navi Mumbai, Vashi hotel, and residential apartment ("**Hotel**") of the Company and Inorbit Mall collectively having a built-up area of 1,050,000 square feet ("**Building**") stands, to CIDCO within a period of six months from the date of the Impugned Judgement. Pursuant thereto, the Supreme Court, *vide* its order dated January 22, 2015 had directed the parties to maintain status-quo. The SLP is pending before the Supreme Court. The Impugned Judgement is also challenged in special leave petitions filed by Retailers Association of India and Sunil Patade and respectively. Also pursuant to the liberty granted under the Impugned Judgment, the Petitioner has applied to the State Government for regularization of the allotment of land, without prejudice to the pending SLP and in accordance with CIDCO's policy dated June 6, 2005 partially acted upon in the Petitioner's case by the state government issuing its no-objection for granting an occupation certificate in respect of the building constructed by the Petitioner, upon the Petitioner issuing a bank guarantee of ₹ 500 million towards the alleged loss caused to CIDCO by virtue of the aforementioned allotment of the said lands to the Petitioner. The Petitioner has made it submissions before the recommendary committee appointed by the State Government, and the decision of the State Government is pending on the same.

2. K Raheja Corp ("**Petitioner**") filed a writ petition before the Bombay High Court ("**Court**"), against the City & Industrial Development Corporation of Maharashtra Limited ("**CIDCO**") order dated December

1, 2014, directing the Petitioner to discontinue use of Plot No. 39/16, Vashi ("**Open Space**") admeasuring 678 square meters and vacate the land under Open Space, being used as entry and exit points for Four Points by Sheraton Navi Mumbai, Vashi, and residential apartment ("**Hotel**") of the Company and Inorbit Mall, on the ground that it does not form part of the allotment by CIDCO to the Petitioner of Plot No. 39/1, 39/6 to 39/15 with open spaces ("**Leasehold Land**") and the permission given *vide* CIDCO letter dated October 6, 2004 was given without due authority. The Court *vide* its order dated January 16, 2015 directed both parties to maintain status quo. The matter is pending before the Court.

3. K Raheja Corp ("**Plaintiff**") filed a suit before the Bombay High Court ("**Court**") against Maharashtra Tourism Development ("**Defendant**") (together, "**Parties**"), in respect to an MOU / Agreement dated March 20, 1995 executed between the Parties. The Defendant, *vide* letter dated November 29, 1999 sought to terminate the MOU / Agreement alleging breaches on part of the Plaintiff. Aggrieved, the present suit was filed before the Court claiming *inter alia* refund of monies paid by the Plaintiffs, aggregating to ₹ 20 million and the appointment of a receiver for the suit property. Further the Plaintiff has also prayed that the letter dated November 29, 1999 be declared null and void. In view of the Defendant's assertion made in its written statement stating that it had always been and is ready and willing to perform its part as per the MOU / Agreement dated March 20, 1995, the Plaintiff has adopted further proceedings for a decree on admission. The matter is pending before the Court.

4. Bharat Petroleum Corporation Limited ("**BPCL**") filed a suit before the Bombay High Court ("**Court**") against K Raheja Corp and three others ("**Defendants**") seeking specific performance of agreement dated December 5, 1952 and a declaration that sale made in favour of K Raheja Corp be declared null and void, and further seeking damages aggregating to ₹100 million. The matter is pending before the Court. The Defendants have filed a mesne profit proceeding suit before the Bandra Small Causes Court against BPCL for determining the mesne profits, wherein the claim of K Raheja Corp as per the valuation report is made for ₹ 76 million. The matter is pending before the Bandra Small Causes Court.

5. Raheja Vihar Corporative Society ("**Petitioner**") has filed a public interest litigation *vide* writ petition before the Bombay High Court ("**Court**") against K Raheja Corp and nine others ("**Respondents**") *inter alia* seeking the setting aside of permission granted by various authorities in respect of levelling / quarrying the hillock located within the complex and carrying out any construction / development of the said hillock. However, no interim and/or ad-interim relief is operating in the matter. The matter is pending before the Court.

6. K Raheja Corp ("**Complainant**") filed a complaint before the Deputy Assessor & Collector, Navi Mumbai Municipal Corporation ("**Authority**") against notices and bills issued by the Navi Mumbai Municipal Corporation ("**NMMC**"), which arbitrarily stated arrears of property tax for the period April 1, 2017 to September 30, 2017. The subject matter property is currently occupied by the Company and Inorbit. The Complainant had made various submissions before this Authority against the notices issued by NMMC. Subsequently, the Complainant filed a writ petition before the Bombay High Court against the notices issued by NMMC. The High Court *vide* its final order remanded the matter back to the Authority ("**Bombay High Court Order**"). The hearing before the Authority is in progress. K Raheja Corp received a notice dated March 12, 2018 from the NMMC which sought recovery of arrears of ₹ 32.28 million. K Raheja Corp has filed a reply dated March 13, 2018, requesting the withdrawal of the notice on the grounds that the notice has been issued in contempt on an existing Bombay High Court Order. The bill received on April 25, 2018 for the period ended September 30, 2018 shows increased arrears of ₹ 32.87 million. This matter is pending before the Authority.

7. K Raheja Corp has filed two proceedings against the Slum Rehabilitation Authority and others before the Maharashtra Special Slum Tribunal, to set-aside order dated May 6, 2011 and March 11, 2011 respectively, declaring lands admeasuring approximately four acres at village, Tungwa at Powai, Mumbai for which K Raheja Corp has development rights, as a "Slum Rehabilitation Area". These lands admeasuring approximately 4 acres is also subject matter of a writ petition before the Bombay High Court, which has directed the parties to maintain status quo. Pursuant to orders dated February 21, 2013 and March 8, 2013 passed by the Bombay High Court in the writ petition, it has been clarified that excluding the disputed area of approximately four acres, the Petitioners are permitted to continue development / construction without any hindrance in the remaining area. The matter is currently pending.

8. Sir Mohammed Yusuf Trust and four others ("**Plaintiff**") filed a suit before the Bombay High Court ("**Court**"), against K Raheja Corp and two others ("**Defendants**"), seeking declarations that the Plaintiffs are the owners of the lands admeasuring approximately four acres situated at village Tungwa, Kurla,

Mumbai and that the Defendants do not have any rights or interests in the same. The Plaintiff has further sought from the Defendants, demolition of the buildings constructed on the portions of land admeasuring approximately eight acres. In the alternative the Plaintiff are seeking damages aggregating to ₹ 15,000 million. No ad-interim relief has been granted in the matter and the same is pending before the Court.

9. K Raheja Corp and Indian Cork Mills Limited have filed a suit before the Bombay High Court against Sir Mohammed Yusuf Trust and others *inter alia* disputing the various claims made by the Defendant and for declaration of ownership of the lands at village Tungwa Kurla, Mumbai in favour of K Raheja Corp. Further, in respect of the aforesaid lands at Kurla, numerous proceedings and appeals have been filed between the parties. K Raheja Corp has also filed writ petition before the Bombay High Court against the State of Maharashtra and others challenging the order dated July 14, 2009 of the Additional Commissioner and also the order dated June 17, 2011 passed by the State of Maharashtra. The Bombay High Court *vide* its order dated February 12 2013 ordered the parties to maintain status quo in respect of the land admeasuring approximately four acres being the slum areas & clarified by order dated March 8, 2013 that K Raheja Corp is allowed to develop the entire balance portion of the land. Further, K Raheja Corp as constituted attorney of Indian Cork Mills Limited has also filed an appeal and a revision appeal before the Deputy Collector, Maharashtra in respect of non-agricultural use order dated May 15, 2012 passed in respect of the slum land admeasuring approximately four acres. A review petition dated January 9, 2013 has also been filed by K. Raheja Corp before the Additional Commissioner, Konkan Division, against Sir Mohammed Yusuf Trust and others in respect of review of order dated November 16, 2012 rejecting K Raheja Corp's earlier appeal. All the proceedings mentioned above are pending before their respective courts/forums.

10. K Raheja Corp and others ("**Petitioners**") have filed three separate special leave petitions under Article 136 of the Constitution of India before the Supreme Court of India ("**Court**") against the State of Goa and various other respondents ("**Respondents**"), praying for the setting aside of the common order dated November 26, 2010 passed by the Bombay High Court which cancelled the allotment of SEZ lands made in favour of the Petitioners. Claims of upto ₹ 1,900 million have been made by the Petitioners. By an Order dated January 10, 2011 the Court has directed the parties to maintain status-quo. Further, the orders dated February 7, 2018 and February 23, 2018 passed by the Court records that the Petitioners are agreeable to handover the subject matter lands and that the State of Goa had no objection to the same. The matters are pending before the Court.

11. Special leave petition under Article 136 of the Constitution of India has been filed by Franky Monterio and others ("**Petitioners**") before the Supreme Court of India ("**Court**") against the K Raheja Corp and various other respondents ("**Respondents**") impugning the common order dated November 26, 2010 passed by the Bombay High Court in respect of the allotment of SEZ lands in favour of the Respondents seeking the quashing and setting aside of the allotments of SEZ lands made to the Respondents, praying for return of the land to the original owners of the land. The matter is currently pending.

12. Certain investigative proceedings have been initiated by the Superintendent of Police, Anti-Corruption Branch, Goa ("**ACB**") against unnamed persons under the Prevention of Corruption Act, 1988. Pursuant to the intimation received from the ACB in connection with enquiry, K Raheja Corp's representative has appeared before the ACB. The matter is still pending.

13. K Raheja Corp and twenty six others filed an appeal under Section 10F of the Companies Act, 1956 against Aasia Properties Private Limited. For further details, please see ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page*** *588.*

14. Aasia Properties Private Limited ("**Aasia")** filed an appeal under Section 10F of the Companies Act, 1956 against K Raheja Corp and twenty seven others. For further details, please refer ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page*** *588.*

15. K Raheja Corp is jointly developing property situated at Mahalaxmi, Mumbai under an agreement dated June 30, 2017 as per the provisions contained therein, in respect of which a suit has been filed before the Bombay City Civil Court ("**Court**") by Modern India Limited against Arun Bewoor and others in respect of right of way. Another suit has been filed before the Court by Arun Bewoor and others against Modern India Limited ("**Modern**") and others claiming that the Deed of Covenant granting Right of Way to defendant no. 1 therein i.e. Modern was a gratuitous license to sub-plot D. Further it is alleged that the

representation of that defendant as incorporated in its brochure was that the apartments in the Belvedere court building would have exclusive panoramic view and therefore defendant no.1 was not entitled to carry on construction on the Plot D other than textile mill thereon, beyond the height of 4th floor from ground level. An adverse order in the same may affect the rights of K. Raheja Corp Private Limited to the same and the benefits arising thereof. The matter is currently pending.

16. Capricon Realty Limited has filed a special leave petition before the Supreme Court of India ("**Court**") challenging the final judgment of the Bombay High Court dated August 21, 2017 ("**Order**") passed in public interest litigation no.6/2016 in respect of the interpretation of the development control regulations of Greater Mumbai and the computation of the Floor-Space Index (FSI) liable to be granted. K Raheja Corp has obtained the development rights of the subject matter lands from Capricon Realty Limited, and has further assigned the same to Genext Hardware and Parks Private Limited. The Court *vide* its order dated November 27, 2017 has stayed the Order. The matter is pending before the Court.

17. Powai Developers, Ravi C. Raheja and another ("**Petitioners**") have filed a special leave petition under Article 136 of the Constitution of India ("**SLP**") before the Supreme Court of India against the State of Maharashtra and three others ("**Respondents**"). This SLP has been filed against the order dated September 3, 2014 passed by the Bombay High Court in respect of the applicability of the provisions of section 3 (1) (b) of the Urban Land Ceiling & Regulation Repeal Act, 1999. Leave has been granted by the Supreme Court on January 9, 2017 K Raheja Corp is the sole proprietor of Powai Developers. The matter is currently pending before the Supreme Court.

18. K Raheja Corp is involved in certain proceedings before miscellaneous courts and tribunals in respect of property and land parcels which cannot be quantified but are material litigations that may affect the operations of the company.

*Other material outstanding litigations involving K. Raheja*

1. Public interest litigation has been filed before the Bombay High Court ("**Court**") by Sayed Abdul Nabi against K Raheja and others in respect of unlawful dumping of construction material and other debris in the Arabian Sea and other similar places, thereby violating the environmental rules. The matter is pending before the Court.

2. K Raheja ("**Petitioner**") and another has filed writ petition before the Bombay High Court ("**Court**") against the State of Maharashtra and others in respect of lands situated at Yerwada, Pune and *inter alia* challenging for recovery of amounts and the stop work notices issued to K Raheja pursuant to Urban Land Ceiling Act, 1976, ULC Repeal Act and notice dated August 26, 2003 requiring the company to pay premium. The Petitioner has been allowed to continue with the development of the aforesaid lands. The matter is pending before the Court.

3. K Raheja and twenty six others, filed an appeal under Section 10F of the Companies Act, 1956 against Aasia Properties Private Limited. For further details, please refer ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page** 588.*

4. Aasia Properties Private Limited ("**Aasia")** filed an appeal under Section 10F of the Companies Act, 1956 against K Raheja and twenty seven others. For further details, please refer ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page** 588.*

*Other material outstanding litigations involving Ivory Properties*

1. Nusli Wadia ("**Plaintiff**") filed a suit ("**Suit**") before the Bombay High Court ("**High Court**") against Ivory Properties, Ravi C. Raheja, Neel C. Raheja, and others ("**Respondents**"), seeking orders of declarations and injunctions relating to the termination of the agreement entered in the year 1995 amongst the Plaintiff and Ivory Properties for the land situated at Malad West, which measures approximately thirty two acres ("**Agreement**"), the termination of various agreements entered between Ivory Properties and third parties, and damages to the extent of ₹ 3,510 million. The Respondents have contested the Suit and have filed replies stating that the Suit is barred by limitation and that the transactions are genuine and in accordance with the Agreement and that no breach Agreement has been committed by Ivory Properties. Further, Ivory Properties has also filed a counter-claim for various reliefs relating to specific

performance and in the alternative for payment of damages of ₹ 6090 million towards defamation and falsehoods of the Plaintiff. By orders dated September 19, 2013 and September 20, 2013 the High Court however, framed the issue of limitation under section 9A of the Civil Procedure Code, 1908, to be addressed as a preliminary issue of jurisdiction and directed the Plaintiff to file affidavits in support of their claim. The Plaintiff has challenged the order of the High Court through a special leave petition ("**SLP**") in the Supreme Court. The Supreme Court, by an order dated October 8, 2013, has stayed further proceedings with regards to the Suit filed in the High Court, till further orders. Thereafter, the Supreme Court by its Order dated August 25, 2015 has referred the SLP to a 3-Judge Bench to decide whether the issue of limitation under Section 9A of Civil Procedure Code is an issue of jurisdiction. The matter is currently pending before the Supreme Court.

2. Ivory Properties along with Inorbit ("**Petitioners**") have filed a writ petition before the Bombay High Court ("**Court**") challenging a) the order passed by the Bombay Municipal Corporation ("BMC") which increased the capital value of the Inorbit property situated in Malad, without proper notice and b) the constitutional validity of levy of property tax on the basis of capital value. This property tax dispute is with respect to the assessment years 2010-2011 and 2014-2015. The total tax payable pursuant to the increase in capital value of the property is ₹ 19.10 million along with applicable interest. The matter is currently pending before the Court.

3. Liberty Oil Mills Limited ("**Plaintiff**") filed a suit in the Bombay High Court ("**Court**") ("**Suit**") against Ivory Properties & others, inter alia claiming relief under specific performance of contract of an agreement dated December 21, 1992 ("**Agreement**") and for payment of certain consideration amount of ₹ 17.78 million. Pursuant to an order passed by the Court dated April 10, 2018, this matter has been converted into commercial suit. The matter is currently pending.

4. Ivory Properties and twenty six others, filed an appeal under Section 10F of the Companies act, 1956 against Aasia Properties Private Limited. For further details, please refer "***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja***" on page 588.

5. Aasia Properties Private Limited ("**Aasia**") filed an appeal under Section 10F of the Companies Act, 1956 against Ivory Properties and twenty seven others. For further details, please refer "***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja***" on page 588.

6. Radhakrishna Properties Private Limited ("**Plaintiff**") filed a suit before the Bombay High Court ("**Court**") against Ivory Properties ("**Defendant**") seeking specific performance of agreement to sub-lease dated April 6, 1995 executed by Ivory Properties in favour of the Plaintiff in respect of lands situated at Mumbai. Alternatively, the Plaintiff is seeking alternate compensation aggregating to ₹ 3,000 million. The Defendant has filed its written statement and counter-claim. The matter is pending before the Court.

7. Ivory Properties and Ravi C. Raheja ("**Petitioners**") filed a writ petition before the Bombay High Court ("**Court**") against the State of Maharashtra and six others ("**Defendants**") inter alia seeking an order from the Court for restraining the State of Maharashtra & others from enforcing the conditions of exemption order dated February 19, 1996 read with corrigendum thereto dated May 5, 1997 and June 23, 2004. In similar proceedings filed before it, the Court vide order dated September 3, 2014 ("**Order**") inter alia held that conditions of exemptions under section 20 of the Urban Land Ceiling and Regulation Act, 1976 remain enforceable. Pursuant thereto, numerous special leave petitions have been filed before the Supreme Court of India challenging the Order. Supreme Court of India vide its order dated November 10, 2014 directed the State of Maharashtra & others not to take any coercive steps till final disposal of the matters before it. The writ petition is pending before the Court.

8. Gopal L. Raheja and three others ("**Claimants**") have filed an arbitration petition ("**Petition**") under section 34 of the Arbitration and Conciliation Act, 1996 ("Act") before the Bombay High Court ("**Court**") against Ivory Properties, Casa Maria and others to set aside the award dated January 25, 2014 ("**Award**") passed by the single arbitrator. The Petition has been filed by the Claimants for the dissolution of the partnership firm K Raheja Development Corporation and because the Award, did not grant any relief to the Claimant in respect of dissolution of the partnership firm K Raheja Development Corporation being one of the southern entity forming part of K Raheja southern division consisting of 3 groups being

Gopal Raheja Group, Chandru Raheja Group & the Menda Group having 37.5%, 37.5% & 25. % respectively. The matters are pending before the Court.

9. Ivory Properties ("**Applicant**") has filed an execution application before the Bombay High Court ("**Court**") against Vasantben Bhuta and Bhanumati Bhuta in respect of execution of arbitration award dated February 14, 2017 whereby the specific performance of a development agreement and memorandum of understanding both dated April 19, 1995, as modified, was granted to the Applicant. Both Bhanumati Bhuta and Vasantben Bhuta have filed commercial arbitration petitions before the Court, to quash and set-aside the above arbitral award dated February 14, 2017. Without prejudice, settlement talks are in process. The matters are pending before the Court.

10. Shoppers Stop Limited has filed a special leave petition before the Supreme Court of India ("**Court**") against Ivory Properties and others in respect of order dated August 4, 2011 passed by the Bombay High Court in respect of levy of service tax for renting of immovable property. The matter is pending before the Court.

11. Ivory Properties and Ravi C. Raheja have filed a writ petition before the Bombay High Court ("**Court**") against the State of Maharashtra, Nusli N. Wadia and others for quashing and setting aside of a notification dated July 20, 2007 passed under the provisions of the Maharashtra Slum Areas (Improvement, Clearance and Development) Act, 1971 for acquiring property admeasuring approximately 7758 square meters situated at Borivali, Mumbai for a menial sum of money. Nusli N. Wadia has filed a writ petition before the Court against Ivory Properties and the State of Maharashtra on similar grounds. The matters are pending before the Court.

12. Shazad S. Rustomji and another ("**Plaintiff**") have filed a suit before the Bombay High Court ("**Court**") against Ivory Properties, Ravi C. Raheja and Neel C. Raheja and others, inter alia for declaration that the deed of declaration dated October 25, 2011 executed and registered by Ivory Property submitting the building Serenity Heights under the Maharashtra Apartment Ownership Act thereby forming a condominium, is illegal and void and not binding upon the Plaintiff. The matter is pending before the Court.

13. Oasis Restaurant and Amber, Oscar & Minor Canteens have filed a suit before the Bandra Civil Court ("**Court**") against Ivory Properties and others for declaration as a tenant of the premises situated within the Shoppers Stop building in Andheri West, Mumbai. The matter is pending before the Court.

*Other material outstanding litigations involving Ravi C. Raheja*

1. Nusli Wadia has initiated certain proceedings before the Bombay High Court against Ravi C. Raheja and certain other Promoters. For further details, please see "***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Proceedings involving Ivory Properties and Hotels Private Limited" on page** 586.*

2. Ravi C. Raheja and twenty six others filed an appeal ("**Appeal**") under Section 10F of the Companies Act, 1956 before the Bombay High Court ("**Court**") against Aasia Properties Private Limited ("**Aasia**") and two others, against order dated September 19, 2006 ("**Order**") passed by the Company Law Board, New Delhi in company petition91/2005, which granted permission to Aasia, to appoint its nominee as a non-functional director on the board of Juhu Beach Resorts Limited. The Court *vide* an interim order dated November 21, 2008, stayed the order till the pendency of the Appeal.

3. Aasia Properties Private Limited ("**Aasia")** filed an appeal ("**Appeal**") under Section 10F of the Companies Act, 1956 before the Bombay High Court ("**Court**") against Ravi C. Raheja and twenty seven others ("**Respondents**"), against order dated September 19, 2006 passed by the Company Law Board, New Delhi in company petition 91/2005 dismissing the same which was filed for declaring the transfer of 633 shares of Poonam Chand Shah/ Manjula P. Shah in favour of certain respondents as null & void & pursuant thereto set aside subsequent transfers of such shares to other Respondents & subsequent rights issues of such shares be transferred to the Petitioners and other consequential reliefs. The matter is currently pending before the Court.

4. Gopal L. Raheja and eight others ("**Petitioners**") have filed company petition before the Company Law Board / National Company Law Tribunal, Mumbai ("**CLB/NCLT**"), against Ravi C. Raheja and seven others ("**Respondents**"), under Section 397 and 398 of Companies Act, 1956, *inter alia* alleging

oppression and mismanagement by the Respondents in respect of the business and management of Asiatic Properties Limited. The matter is pending before the NCLT. Company appeals have also been filed by Seacrust Properties Private Limited against Ravi C. Raheja, Neel C. Raheja and others before the Bombay High Court ("**Court**") from the Orders of CLB dismissing the Petitioners' application *inter alia* alleging violation of CLB orders and other similar violations. The matters are pending before the Court.

5. Tresorie Traders Private Limited has filed a company petition before the National Company Law Tribunal, Mumbai ("**NCLT**") under sections 247(1A) and 250 of the Companies Act 1956 against Ravi C. Raheja, Neel C. Raheja and others for investigation in respect of the membership, financial interest and control over 2 companies i.e. Club Cabana Recreation Private Limited and Sai Park Estate Developers (India) Private Limited and *inter alia* for restricting the transfer, fresh issue, exercising of voting rights and payment of dividend of the said companies. The matter is pending before the NCLT.

6. Sealtite Gaskets Private Limited and six others ("**Petitioners**") have filed company petition before the Company Law Board / National Company Law Tribunal, Chennai ("**CLB/NCLT**") by under section 397, 398, 399, 402, 403 and 406 of the Companies Act, 1956 against Ravi C. Raheja and six others ("**Respondents**") *inter alia* in respect of alleged oppression and mismanagement by the Respondents in respect of the business and management of K. Raheja Hotels and Estates Private Limited. By order dated February, 2 2017, the matter was transferred to NCLT, Bengaluru and is pending for further proceedings.

7. Ravi C. Raheja and two others ("**Petitioners**") have filed a special leave petition ("**SLP**") dated November 24, 2014 under Article 136 of the Constitution of India ("**SLP**") before the Supreme Court of India ("**Court**") against the State of Maharashtra and three others ("**Respondents**"). This SLP has been filed against the order dated September 3, 2014 passed by the Bombay High Court in respect of the applicability of the provisions of section 3 (1) (b) of the Urban Land Ceiling & Regulation Repeal Act, 1999. Leave has been granted by the Supreme Court on January 9, 2017. The matter is pending before the Court.

8. Ravi C. Raheja and another ("**Petitioners**") filed a writ petition before the Bombay High Court ("**Court**") against the State of Maharashtra and six others. For further details refer ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Proceedings involving Ivory Properties and Hotels Private Limited" on page*** *587**.*

9. Ravi C. Raheja and another has filed a writ petition before the Bombay High Court ("**Court**") against the State of Maharashtra, Nusli N. Wadia and others for quashing and setting aside of a notification dated July 20, 2007 passed under the provisions of the Maharashtra Slum Areas (Improvement, Clearance and Development) Act, 1971 for acquiring property admeasuring approximately 7758 square meters situated at Borivali, Mumbai for a menial sum of money. The matter is pending before the Court.

10. Shazad S. Rustomji and another ("**Plaintiff**") have filed a suit before the Bombay High Court ("**Court**") against the company, Ravi C. Raheja and Neel C. Raheja and others, *inter alia* for declaration that the deed of declaration dated October 25, 2011 executed and registered by Ivory Properties submitting the building Serenity Heights under the Maharashtra Apartment Ownership Act thereby forming a Condominium, is illegal and void and not binding upon the Plaintiff. The matter is pending before the Court

11. A Suit has been filed before the Bombay High Court by Sandeep G. Raheja against Ravi C. Raheja and others. For further details, please see ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Neel C. Raheja" on page*** *592**.*

12. Ravi C. Raheja, Neel C. Raheja and two others ("**Plaintiffs/CLR**") filed a civil suit before the Bombay High Court ("**High Court**") against (1) Gopal L. Raheja, (2) Sandeep G. Raheja, (3) Durga S. Raheja, (4) Sabita R. Narang and (5) Sonali N. Arora ("**Defendants/GLR**").

    The Plaintiffs and the Defendants were the persons primarily involved in the operation and management of the activities and businesses of the group known as K. Raheja Group in certain cities of Western and Southern India. However, certain disputes and differences arose between CLR group and the GLR group that threatened the running of the business of the K. Raheja Group.

After attempts to amicably resolve and finally settle the disputes and differences between the two groups in order to avoid protracting the matter any further, GLR and CLR decided to split/partition entities and assets of the K. Raheja Group between them and accordingly a list indicating division of certain individual assets was executed in May 1995. On April 5, 1996 and November 16, 1996, further written agreements were executed wherein the manner, method and procedure of the division was agreed upon by the parties. Thereafter, on December 9, 1996, GLR and CLR groups made further confirmations to enable the division of certain assets in the agreed manner which was duly completed in respect of a portion of the assets, businesses and entities of the K. Raheja Group. The agreements and writings referred to above i.e. dated May 1995, April 5, 1996, November 16, 1996 and December 9, 1996 are collectively referred to as the "**Family Arrangement Documents**".

Further, apart from the entities, assets and businesses of the two groups which were divided as above, there are additional properties and entities, the separation and distribution of which remained unresolved due to the differences between the groups. The two groups had agreed to take steps to divide these undivided properties comprising various companies, partnership firms, trusts and also certain properties situated at Mumbai i.e. the "**Mumbai Undivided Entities**" and situated in South India i.e. the "**Southern Undivided Entities**" along with certain other residual properties (collectively referred to as the "**Balance Properties**"). Further, the distribution and ascertainment of the monies payable/receivable did not transpire and certain disputes again arose between GLR and CLR in respect of the division of the Balance Properties, the management of certain entities and other such disputes.

After various correspondences between the two groups over the course of more than two decades to amicably resolve the disputes, the present suit was filed by the Plaintiffs, *inter alia* seeking enforcement/implementation of the family arrangement documents. The Plaintiffs have alleged that the arrangement was only partially implemented and *inter alia* alleged that certain arrangements were wrongly implemented. The Plaintiffs have further alleged that due to the inactivity in management of the undivided companies, the registrar of companies has struck-off and dissolved certain of these companies. The Plaintiffs have *inter alia* prayed for implementation of the Family Arrangement Documents, restoration of the companies that have been struck-off/dissolved, division of the companies situated in South India in the manner agreed by the parties and also for injunction restraining the Defendants from creating third party interests and/or encumbrances upon the properties that are the subject matter of the family arrangement. The Defendant nos.2 and 3 have filed their written statement on record along with a counter-claim *inter alia* praying for dismissal of the suit filed by the Plaintiffs and to fully implement the Family Arrangement Documents. The matter is pending before the High Court.

The GLR group also filed suits before the High Court pursuant to the family arrangement against Ravi C. Raheja, Neel C. Raheja and others alleging liability/obligation of the Plaintiffs to hand over certain title deeds, documents and papers and other assets belonging to them which are allegedly in the custody of the Plaintiffs and also seeking injunction for handover of the same. These suits are pending before the High Court.

In addition to the above mentioned proceedings, the following proceedings are being contested amongst the parties:

Company petition filed before the Company Law Board / National Company Law Tribunal, Mumbai by Gopal L. Raheja and others against Ravi C. Raheja and others. For further details, please see ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page** 588**.*

Company petition before the National Company Law Tribunal, Mumbai filed by Tresorie Traders Private Limited against Ravi C. Raheja, Neel C. Raheja and others. For further details, please see ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page** 589**.*

A Suit filed before the Bombay High Court by Sandeep G. Raheja against Ravi C. Raheja and others. For further details, please see ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Neel C. Raheja" on page** 592**.*

Arbitration Petition before the Bombay High Court filed by Gopal L. Raheja and three others against Ivory Properties & Hotels Private Limited and others. For further details, please see ***Litigation Involving***

***our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ivory Properties & Hotels Private Limited” on page** 587*.

The Mumbai Undivided Entities are as follows:

| Partnership Firms | Limited Companies |
|---|---|
| 1. Alankar Enterprises | 1. Canvera Properties Private Limited |
| 2. Crystal Corporation & Everest Enterprises | 2. Carlton Trading Private Limited |
| 3. Crown Enterprises | 3. Debonair Estate Development Private Limited |
| 4. Evergreen Construction | 4. Dindoshila Estate Developers Private Limited |
| 5. Honey Dew Corporation | 5. East Lawn Resorts Limited |
| 6. Kenwood Enterprises | 6. Fems Estate (India) Private Limited |
| 7. K. Raheja Financiers & Investors | 7. Hill Queen Estate Development Private Limited |
| 8. K. R. Finance | 8. Juhuchandra Agro & Development Private Limited |
| 9. K. R. Properties & Investments | 9. K. R. Consultants Private Limited |
| 10. K. R. Sales Corporation | 10. K. R. Developers Private Limited |
| 11. Marina Corporation | 11. K. Raheja Trusteeship Private Limited |
| 12. Oriental Corporation | 12. Lakeside Hotels Limited |
| 13. Powai Properties | 13. Nectar Properties Private Limited |
| 14. R. M. Development Corporation | 14. Neel Estates Private Limited |
| 15. Ruby Enterprises | 15. Oyster Shell Estate Development Private Limited |
| 16. Satguru Enterprises | 16. Peninsular Housing Finance Private Limited |
| | 17. Rendezous Estate Private Limited |
| | 18. Raheja Hotels Limited |
| | 19. Sea Breeze Estate Development Private Limited |
| | 20. Sevaram Estate Private Limited |
| | 21. S. K. Estates Private Limited |
| | 22. Springleaf Properties Private Limited |
| | 23. Suruchi Trading Private Limited |
| | 24. Wiseman Finance Private Limited |
| **Association of Persons** | **Trusts / Charitable Trusts** |
| K. Raheja Investments & Finance | 1. K. R. Foundation |
| | 2. Raheja Charitable Trust |

| Private Trusts |
|---|
| 1. Lachmandas Raheja Family Trust |
| 2. L. R. Combine |
| 3. S. R. Combine |
| 4. Reshma Associates |
| 5. R. N. Associates |
| 6. R. K. Associates |
| 7. Various discretionary trusts (about 288 Nos.) |

Southern Undivided Entities

| Partnership Firms | Limited Companies |
|---|---|
| K Raheja Development Corporation | 1. Mass Traders Private Limited |
| | 2. K. Raheja Hotels & Estates Private Limited |
| | 3. K.Raheja Development & Constructions Private Limited |
| | 4. Ashoka Apartments Private Limited |
| | 5. Asiatic Properties Limited |
| **Trusts / Charitable Trusts** | |

| | |
|---|---|
| 1. R&M Trust | |
| 2. Raj Trust | |

In relation to the above mentioned undivided entities, Ravi C. Raheja and Neel C. Raheja have been served with various notices issued by regulatory authorities in respect of certain non-compliance. These notices have been replied to in the capacity of shareholders as the family settlement has not been fully implemented. Ravi C. Raheja and Neel C. Raheja have resigned from their directorship in these companies. No further correspondence has been received thereafter.

13. Ravi C. Raheja and Neel C. Raheja ("**Petitioners**") have filed a writ petition before the Karnataka High Court at Bengaluru ("**Court**") against the Union of India and RoC, Bengaluru ("**Respondents**") challenging the inclusion of their names in the list released by the RoC on its website in relation to the directors disqualified under the provisions of the Companies Act, 2013, for the periods ending October 31, 2019 and October 31, 2020. The names of the Petitioners have been included in the aforementioned list in relation to non-filing of financial statements or annual returns for a continuous period of three financial years by K Raheja Hotels and Estates Private Limited. The Petitioners have filed the petition *inter alia* stating that the inclusion of their names in the list was erroneous, arbitrary and illegal in view of the fact that as per the order of the Company Law Board, Chennai, the company K Raheja Hotels and Estates Private Limited was marked as a "*company having management problems*". The Petitioners submitted that pursuant to the Order, they were not responsible for the affairs of K Raheja Hotels and Estates Private Limited and that they did not take any decisions with regard to the affairs of that company without the knowledge/consent of the administrator. Further, upon the administrator taking charge of K Raheja Hotels and Estates Private Limited, the Petitioners *vide* letters dated February 17, 2014 resigned as directors of that company with immediate effect. The Petitioners have *inter alia* prayed for deletion of their names from the aforementioned disqualification lists and removal of their names as directors from the records of K Raheja Hotels and Estates Private Limited maintained by the Respondents. The Court has by an interim order dated June 15, 2018 stayed the disqualification of the Petitioners as directors. The matter is pending before the Court.

14. Ravi C. Raheja is also identified as a party in certain labour proceedings filed before industrial tribunals/courts which are being contested by him and are pending before the respective tribunals/courts.

*Other material outstanding litigations involving Neel C. Raheja*

1. Ravi C. Raheja and Neel C. Raheja ("**Petitioners**") have filed a writ petition before the Karnataka High Court at Bengaluru ("**Court**") against Union of India and RoC ("**Respondents**") For further details, please refer ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page*** *592.*

2. Nusli Wadia has initiated certain proceedings before the Bombay High Court against Neel C. Raheja and certain other Promoters. For further details, please see "***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Proceedings involving Ivory Properties and Hotels Private Limited" on page*** *586.*

3. Neel C. Raheja and twenty six others, have filed an appeal under Section 10F of the Companies Act, 1956 against Aasia Properties Private Limited. For further details, please refer ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page*** *588.*

4. Aasia Properties Private Limited ("**Aasia")** filed an appeal under Section 10F of the Companies Act, 1956 against Neel C. Raheja and twenty seven others. For further details, please refer ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page*** *588.*

5. A Company petition has been filed before the Company Law Board / National Company Law Tribunal, Mumbai, by Gopal L. Raheja and eight others ("**Petitioners**") against Neel C. Raheja and 7 others ("**Respondents**") ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page*** *588.*

6. Sandeep G. Raheja has filed a suit against Neel C. Raheja and eight others before the Bombay High Court ("**Court**") in respect of a private family trust and removal of certain trustees therefrom and also

for the dissolution, distribution and settlement of the accounts of the private family trust. The Court *vide* order dated November 16, 2006 had appointed an administrator, who subsequently resigned from his position. The matter is currently pending before the Court.

7. Company petition has been filed before the Company Law Board / National Company Law Tribunal, Chennai by Sealtite Gaskets Private Limited and six others ("**Petitioners**") against Neel C. Raheja and six others. ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page** 589.*

8. Tresorie Traders Private Limited has filed a Company petition before the National Company Law Tribunal, Mumbai ("**NCLT**") under sections 247(1A) and 250 of the Companies Act 1956 against Ravi C. Raheja, Neel C. Raheja and others for investigation in respect of the membership, financial interest and control over two companies i.e. Club Cabana Recreation Private Limited and Sai Park Estate Developers (India) Private Limited and *inter alia* for restricting the transfer, fresh issue, exercising of voting rights and payment of dividend of the said companies. The matter is pending before the NCLT.

9. Shazad S. Rustomji and another ("**Plaintiff**") have filed a suit before the Bombay High Court ("**Court**") against, Neel C. Raheja and Ravi C. Raheja, Ivory Properties and others, *inter alia* for declaration that the deed of declaration dated October 25, 2011 for formation of Serenity Heights Condominium, executed by the company is illegal and void and not binding upon the Plaintiff. The matter is pending before the Court.

10. Ravi C. Raheja, Neel C. Raheja and two others ("**Plaintiffs/CLR**") filed a civil suit before the Bombay High Court ("**High Court**") against (1) Gopal L. Raheja, (2) Sandeep G. Raheja, (3) Durga S. Raheja, (4) Sabita R. Narang and (5) Sonali N. Arora ("**Defendants/GLR**"). For further details, please refer ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page** 589.*

11. Neel C. Raheja is also identified as a party in certain labour proceedings filed before industrial tribunals/courts which are being contested by him and are pending before the respective tribunals/courts.

*Other material outstanding litigations involving Palm Shelter*

1. Palm Shelter and twenty six others have filed an appeal under Section 10F of the Companies act, 1956 against Aasia Properties Private Limited. ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page** 588.*

2. Aasia Properties Private Limited filed an appeal under Section 10F of the Companies Act, 1956 against Palm Shelter and twenty seven others. For further details, please refer ***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Litigation involving Ravi C. Raheja" on page** 588.*

*Other material outstanding litigations involving Ivory Trust*

1. Ivory Trust has made an application to be impleaded as a party in a suit filed before the Bombay High Court ("**Court**") by Matasons Estate Private Limited ("**Plaintiff**") against Bombay Forgings Private Limited ("**Defendant**") seeking specific performance of a development agreement for property situated in Kalina Mumbai or compensation aggregating to ₹ 150 million. The matter is currently pending before the Court.

2. Ivory Trust had agreed to acquire from Bombay Forgings Limited ("**BFL**") certain rights relating to development of its leasehold land situate at Kalina, Mumbai, pursuant to a rehabilitation scheme sanctioned by the Board of Industrial & Financial Reconstruction ("**BIFR**") in respect of BFL ("**BIFR Scheme**"). The BIFR Scheme *inter-alia* involved development of the said land and reduction of share capital of BFL. The landowner-lessee i.e. Manilal & Sons ("**Manilal**") challenged the BIFR Scheme, which was rejected by BIFR. Manilal challenged the BIFR order before the Appellate Authority for Industrial and Financial Reconstruction ("**AAIFR**"), which was also rejected in 2008. Thereafter Manilal has challenged the said orders of BIFR and AAIFR in a writ petition no.1663/2008 filed in the Bombay High Court ("**Court**"), and sought various reliefs. The matter is currently pending before the Court.

3. Manilal & Sons ("**Manilal**") had filed a suit for eviction, injunction and other relief in the Small Causes Court, Bandra against Bombay Forgings Limited ("**BFL**") relating to lands at Kalina, Mumbai, which

was decreed in favour of Manilal in 2007, and BFL was restrained for using the said lands for residential and/or commercial purposes and also from parting with possession and/or creating third party interest in respect thereof. An enquiry was directed in respect of the mesne profits. BFL challenged the said eviction order in an appeal bearing no.159/2007 before the Appellate Bench of Small Causes Court, Bandra, wherein stay of eviction has been granted and an order was passed for BFL to deposit interim mesne profits at the rate of ₹ 0.02 million per month. The appeal is presently stayed pending disposal of the writ petition no.1663/2008 before the Bombay High Court. Manilal has also filed writ petition no. 13268/2017 against the said stay of hearing of the appeal bearing no 159/2007. Ivory Trust had agreed to acquire from BFL certain rights relating to development of its leasehold land situate at Kalina, Mumbai. The matter is currently pending.

4. Manilal & Sons ("**Manilal**") has filed application mesne profits proceedings bearing no. 14/2007 in before the Small Causes Court, Bandra against Bombay Forgings Limited ("**BFL**") relating to lands at Kalina, Mumbai for determination of the mesne profits. Manilal has quantified the claim for mesne profits of about ₹ 1165 million till May 2018 has been made by Manilal. BFL is defending the said claim and has *inter alia* quantified Manilal's claim for mesne profit at approximately ₹ 1.7 million till May 2018. BFL has also filed a rent act declaration (RAD) suit no. 310/2017 in before the Small Causes Court at Bandra, for declarations and other relief relating to renewal of lease of the said lands for further thirty years and for damages in the alternative, aggregating to ₹ 200 million. The matters are currently pending. Ivory Trust has *inter alia* entered into a memorandum of understanding with the Defendants i.e. BFL relating to the development of the subject matter lands and also agreed not to claim refund of the amounts paid by Ivory Trust to BFL, as also that any condition by the Appeal Court for stay of execution of decree including deposit of interim mesne profit, if any, ordered will be exclusive liability of Ivory Trust.

*Other material outstanding litigations involving Casa Maria*

1. Gopal L. Raheja and three others ("**Claimants**") have filed an arbitration petition **("Petition**") under section 34 of the Arbitration and Conciliation Act, 1996 ("**Act**") before the Bombay High Court ("**Court**") against Casa Maria. For further details, please refer ***"Litigations involving our Promoters – Other material outstanding litigation involving our Promoter – Proceeding involving Ivory Properties and Hotels Private Limited" on page** 587.*

## VI. LITIGATION INVOLVING OUR GROUP COMPANIES

*Cavalcade*

*Criminal proceedings against Cavalcade*

1. A complaint dated December 29, 2016 has been filed by Anuj Goel, partner of Balaji Associates, against Cavalcade before the Kondhwa Police Station, Pune. The complaint has been filed for alleged encroachment by Cavalcade on lands owned by Balaji Associates, at Mohammedwadi, Pune. The representatives have appeared before the Kondhwa Police Station, Pune and have recorded their statement, refuting the claims of the complainant. The matter is currently pending.

*Criminal proceedings by Cavalcade*

1. Cavalcade has filed three separate police complaints dated August 27, 2013, June 25, 2016 and June 29, 2016, respectively, with the Kondhwa Police Station, Pune against certain persons in respect of encroachment, land-grabbing and forcibly obtaining illegal possession of lands owned by Cavalcade at Mohammedwadi, Pune and for carrying out construction thereon. The matters are currently pending.

*Pending action by statutory or regulatory authorities against Cavalcade*

1. A notice dated October 28, 2015 has been issued by the Tehsildar, Haveli, Pune, addressed to Cavalcade under the provisions of the Maharashtra Land Revenue Code in respect of alleged unauthorized excavation of minor minerals by Cavalcade at Mohammedwadi, Pune. A penalty amount of ₹ 10.15 million has been levied on Cavalcade as per the Panchnama dated July 10, 2012 carried out by the Talathi office. Cavalcade has filed its replies to the aforesaid notice *vide* letters dated November 9, 2015 and November 11, 2015. After the hearing before the Tehsildar, submissions dated November 30, 2015 were filed by Cavalcade and the matter was closed for passing of orders.

2. A show cause notice dated August 28, 2017 has been issued by the Pune Municipal Corporation ("**PMC**") addressed to Inorbit with reference to an application filed before it by Pramod Bhangire on the basis of another complaint filed by Praful Lonkar alleging unauthorized construction being carried out by Inorbit without the consent of Praful Lonkar on lands situated at Mohammedwadi, Pune, thereby seeking to stop work in respect of the same. Cavalcade has replied to the said show cause notice *vide* its letter dated September 8, 2017 addressed to the PMC (which was addressed to Inorbit) denying all the allegations. No further correspondence has been received thereafter.

*Other material outstanding litigation involving Cavalcade*

1. Cavalcade has filed an intervention application dated August 22, 2016 to be impleaded as a party in a civil suit filed before the Civil Judge Senior Division, Pune ("**Court**") by Maruti Gulab Rajiwade and another against Deepak Kesarchand Dhokla and others. The suit has been filed for seeking declaration, cancellation and injunction in respect of development agreement and power of attorney dated February 22, 2005 executed in respect of lands at Mohammedwadi Pune. The matter is pending before the Court.

2. Sayyadali Raza Abdul Razzak Inamdar ("**Plaintiff**") has filed a suit before the Civil Judge Senior Division, Pune ("**Court**") against Cavalcade and others in respect of lands situated at Mohammedwadi, Pune for specific performance of an agreement dated August 20, 1992 executed in favor of the Plaintiff and for declaration that the sale deeds dated August 21, 1995 executed in favor of the other defendants and from which Cavalcade derives its rights are illegal. The plaintiff is claiming an alternative compensation to the tune of ₹ 0.24 million. The matter is pending before the Court.

3. Cavalcade as constituted attorney of D.S Argade has filed an RTS appeal before the sub-divisional officer, Pune ("**SDO**") against Manjulabai Baban Bhangire and others, in respect of the certification of a mutation entry for recording the names of Dinesh Chandratre and others on the 7/12 extracts of the lands situated at Mohammedwadi Pune. The mutation entry was earlier cancelled by the Circle Officer. The matter is pending before the SDO.

4. Laxman Dagdu Ghule has filed a civil suit bearing no.1644/2006 before the Civil Judge Senior Division, Pune ("**Court**") against D.S Argade Promoters and Builders for cancellation and declaration of development agreement dated April 17, 2006 being null and void and claiming possession of land situated at Mohammedwadi Pune. Cavalcade has obtained development rights to the property from D.S Argade Promoters and Builders. The matter is pending before the Court.

5. Shantabai Dattu Tarawade and others ("**Plaintiffs**") have filed a suit bearing no.1238/2017 before the Civil Judge Senior Division, Pune ("**Court**") against Baban Narayan Ghule and others ("**Defendants**") *inter alia* in respect of partition of the land situated at Mohammedwadi, Pune. Cavalcade is not a party to the proceedings however it is currently developing the suit property. The matter is pending before the Court.

6. Rajashri Manesh Shah and others ("**Plaintiffs**") have filed a suit bearing no.385/2015 before the Civil Judge Senior Division, Pune ("**Court**") against Bipinkumar Rajkumar Sharma and others ("**Defendants**") *inter alia* in respect of specific performance of a development agreement executed in favor of the Plaintiffs by the Defendants in respect of the land situated at Mohammedwadi, Pune. Cavalcade is not a party to the proceedings however it is currently developing the suit property. The matter is pending before the Court.

*K. Raheja Corporate*

*Tax Proceedings involving K Raheja Corporate*

1. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 against K Raheja Corporate. Pursuant to the warrant, the Income Tax Department carried out a search on November 30, 2017 at its premises. The search was concluded on December 6, 2017. During the course of the search and thereafter, statements have been made / submitted to the investigating officials. No further communication has been received in relation to the matter.

2. K Raheja Corporate is also identified as a party in certain labour proceedings filed before industrial tribunals/courts which are being contested by him and are pending before the respective tribunals/courts.

*Pact*

*Criminal proceedings against Pact*

1. Balasaheb Gole filed a complaint with the Pirangut Police Station, Pune alleging that PREPL and others in collusion with the office of the Sub-Registrar, Mulshi, have defrauded the State Government of Maharashtra and have created false documents by executing a sale deed dated May 4, 2016 in the absence of a partition of the ancestral land amongst the Gole Family. The statement of the company representative has been recorded by the police *vide* which Pact has refuted the allegations made against it and prayed for rejection of the complaint since it was a dispute of civil nature and the dispute between the family members inter-se of the Gole Family. On being called upon to produce the documents by the police, the complainant failed to do so and since then there has been no further correspondence. The matter has been closed by the Pirangut Police Station however it is pending before the Commissioner of Police, Pune.

*Pending action by statutory or regulatory authorities against* Pact

1. The Tehsildar, Mulshi has issued two notices dated September 1, 2015, addressed to Pact under the provisions of the Maharashtra Land Revenue Code in respect of alleged unauthorized excavation of minor minerals by Pact at Pirangut, Pune. An aggregate penalty of ₹ 37.57 million has been levied on Pact. Pact has filed its replies to the aforesaid notices. No further correspondence has been received thereafter.

2. The Assistant Director, Directorate of Enforcement, Mumbai ("**Authority**") has in the recent past issued summons under the Prevention of Money Laundering Act, 2002, calling upon Ravi C. Raheja and Neel C. Raheja in their capacity as directors of Pact. For further details, please refer, ***"Pending action by statutory or regulatory authorities against our Promoters –on page no.*** *582*"

*Other material outstanding litigation involving Pact*

1. Surekha Pawar and others ("**Plaintiffs**") have filed a suit before the Civil Judge Senior Division, Pune ("**Court**") against Pact and others ("**Defendants**") for the specific performance of agreement dated March 22, 1994 in respect of lands situated at Pirangut Pune and for declaration of the Sale Deeds *vide* which Pact derive their right, title and interest to be void. The matter is pending before the Court. The Plaintiffs have also filed an appeal before the District Court Pune against the Defendants challenging the order dated March 31, 2016 passed by the Court thereby rejecting the Plaintiffs injunction application. The appeal is pending before the District Court Pune.

2. Pact is involved in numerous proceedings that have been initiated by or against them and that are pending for further proceedings before Revenue Authorities.

*Novel*

*Other material outstanding litigation involving Novel*

1. Minoo Mehta and another ("**Petitioner**") have filed a writ petition before the Bombay High Court ("**Court**") against Ashish Wang Cooperative Housing Society Limited in relation to handover of the possession of the lands situated at Worli, Mumbai. Novel is an assignee of the Petitioner in relation to the aforesaid lands. The matter is pending before the Court.

*Paradigm*

*Other material outstanding litigations involving Paradigm*

1. Two special leave petitions, under Article 136 of the Constitution of India have been filed by Paradigm and others ("**Petitioners**") before the Supreme Court of India ("**Court**") against the State of Goa and various other respondents ("**Respondents**"), praying for the setting aside of the common order dated November 26, 2010 passed by the Bombay High Court which cancelled the allotment of SEZ lands made in favour of the Petitioners. Claims of upto ₹ 1900 million have been made by the Petitioners. By an Order dated January 10, 2011, the Supreme Court directed the parties to maintain status-quo. Further, the order dated February 7, 2018 and February 23, 2018 passed by the Court records that the Petitioners are agreeable to handover the subject matter lands and that the State of Goa had no objection to the same. The matters are pending before the Court.

2. Special leave petition under Article 136 of the Constitution of India have been filed by Franky Monterio and others ("**Petitioners**") before the Supreme Court of India ("**Court**") against the Paradigm and various other respondents ("**Respondents**") impugning the High Court common order dated November 26, 2010 and seeking the quashing and setting aside of the allotments of SEZ lands made to the Respondents, praying for return of the land to the original owners. A claim aggregating to ₹ 255 million has been made by the Petitioners. By an order dated January 10, 2011 the Court directed the parties to maintain status-quo. The matter is pending before the Court.

*Pending action by statutory or regulatory authorities against Paradigm*

1. Certain investigative proceedings have been initiated by the Superintendent of Police, Anti-Corruption Branch, Goa ("**ACB**") against unnamed persons under the Prevention of Corruption Act, 1988. Pursuant to the intimation received from the ACB in connection with enquiry, Paradigm's representative has appeared before the ACB. The matter is currently pending.

*Inorbit*

*Criminal proceedings by Inorbit*

1. Inorbit has filed two complaints under Section 138 of the Negotiable Instruments Act, 1882, dated July 11, 2017 against GTHS Retails Private Limited ("A**ccused**"), before the Judicial Magistrate of the First Class, Vashi ("**Court**") in respect of dishonour of cheques of an aggregate amount of ₹ 0.3 million. The Court has issued a bailable warrant against the Accused. The matter is pending before the Court.

2. Inorbit has filed two complaints under Section 138 of the Negotiable Instruments Act, 1882, dated November 18, 2013 and December 4, 2013 against South Asian Hospitalities Service Private Limited & others ("A**ccused**"), before the Metropolitan Magistrate, Bandra ("**Court**") in respect of dishonour of cheques of an aggregate amount of ₹ 0.18 million. The Court has allowed the application for recall of witness filed by the Accused. The matter is pending before the Court.

3. Inorbit has filed a complaint under Section 138 of the Negotiable Instruments Act, 1882, dated November 21, 2016 against RSG Infotech Private Limited & others ("A**ccused**"), before the Metropolitan Magistrate, Bandra ("**Court**") in respect of dishonour of cheques of an aggregate amount of ₹ 2.18 million. The matter is pending before the Court.

*Pending action by statutory or regulatory authorities against Inorbit*

1. A show cause notice dated October 13, 2014 has been issued by the Secretary, Security Guards Board for Brihanmumbai and Thane District to Inorbit pursuant to their inspection report dated September 16, 2014, in respect of the project at Vashi and alleged contraventions by Inorbit under sections 13, 25, 26, 27 and 28 of the Maharashtra Private Security Guards (Regulation of Employment and Welfare) Act 1981 read with the Scheme of 2002. Inorbit has submitted the relevant documents and has filed their reply. No further correspondence has been received thereafter.

2. A notice dated May 18, 2015 has been issued by the Maharashtra Pollution Control Board ("**MPCB**") to Inorbit in respect of their application for grant of consent to establish/operate dated June 19, 2012 / January 9, 2013 for their project at Malad, directing Inorbit to provide a treatment facility for solid waste management and returning the aforesaid application for obtaining the necessary clarification regarding applicability of environmental clearance. The clarification about applicability of environmental clearance was submitted by Inorbit *vide* letter dated June 25, 2015. MPCB has issued further show cause notices dated October 8, 2015 and November 19, 2015 respectively which have been replied to by Inorbit. No further correspondence has been received thereafter.

3. The Chief Controller, Revenue Authority Pune has issued a notice dated November 9, 2017 to Inorbit in respect of deficiency in stamp duty paid by Inorbit aggregating to ₹ 1.40 million. Inorbit has filed their reply dated November 23, 2017 to the aforesaid notice. No further correspondence has been received thereafter.

4. Notice dated May 21, 2016 has been issued by the Land and Building Department, Vadodara Municipal Corporation to Inorbit in respect of compliance report for hoarding. Inorbit has filed its reply dated May 24, 2016. No further correspondence has been received thereafter.

5. Maharashtra Pollution Control Board has issued a notice dated March 14, 2017 to Inorbit in respect of compliance of the requirements of Central Ground Water Authority for their project at Malad, to which Inorbit has submitted its reply dated March 30, 2017 stating that ground water is not being drawn by Inorbit. No further correspondence has been received thereafter.

**6.** The office of the Municipal Commissioner has issued a notice dated March 23, 2018 to Inorbit in respect of plantations to be done by Inorbit at Genda Circle, Vadodra. Inorbit has filed its compliance reply dated April 4, 2018. No further correspondence has been received thereafter.

7. Notice dated August 4, 2017 and Report dated May 19, 2018 have been issued by the Maharashtra Pollution Control Board to Inorbit in respect of non-compliances regarding sewage treatment plants for its project at Vashi. Inorbit has submitted its reply dated August 28, 2017 to the notice dated August 4, 2017. No further correspondence has been received thereafter.

8. Thirty three notices have been issued by the Collector of Stamps to Inorbit in and around 2009-2010, in respect of deficit payment of stamp duty on certain leave and license agreements executed between 2002 and 2004 aggregating to ₹ 0.42 million payable by the licensees**.** Inorbit has submitted its replies to the same. No further correspondence has been received thereafter.

9. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 against Inorbit. Pursuant to the warrant, the Income Tax Department carried out a search on November 30, 2017 at its premises. The search was concluded on December 6, 2017. During the course of the search and thereafter, statements have been made / submitted to the investigating officials. Further to the search action, Inorbit has received a letter dated June 15, 2018 (received on June 22, 2018) issued by the income tax department, calling upon it to furnish a true and correct return for the assessment years 2012-13 to 2017-18 by July 15, 2018. Inorbit will, in due course, abide by the requirements of the said notice.

10. The Additional Collector, North Goa, has issued a notice dated May 25, 2018 to Inorbit in respect of the quantum of stamp duty payable for the agreement for sale dated May 2, 2018 executed by Inorbit. The stamp duty is to be borne by the buyer therein. The matter is currently pending.

11. The inspector from the Public Health Department, Mumbai Municipal Corporation has carried out an inspection at the mall premises at Malad and has submitted a report dated June 12, 2018 pointing out non-compliance by a licensee, under the Mumbai Municipal Corporation Act, 1888, by not obtaining the requisite trade license. The matter is currently pending.

12. From time to time, various inspections have been carried out by Labour officers and inspectors in respect of compliances by the company with the labour laws, rules and regulations. Inorbit has filed its replies and submissions in respect of such submissions from time to time.

*Other material outstanding litigations involving Inorbit*

1. Nusli Wadia has initiated certain proceedings before the Bombay High Court against Inorbit and certain other persons. For further details, please see "***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Proceedings involving Ivory Properties and Hotels Private Limited" on page** 586.*

2. Shoppers Stop Limited has filed a special leave petition before the Supreme Court of India ("**Court**") against Inorbit and others in respect of order dated August 4, 2011 passed by the Bombay High Court in respect of levy of service tax for renting of immovable property. The matter is pending before the Court. A special leave petition has also been filed by Retailers Association of India (wherein licensees of Inorbit Mall are members) against the Union of India and others before the Court on similar grounds. Inorbit is also a party to a special leave petition filed by another licensee of Inorbit Mall. The matter is pending before the Court.

3. Sayyadali Raza Abdul Razzak Inamdar ("**Plaintiff**") has filed a suit before the Civil Judge Senior Division, Pune ("**Court**") against Inorbit and others. For further details, please see "***Litigation Involving our Promoters – Other material outstanding litigation involving our Group Companies – Proceedings involving Cavalcade" on page** 595.*

4. Inorbit has filed a special civil application before the Ahmedabad High Court ("**Court**") against the Vadodara Municipal Corporation challenging the Vadodara Municipal Corporation's order dated November 10, 2014 prohibiting the charging of parking fee. The Court has by its order dated January 17, 2018 stayed the aforesaid order dated November 10, 2014. The matter is pending before the Court.

5. Inorbit has filed writ petition before the Bombay High Court ("**Court**") against the Pune Municipal Corporation in respect of land situated at Mohammedwadi Pune, part of which is sought to be acquired by the Corporation for the purpose of a public street. The matter is pending before the Court.

6. Inorbit along with Ivory Properties ("**Petitioners**") has filed a writ petition before the High Court of Bombay. For further details, please refer "***Litigation Involving our Promoters – Other material outstanding litigation involving our Promoters – Proceedings involving Ivory Properties and Hotels Private Limited" on page** 587*.

7. M/s. Wides Properties & Holdings has filed a special civil suit before the North Goa Civil and Criminal Court ("**Court**") against Inorbit and others in respect of lands situated at Kadamba, Goa claiming a right and interest over the suit property and for restraining Inorbit from carrying on construction work upon the suit property. The matter is pending before the Court.

8. Dattaram Xavier Fernandes and others have filed a special civil suit before the North Goa Civil and Criminal Court ("**Court**") against Inorbit and others claiming tenancy over the lands situated at Kadamba, Goa and impugning Sale Deed dated October 9, 2006 executed in Inorbit's favour. The matter is pending before the Court.

9. Inorbit has filed a writ petition bearing before the Bombay High Court ("**Court**") against Navi Mumbai Municipal Corporation ("**NMMC**") challenging the notices dated July 18, 2016 and July 19, 2016 for sealing of area situated at the lower ground floor of its project at Vashi. The Court has *vide* interim order dated July 1, 2016 directed removal of the seal. The matter is pending before the Court.

10. Inorbit is also identified as a party in certain labour and industrial proceedings filed before industrial tribunals/courts which are being contested by Inorbit and are pending before the respective courts/authorities.

11. Inorbit is involved in certain matters in relation to mutation of names upon the land records maintained by the government which are currently pending before their respective courts/authorities.

*Trion*

*Criminal proceedings against Trion*

1. The Sub-Inspector of Police, Madhapur, Cyberabad ("**Police Station**") has registered a first information report ("**FIR**") dated August 26, 2017 filed by Vijay Gopal ("**Complainant**") against Trion in respect of sections 188, 418 and 420 of the Indian Penal Code, 1860 alleging cheating. The Police Station issued a notice to Trion under Section 41 of the Criminal Procedure Code, 1973. Trion has submitted its reply dated December 19, 2017 to the Police Station. The matter is currently pending.

*Other material outstanding litigations involving Trion*

1. A writ petition has been filed by Trion and others before the Hyderabad High Court ("**Court**") against the state of Telangana and others in respect of seeking a declaration that the G.O.M No.63 dated March 20, 2018 in respect of management of parking spaces as ultra-vires and unconstitutional. The matter is pending before the Court.

*Pending action by statutory or regulatory authorities against Trion*

1. The Assistant Medical Officer, Health Circle, Greater Hyderabad Municipal Corporation ("**GHMC**") has issued a demand notice dated March 16, 2018 against Trion under various sections of the Greater Hyderabad Municipal Corporation Act, 1955 in respect of the disposal of garbage being generated at the project undertaken by the company. Trion has submitted its reply dated April 12, 2018 with the GHMC. The matter is currently pending.

2. The Comptroller and Auditor General of India ("**CAG**") *vide* its report for the year ended March 2016, has made certain observations with respect to public sector undertakings. In the said report certain adverse observations in respect to a project of Trion (project land purchased from K. Raheja IT Park) were made. K. Raheja IT Park, has issued a letter dated September 21, 2017 *inter alia* submitting its explanations in respect of the said observations. The matter is currently pending.

3. By letter dated July 10, 2012, Andhra Pradesh Industrial Infrastructure Corporation referred to a report of vigilance and Enforcement Department relating to alleged irregularities/ violations / losses to APIIC/Government of Andhra Pradesh. For further details, please refer "***Pending action by statutory or regulatory authorities against K Raheja IT Park on page 603.***

*Mindspace*

*Other material outstanding litigations involving Mindspace*

1. Shrimant Chatrapati Udayan Raje Pratapsinh Maharaj Bhonsle ("**Plaintiff**") has filed a suit before the Civil Judge Senior Division Pune ("**Court**") against Mukund Bhavan Trust ("**MBT**") and others ("**Defendants**") in respect of lands situated at Yerwada, Pune. The Plaintiff is seeking a declaration in his favor claiming ownership of the suit lands and also seeking possession of the same. MBT being the owner of the suit lands has executed a development agreement in favor of Mindspace (earlier K. Raheja Corp Private Limited) in respect of a portion of the suit lands. The matter is pending before the Court. MBT had also filed an application before the Court for rejection of the plaint filed by the Plaintiff on the grounds that the suit is not filed within limitation however the said application was rejected by the Court *vide* its order dated April 29, 2014. MBT and others had filed a civil revision application before the Bombay High Court ("**High Court**") challenging the order dated April 29, 2014 passed by the Court. However the same was dismissed by the High Court *vide* order dated April 26, 2016. This order of the High Court has been challenged by MBT in a special leave petition filed by MBT and others before the Supreme Court of India ("**Supreme Court**"). The matter is pending before the Supreme Court.

2. Shrimant Chatrapati Udayan Raje Pratapsinh Maharaj Bhonsle **("Petitioner**") has filed two writ petitions before the Bombay High Court ("**Court**") against Mukund Bhavan Trust ("**MBT**") and others *inter alia* challenging the order dated November 14, 2016 passed by the Civil Judge Senior Division Court, Pune in suit no. 133/2009, in respect of lands at Yerwada, Pune, thereby rejecting an application filed by the petitioner for amendment of its plaint and allowing the third party application filed by M/s. Mahanagar Constructions and Mahanagar Developers for being impleaded as Defendants in the suit. MBT being the owner of the suit lands has executed a development agreement in favor of Mindspace (earlier K. Raheja Corp Private Limited) in respect of a portion of the aforesaid lands. The matter is pending before the Court.

3. A complaint has been filed by Ravindra Laxman Barate before the Divisional Collector Pune and others, against Mukund Bhavan Trust ("**MBT**") and others ("**Accused**") alleging tampering and cheating by the Accused *inter alia* in respect of order dated November 24, 2013 passed under the Urban Land Ceiling Act, 1976 for lands at Yerwada, Pune and *inter alia* seeking cancellation of the order. The matter is pending before the authorities. MBT has filed a writ petition before the Bombay High Court, challenging the complaint filed by Ravindra Laxman Barate. MBT being the owner of the suit lands has executed a development agreement in favor of Mindspace (earlier K. Raheja Corp Private Limited) in respect of a portion of the aforesaid lands. The matter is pending before the Bombay High Court.

4. Mukund Bhavan Trust ("**MBT**") and others have filed a special leave petition before the Supreme Court of India ("**Court**") against Ravindra Laxman Barate and others challenging the order dated October 28, 2015 passed by the Bombay High Court disposing the writ petition filed by MBT in respect of lands situated at Yerwada, Pune. MBT being the owner of the suit lands has executed a development agreement in favor of Mindspace (earlier K. Raheja Corp Private Limited) in respect of a portion of the aforesaid lands. The matter is pending before the Court.

5. Mukund Bhavan Trust ("**MBT**") and others ("**Petitioners**") have filed two writ petitions before the Bombay High Court ("**Court**") against the State of Maharashtra and others ("**Defendants**") challenging the initiation and conduct of proceedings by the Collector, Pune in respect of lands situated at Yerwada, Pune. MBT being the owner of the aforesaid lands has executed a development agreement in favor of Mindspace (earlier K. Raheja Corp Private Limited) in respect of a portion of the aforesaid lands. The matters are pending before the Court.

6. The authorized officer, land reforms has filed a civil suit before the Deputy Collector against Mindspace in respect of non-agricultural use tax payable by Mindspace. Mindspace has appeared before the authority and submitted its reply. The matter is currently pending.

7. Mindspace has filed a petition before the Maharashtra Electricity Regulatory Commission in respect of tariff determination. The matter is currently pending.

*Pending action by statutory or regulatory authorities against Mindspace*

1. Maharashtra State Electricity Distribution Company Limited has issued a letter dated May 3, 2016 addressed to Mindspace (earlier K. Raheja Corp Private Limited) imposing a penalty of ₹ 4.8 million for laying power cables without the permission of the Pune Municipal Corporation. Mindspace has issued replies dated July 27, 2016 and September 13, 2017 disputing the said demand. The matter is currently pending.

2. The Public Works Department Medical Sub, Pune ("**PWD**") has issued a letter dated March 8, 2017 addressed to Mindspace (earlier K. Raheja Corp Private Limited) demanding Mindspace to shift the cables of the company lying on the land of the hospital which was being excavated by the PWD. Mindspace has met with the officials of PWD and also issued a letter dated April 17, 2017 clarifying that the cables of the company are not lying upon the land being excavated by PWD. The matter is currently pending.

3. The Joint Sub-Registrar, Pune has issued two demand notices to Mindspace (earlier known as K. Raheja Corp Private Limited) in respect of alleged deficit payment of stamp duty aggregating to ₹ 6.5 million by the company in respect of certain documents executed and registered by the company. Mindspace has replied and also appeared before the registrar in the aforesaid matters. The matters are currently pending.

4. The Maharashtra Pollution Control Board has issued a letter dated August 4, 2016 directing Mindspace (earlier known as K. Raheja Corp Private Limited) to submit a copy of the no-objection certificate obtained from the Central Ground Water Authority ("**CGWA**") for extraction of ground water. Mindspace has replied *vide* letter dated August 19, 2016 asking for further details and has made an application to the CGWA for a no-objection certificate *vide* its application dated August 20, 2016. The application is pending with the CGWA.

5. The Pune Municipal Corporation has issued various notices to Mindspace in respect of property tax assessment demanding an amount aggregating to ₹ 330 million. Mindspace has issued its replies to the Pune Municipal Corporation. The matters are currently pending.

6. Mindspace has received four inspection reports all dated April 18, 2015 and one dated November 25, 2014 issued by the Labour Office, Pune in respect of its Mall building situated at Nagar Road, Pune for irregularities in submitting compliance reports and documents under various labour laws. Mindspace has filed reply dated April 27, 2015 to the inspection reports. No further correspondence has been received thereafter.

7. The Maharashtra Pollution Control Board ("**MPCB**") has at its meeting on December 12, 2017, directed the issuance of a show cause notice to Mindspace in respect of certain non-compliances observed by them in respect of environmental clearances and submission of bank guarantees and monitoring systems. By letter dated March 20, 2018, Mindspace has requested the MPCB to grant the consent to establish and filed its replies to the alleged non-compliances observed by the MPCB. The matter is currently pending.

8. A show cause notice dated February 9, 2018 has been issued by the office of the development commissioner to Mindspace in respect of non-compliance of the provisions of Special Economic Zones Rules, 2006 and Foreign Trade Act, 1992, for lands situated at Hyderabad. Mindspace has replied to the aforesaid notice *vide* letter dated April 13, 2018. A hearing was called in the matter and the matter is currently pending. .

9. The Joint Sub-Registrar, Haveli-12, Pune has issued notice dated December 19, 2017 (served on May 31, 2018), to Mindspace in respect of deficit stamp duty aggregating to ₹ 3.8 million in relation to leave and license agreement dated July 14, 2015 executed by the company. As per the agreement, the stamp duty is payable by the licensee. The matter is currently pending.

10. Notice has been issued by the Yerwada Traffic Department, Pune to Mindspace (earlier Trion) for the creation of hurdles for commuters and obstruction of traffic by company cars and other violation of traffic laws.

11. The Navi Mumbai Municipal Corporation ("**NMMC**") has raised property tax bills and notices upon Mindspace in respect of its project at Navi Mumbai showing arrears in payment of property tax by the company. Mindspace has filed numerous complaints before the Deputy Assessor & Collector, Navi Mumbai Municipal Corporation ("**Authority**") in respect of the alleged arrears shown in the aforesaid bills and the hearings before the Authority are pending. The last bill for the period ending September 30, 2018 shows arrears of ₹ 88.07 million. The matter is currently pending.

12. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 against Mindspace. Pursuant to the warrant, the Income Tax Department carried out a search on November 30, 2017 at its premises. The search was concluded on December 6, 2017. During the course of the search and thereafter, statements have been made / submitted to the investigating officials. No further communication has been received in relation to the matter.

13. The Assistant Engineer, Water Department, Pune has issued a demand notice dated April 30, 2016 against Mindspace (earlier Trion) for the water bills for periods prior to March 30, 2005. As per the demand notice, the total bill is for ₹ 1.22 million. A notice dated May 24, 2016 has been received from the Lok Adalat for appearing before the same. This matter is currently pending.

14. The Maharashtra Pollution Control Board has issued two show cause notices dated December 24, 2013 and April 12, 2016 to Mindspace with respect to its project at Airoli, Navi Mumbai and in relation to certain violation of environmental laws and approvals. Mindspace has replied to the show cause notices *vide* replies dated January 6, 2014 and August 30, 2016 respectively. No further correspondence has been received thereafter.

15. The Principal Secretary Environment Department of Government of Maharashtra has issued a show cause notice dated July 18 2016 to Mindspace in respect to its project at Airoli, Navi Mumbai, in respect of grant of environmental approvals. Mindspace has issued its reply dated November 3, 2016 denying the allegations. No further correspondence has been received thereafter.

16. The Joint Sub-Registrar, Haveli-11, Pune has issued two notices dated June 27, 2018 to Mindspace (received by K Raheja Corp) in relation to alleged deficit in the stamp duty paid under two lease deeds entered into by Mindspace. The alleged deficit of stamp duty payable aggregates to ₹ 1.9 million and ₹ 0.06 million respectively. Mindspace is in the process of replying to the aforesaid notices.

17. Demand notice dated February 14, 2017 has been issued by Deputy Assessor and Collector (Indira Dock) Mumbai to Mindspace for payment of ₹ 0.4 million towards octroi for import of certain goods. Mindspace has replied to the notice *vide* its letter dated March 22, 2017 *inter alia* stating that it has made payments for the aforesaid goods. The matter is currently pending.

*Newfound*

*Pending action by statutory or regulatory authorities against Newfound*

1. The Navi Mumbai Municipal Corporation ("**NMMC**") has raised various property tax bills and notices upon Newfound in respect of its project at Navi Mumbai showing arrears in payment of property tax by the company. Newfound has filed numerous complaints before the Deputy Assessor & Collector, Navi Mumbai Municipal Corporation ("**Authority**") in respect of the alleged arrears shown in the aforesaid bills. The last bill for the period ending September 30, 2018 shows arrears of ₹ 4.45 million. The matter is currently pending.

2. The Employees Provident Fund Organization ("**EPFO**"), Vashi, Mumbai had visited the premises of Newfound at Navi Mumbai on April 10, 2018 and have issued a visit note in relation to the same for enquiry regarding compliance. As per the said visit note, EPFO directed Newfound (as the principal employer of the contractors stated therein) to submit details of provident fund compliance of establishments along with certain documents as stated therein. Newfound has by letters dated April 12, 2018, May 4, 2018 and May 25, 2018 submitted the requisite documents and information to EPFO and requested to close the matter. No further correspondence has been received thereafter.

3. A letter dated February 28, 2018 has been issued by Pune District Security Guard Board ("**PDSGB**") in respect of implementation of the scheme under Maharashtra Private Security Guards (Service Regulation and Benefit). The letter states that Newfound has not obtained registration of the PDSGB in respect of its project at Yerwada, Pune. Newfound has issued reply dated April 23, 2018 to the aforesaid letter stating that they are in the process of complying with the directions of PDSGB. No further correspondence has been received thereafter.

*K Raheja IT Park*

*Criminal litigation involving K. Raheja IT Park*

1. Sharmin Habib ("**Complainant**") has lodged a first information report ("**FIR**") with the Madhapur Police Station against Raheja Group staff ("**Accused**") for physical harassment by the Accused by preventing her and her female staff from entering their business premises at Kids Paradise, Raheja Mindspace, Madhapur on October 9, 2017. Final report dated November 16, 2017 has been filed by the investigating officer before the Metropolitan Magistrate, Kukatpally at Miyapur, Cyberabad ("**Court**"). The matter is pending before the Court.

*Other material outstanding litigation involving K. Raheja IT Park*

1. Softsol India Limited and others ("**Petitioners**") have filed writ petition before the Hyderabad High Court ("**Court**") against K Raheja IT Park (wrongly named as M/s. K Raheja Corporation) and others ("**Respondents**") in respect of land situated at Madhapur, Hyderabad *inter alia* seeking declaration and cancellation of allotment of adjacent land by certain Respondents in favor of K Raheja IT Park. The matter is pending before the Court.

2. K Raheja IT Park has filed application before the Hyderabad High Court ("**Court**") against Premier Kinder Care Services Private Limited ("**Premier**") for appointment of sole arbitrator to resolve the disputes between K Raheja IT Park and Premier in relation the payments due on account arrears of rent, balance security deposit together with interest thereon and possession of premises situated at Madhapur, Hyderabad. The matter is pending before the Court.

3. V. Madhusudhan Rao and another ("**Plaintiff**") has filed a suit before the Additional Senior Civil Judge Ranga Reddy District Court ("**Court**") against K Raheja IT Park (wrongly mentioned as Raheja Mind Space) and others ("**Defendants**") seeking perpetual injunction restraining Defendants from illegally interfering with the Plaintiff's peaceful possession and enjoyment of the premises situated at Madhapur, Hyderabad. The matter is pending before the Court.

*Pending action by statutory or regulatory authorities against K Raheja IT Park*

1. The Comptroller and Auditor General of India ("**CAG**") *vide* its report for the year ended March 2016, has made certain observations with respect to public sector undertakings. In the said report certain adverse observations in respect to a project of K Raheja IT Park were made. K. Raheja IT Park, has issued a letter dated September 21, 2017 submitting its explanations *inter alia* in respect of the said observations. The matter is currently pending.

2. The Income Tax Department had issued a warrant dated November 29, 2017 under Section 132 of the Income Tax Act, 1961 against K Raheja IT Park. Pursuant to the warrant, the Income Tax Department carried out a search on November 30, 2017 at its premises. The search was concluded on December 6, 2017. During the course of the search and thereafter, statements have been made / submitted to the investigating officials. No further communication has been received in relation to the matter.

3. Andhra Pradesh Industrial Infrastructure Corporation ("**APIIC**") *vide* letter dated July 10, 2012 addressed to K Raheja IT Park, referred to a report of vigilance and enforcement department ("**VED Report**") relating to alleged irregularities/ violations / losses to APIIC/Government of Andhra Pradesh ("**GoAP**") relating to sale of the land and dilution of 11% equity stake of APIIC. By a letter dated August 10, 2012, K Raheja IT Park denied any irregularities, violations or financial loss caused to APIIC/GoAP as alleged and requested for details and copy of the aforesaid report. K Raheja IT Park also refuted the allegations with detailed facts, as also gave a without prejudice offer for an amicable resolution in the interest of the project to resolve all disputes by restoration of APIIC stake in equity to 11%. By a letter dated September 18, 2012, with reference to the offer letter dated September 13, 2011 of K Raheja IT Park, APIIC tendered the amounts for allotment of equity shares. Further, as recorded *inter alia* in the

letter dated September 24, 2012 issued by K Raheja IT Park to APIIC, the equity dilution was restored. K Raheja IT Park, Intime and Sundew had provided an undertaking dated February 14, 2014 to Telangana State Industrial Infrastructure Corporation ("**TSIIC**") (earlier APIIC) *inter alia* undertaking to pay the amounts to APIIC in respect of APIIC's claim of losses, due to any differences in values pertaining to the sale transactions in Mindspace Cyberabad Project and that K Raheja IT Park shall make payments within 30 days of receipt of such written demand from APIIC and further K Raheja IT Park shall be bound by the decision of APIIC. K Raheja IT Park has further provided an undertaking dated September 21, 2016 to TSIIC, *inter alia* undertaking that the losses incurred by Government/TSIIC in K Raheja IT Park as per the VED Report, either on the basis of the three member committee report constituted by TSIIC or the report submitted by K. Narsimha Murthy & Co, Cost Account, will be paid in full by K Raheja IT Park to Government/TSIIC. K Raheja IT Park has further undertaken that the shareholding pattern of the Government / TSIIC in K Raheja IT Park, Intime and Sundew will not change as the result of conversion of K Raheja IT Park from private limited company to public limited company i.e. the Govt. TSICC shareholding of 11% will remain the same in K Raheja IT Park, Intime and Sundew; and further, in future, Government / TSIIC will not be asked to infuse further cash to maintain its 11% stake. No further correspondence has been received thereafter.

*Sundew Properties*

*Pending action by statutory or regulatory authorities against Sundew Properties*

1. The Comptroller and Auditor General of India ("**CAG**") *vide* its report for the year ended March 2016, has made certain observations with respect to public sector undertakings. In the said report certain adverse observations in respect to a project of Sundew Properties (project demerged from K. Raheja IT Park) were made. K. Raheja IT Park, has issued a letter dated September 21, 2017 *inter alia* submitting its explanations in respect of the said observations. The matter is currently pending.

2. Andhra Pradesh Industrial Infrastructure Corporation *vide* its letter dated July 10, 2012, addressed to K Raheja IT Park, referred to a report of vigilance and enforcement department relating to alleged irregularities/ violations / losses to APIIC/Government of Andhra Pradesh. For further details, please refer "***Pending action by statutory or regulatory authorities against K Raheja IT Park on page** 603**.***

*Other material outstanding litigation involving Sundew Properties*

1. The authorized officer, land reforms ("**Plaintiff**") has filed a suit before the Deputy Collector & Revenue Divisional Officer, Hyderabad ("**Court**") against Sundew Properties in relation to non-agricultural tax that maybe payable on conversion of agriculture land situated at Madhapur, Hyderabad, under the provisions of the Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act, 1973 ("**Act**"). The matter is currently pending before the Court.

2. Sundew Properties filed an application before the then Andhra Pradesh Electricity Regulatory Commission (now Telangana State Electricity Regulatory Commission ("**TSERC**") on March 10, 2014 for deemed distribution license in special economic zone ("**SEZ**"). TSERC passed an order dated February 15, 2016 ("**TSERC Order**") to identify and recognize Sundew Properties as a deemed distribution licensee to distribute the electricity in the SEZ with conditions. Sundew Properties has filed an appeal to the appellate tribunal challenging the order dated February 15, 2016 and in relation to the conditions imposed by TSERC. The matter is currently pending.

*Intime*

*Pending action by statutory or regulatory authorities against Intime*

1. The Comptroller and Auditor General of India ("**CAG**") *vide* its report for the year ended March 2016, has made certain observations with respect to public sector undertakings. In the said report certain adverse observations in respect to a project of Intime (project demerged from K. Raheja IT Park) were made. K. Raheja IT Park, has issued a letter dated September 21, 2017 *inter alia* submitting its explanations in respect of the said observations. The matter is currently pending.

2. By letter dated July 10, 2012, Andhra Pradesh Industrial Infrastructure Corporation referred to a report of vigilance and enforcement department relating to alleged irregularities/ violations / losses to APIIC/Government of Andhra Pradesh. For further details, please refer "***Pending action by statutory or regulatory authorities against K Raheja IT Park on page*** *603*.

3. The Ministry of Corporate Affairs (Cost Audit Branch) has issued a notice dated January 4, 2016 to Intime in respect of non-filing of cost audit report for the financial year ended March 31, 2015. Intime has responded to the said notice on January 25, 2016 with the relevant details of filing of the cost audit report for the aforesaid period. No further correspondence has been received thereafter.

*Feat*

*Pending action by statutory or regulatory authorities against Feat*

1. Shramik Sena has issued a letter dated May 23, 2018 to Feat in respect of acquisition of land situated at Ghansoli. New Mumbai from Cabot India Limited ("**Cabot**"), informing Feat about the dispute in relation to the dues payable to security guards by Cabot. Cabot is the lessee of the aforesaid lands and has entered into a memorandum of understanding with Feat for assignment of their rights to the aforesaid lands to Feat. The matter is currently pending.

*Imperial*

*Criminal litigation involving Imperial*

1. Moosna Santosh Rao, the operations manager in Platinum Boutique Hotel has lodged a First Information Report ("**FIR**") with the Madhapur Police Station, Cyberabad ("**Police Station**") against Imperial, and National Catering Standard Advisory Services ("**NCSAS**"), *inter alia* alleging cheating in respect of services of NCSAS. The Police Station has filed its final report dated April 22, 2015 with the Metropolitan Magistrate, Miyapur, wherein for the time-being, the case is referred to as "undetected".

*Convex*

*Criminal litigation involving Convex*

1. Convex has filed a complaint before the Loni Kalbhor Police Station against the Division Engineer (North) Central Railways ("**Railways**") alleging encroachment by the Railways in relation to the construction of a wall upon the road on the land owned by Convex. The Railways have responded to Convex stating that the construction carried out by them is as per the approved plan and have further stated that they shall remove the wall if the revenue authorities declared such construction to be an encroachment. The matter is currently pending.

***Material developments since the last balance sheet date***

Except as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after March 31, 2018***" on page 537, no circumstances have arisen since March 31, 2018, the date of the last restated financial information disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our operations or earnings taken as a whole, the value of our consolidated assets or our ability to pay our material liabilities within the next twelve months.

# GOVERNMENT AND OTHER APPROVALS

*Our Company can undertake the Offer and can undertake our current business activities, including on the basis of the list of material approvals provided below, and other than as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business activities. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "**Regulations and Policies**" on page* 165.

## I. Incorporation details of our Company

1. Certificate of incorporation dated January 6, 1986 issued to our Company by the RoC in the name of 'Kenwood Hotels Private Limited'.

2. Our Company was converted into a public company on July 19, 1997, under section 43A (1B) of the Companies Act, 1956, pursuant to which our name was changed from 'Kenwood Hotels Private Limited' to 'Kenwood Hotels Limited'.

3. Fresh certificate of incorporation dated April 6, 1996 issued to our Company by the RoC on account of the change in name from 'Kenwood Hotels Limited' to 'K. Raheja Resorts & Hotels Limited'.

4. Fresh certificate of incorporation dated May 4, 1999 issued to our Company by the RoC on account of the change in name from 'K. Raheja Resorts & Hotels Limited' to 'Chalet Hotels Limited'.

5. Fresh certificate of incorporation dated October 15, 2011 issued by the RoC pursuant to the conversion of our Company to a private limited company and consequential change in our name from 'Chalet Hotels Limited' to 'Chalet Hotels Private Limited'.

6. Fresh certificate of incorporation dated June 6, 2018 issued by the RoC pursuant to the conversion of our Company to a public limited company and consequential change in our name from 'Chalet Hotels Private Limited' to 'Chalet Hotels Limited'.

For details of corporate and other approvals in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer - Corporate Approvals***" on page 611.

## II. Approvals in relation to operations of our Company

### A. Tax related approvals

(i) The permanent account number of our Company is AAACK0411E.

(ii) The tax deduction account number of our Company is MUMC12494G.

(iii) The import export code for our Company is 0397092822.

(iv) The goods and services tax identification number of our Company is 27AAACK0411E1Z9.

### B. Labour related approvals

(i) Under the provisions of the EPF Act, as amended, our Company has been allotted EPF code number MH/BAN/43713.

(ii) Under the ESI Act our Company has been allotted the ESI registration number 35000243030000999.

In addition to the labour related approvals mentioned above, we are also required to obtain, where applicable, certain other approvals such as license under the Contract Labour (Regulation and Abolition) Act, 1970 to engage more than twenty contract labourers in our hotels, commercial and retail and real-estate projects.

## C. Key approvals in relation to our operations

We require various approvals, licenses and registrations under several central or state-level acts, rules and regulations to carry on our business in India. These licenses differ on the basis of the location as well as the nature of operations carried out at such locations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

An indicative list of key approvals required by us for the operation of our hotels and our commercial and retail projects are provided below:

1. ***Trade license from relevant municipal authorities of Maharashtra, Andhra Pradesh and Karnataka:*** We are required to obtain trade licenses from the respective municipal authorities of areas where our hotels and retail projects are located, where local laws require such trade licenses to be obtained. Such licenses may be subject to renewal, as applicable.

2. ***FSSAI registration:*** We are required to obtain registration from the FSSAI, under the Food Safety and Standards Act, 2006 read with the Food Safety and Standard (Licensing & Registration of Food Business) Regulations, 2011, for sale, storage or distribution of food products. The registration may be subject to periodic renewals.

3. ***Shops and Establishments registrations:*** In states where our hotels and our commercial and retail projects are located, registration under the respective shops and establishment acts of those states, wherever enacted or in force, is required when certain requirements are met. The terms of registration, renewal procedure and requirement for such registrations may differ under the respective state legislations. Further, such registrations may be subject to renewals under the respective state legislations.

4. ***Liquor license under excise laws:*** Under the scheme of excise laws, different state legislatures have enacted state legislations dealing with licenses for sale of alcohol. Any person selling alcohol, of various types and form, is required to obtain appropriate license under the state legislation. Such license is issued and classified based upon the nature and type of the alcohol. The categories of alcohol licenses may include Indian made foreign liquor, foreign liquor, country liquor, beer and wine, or a combination thereof. In states where we serve liquor at our hotels, we are required to obtain license to serve and store liquor under the respective legislation of the state.

5. ***Star classifications and reclassifications for hotels:*** For our hotels, we apply for star classifications with the Hotels & Restaurants Approval and Classification Committee, Ministry of Tourism, Government of India. These star classifications are awarded to our hotels for a period of five years.

6. ***Licensing and controlling of places of public entertainment***: We are required to obtain licenses to conduct live public entertainment activities on our hotel premises, under local rules for licensing and controlling places of public entertainment. These licenses are issued by the commissioner of police and are subject to periodic renewals.

7. ***Environment related approvals:*** We are required to obtain various environment related approvals and consents to operate under the Environment Protection Act, Air Act, Water Act, the EIA Notification and authorisation for collection, storage and disposal of hazardous waste under the Hazardous Waste Rules in respect of our hotels, our commercial and retail projects, wherever applicable.

8. ***No Objection Certificates from police and fire department:*** We are required to obtain a no objection certificate from the relevant police and fire department, as applicable in the concerned jurisdictions of our hotels, to continue operations of our hotels. These no objection certificates may be subject to renewal, as may be applicable.

9. ***No Objection Certificates from the Airport Authority of India:*** We are required to obtain a no objection certificate from the Airport Authority of India, as applicable, which prohibits construction of any building or erection, placement or raising any moveable or immoveable structure or fixture near any airport premises, except as permitted. The no objection certificates are subject to periodical renewal.

10. ***Occupation Certificate:*** We are required to obtain an occupation certificate from the relevant municipality, as applicable, in the concerned jurisdictions. An occupation certificate is typically issued after considering certain other compliances of the hotel buildings with, among others, approved plans, building standards, and fire safety standards.

A list of key approvals required by us for our real estate project is provided below:

1. Commencement certificates issued by the state municipal corporation of Karnataka.

2. Building plan approvals issued by the state municipal corporations of Andhra Pradesh and Karnataka

3. Environment clearances issued by the state governments of Andhra Pradesh and Karnataka.

4. Consent to establish issued by the pollution control boards of Andhra Pradesh and Karnataka.

5. No objection certificates to be obtained from the fire departments of Andhra Pradesh and Karnataka for the construction of high-rise residential buildings.

6. Registrations under the RERA to be obtained from the real estate regulatory authorities of Andhra Pradesh and Karnataka.

7. No objection certificate from the Airport Authority of India.

8. Occupation certificate from the relevant municipalities of Andhra Pradesh and Karnataka.

In respect of our hotels, real-estate projects, commercial and retail projects that are operational, as on date of this Draft Red Herring Prospectus, we currently hold all the aforementioned key approvals as required, except the following key approvals in respect of which we have made applications before relevant authorities to obtain the registrations or renewals of key approvals that have expired:

***Renaissance Mumbai Convention Centre Hotel and Lakeside Chalet, Mumbai - Marriott Executive Apartments***

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | Bore well approval | Approval | Central Ground Water Authority | 21-4/1268/MH/INF/2017 | July 25, 2017 |

***JW Marriott Mumbai Sahar***

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | Nil | Nil | Nil | Nil | Nil |

***The Orb – Retail***

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | Nil | Nil | Nil | Nil | Nil |

***The Orb – Business Centre***

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | Consent to Operate | Approval | Maharashtra Pollution Control Board | MPCB-CONSENT - 0000028707 | July 22, 2017 |

*Four Points by Sheraton Navi Mumbai, Vashi*

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | Consent to Operate | Renewal | Maharashtra Pollution Control Board | MPCB-CONSENT-0000036779 | November 24, 2017 |
| 2. | 5-Star Classification of hotel | Renewal | Government of India- Department of Tourism (H&R Division) | 140317CSD438 | September 20, 2017 |

*The Westin Hyderabad Mindspace*

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | 5-Star Classification of hotel | Renewal | Government of India- Department of Tourism (H&R Division) | 12-HRACC(42)/2013 | May 3, 2018 |

*Quiescent Heights – Mindspace Cyberabad*

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | Nil | Nil | Nil | Nil | Nil |

*Bengaluru Marriott Hotel Whitefield*

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | Discotheque License | Renewal | Commissioner of Police, Bengaluru | 02/MAG(1)/DT/2014 | October 16, 2017 |
| 2. | 5-Star Classification of hotel | Renewal | Government of India- Department of Tourism (H&R Division) | 12-HRACC(21)/2013 | May 12, 2018 |

*Inorbit Mall, Whitefield, Bengaluru - Retail*

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | Nil | Nil | Nil | Nil | Nil |

*Whitefield, Bengaluru – Commercial*

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | Nil | Nil | Nil | Nil | Nil |

*Vivarea, Bengaluru – Koramangla*

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | Extension of consent to establish | Renewal | Karnataka State Pollution Control Board | PCB/188/CNP/09/1658 | January 20, 2018 |
| 2. | Building Sanction Plan | Renewal | Bruhat Bengaluru Mahanagara Palika | JDTP/LP20/09-10 | January 16, 2017 |

In respect of hotels and commercial and retail projects that are under development, we apply for and receive relevant approvals, depending upon the stage of construction of the building.

Except as disclosed below and as on date of this Draft Red Herring Prospectus, there are no key approval that is applicable but has not been applied for by our Company:

***Vivarea, Bengaluru – Koramangla***

| Sl. No. | Description | Registration / Renewal | Authority | Reference Number | Date of Application |
|---|---|---|---|---|---|
| 1. | No objection certificate | Renewal | Hindustan Aeronautics Limited | N/A | N/A |

For details, see "***Risk Factors***" and "***Outstanding Litigation – Material outstanding litigation by our Company***", on page 17 and 569, respectively.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

*Corporate Approvals*

- Our Board has authorised the Offer by a resolution dated June 12, 2018, under Section 62(1) (c) of the Companies Act, 2013.
- Our shareholders have, pursuant to a special resolution passed on June 13, 2018 under Section 62(1) (c) of the Companies Act, 2013, authorised the Offer.
- Our Board has taken on record the Offer for Sale by the Selling Shareholders pursuant to its resolution dated June 12, 2018.
- Our Board has approved and adopted this Draft Red Herring Prospectus pursuant to its resolution dated July 2, 2018.

*Approvals from the Selling Shareholders*

The Selling Shareholders have severally and not jointly specifically confirmed and approved the offer for sale of their respective proportion of Offered Shares as set out below:

| Sl. No. | Name of the Selling Shareholder | Date of Board Resolution | Consent Letter | Maximum number of Equity Shares offered for sale |
|---|---|---|---|---|
| 1. | Ravi C. Raheja | N/A | June 28, 2018 | 5,550,000 |
| 2. | Neel C. Raheja | N/A | June 28, 2018 | 5,550,000 |
| 3. | K Raheja Corp | June 11, 2018 | June 28, 2018 | 10,784,176 |
| 4. | Ivory Properties | June 11, 2018 | June 28, 2018 | 2,000,824 |
| 5. | Palm Shelter Estate | June 11, 2018 | June 28, 2018 | 800,000 |

Each Selling Shareholder, severally and not jointly, specifically confirms that, as required under Regulation 26(6) of the SEBI ICDR Regulations, it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

*In-principle listing approvals*

- Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by the SEBI, the RBI or Governmental Authorities

None of our Company, our Subsidiary, our Promoters, members of our Promoter Group, our Directors, Group Companies, persons in control of our Company or persons in control of our corporate Promoters are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities. Further, except as disclosed in "***Outstanding Litigation and Other Material Developments – Litigation Involving our Directors***" on page 569, there have been no violations of securities laws committed by any of them in the past or are currently pending against any of them.

Each Selling Shareholder, severally and not jointly, specifically confirms that it has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authority. Further, each Selling Shareholder, severally and not jointly, specifically confirms that it has not been classified as a wilful defaulter, as defined under the SEBI ICDR Regulations.

Except as disclosed in "***Management – Our Board***" on page 177, none of our Directors are in any manner associated with the securities market in any manner, including securities market related business and no action has been taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters and/or directors.

Neither our Company, nor our Subsidiary, nor our Promoters, nor any member of our Promoter Group nor our Group Companies, nor our Directors, nor the relatives (as per the Companies Act) of our individual Promoters, Mr. Ravi C. Raheja and Mr. Neel C. Raheja, are or have been declared as wilful defaulters, as defined by the SEBI ICDR Regulations.

**Eligibility for the Offer**

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 26(1) of the SEBI ICDR Regulations, and as is in compliance with the conditions specified therein in the following manner:

- our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), on an standalone as well as on a consolidated basis;
- our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- our Company has a pre-Offer net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each), on an standalone as well as on a consolidated basis;
- the aggregate size of the proposed Offer and all previous issues made in the same Fiscal in terms of the Offer size is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the preceding Fiscal; and
- our Company has not changed its name in the last one year.

Set forth below are our Company's pre-tax operating profit, net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets and net worth, derived from our Restated Standalone Summary Financial Information included in this Draft Red Herring Prospectus.

(*₹ in million*)

| Particulars | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 | Fiscal 2014 |
|---|---|---|---|---|---|
| Pre-tax operating profit, as restated (1) | 2,044 | 1,168 | 423 | 102 | 404 |
| Net worth, as restated (2) | 5,223 | 5,018 | 5,492 | 6,647 | 6,832 |
| Net tangible assets, as restated (3) | 4,667 | 4,488 | 5,670 | 7,331 | 7,408 |
| Monetary assets, as restated (4) | 366 | 342 | 342 | 313 | 1,065 |
| Monetary assets, as restated, as a % of net tangible assets (%), as restated(4/3) | 7.84% | 7.61% | 6.03% | 4.27% | 14.38% |

*Source: Restated Standalone Summary Statement of Assets and Liabilities and Restated Standalone Summary Statement of Profit and Loss (including Other comprehensive income) of the Company and Restated Consolidated Summary Statement of Assets and Liabilities and Restated Consolidated Summary Statement of Profit and Loss (including Other comprehensive income) of the Group and its associates, as included in the Draft Red Herring Prospectus under the section "Summary Financial Information".*

*Notes:*

(1) Restated 'net tangible assets' are defined as sum of the total assets of the Company excluding deferred tax assets (net) and intangible assets as defined in Ind AS 38 'Intangible Assets' deducted by total non-current liabilities and current liabilities excluding deferred tax liabilities (net), each on a restated basis.

(2) Restated 'monetary assets' include cash and cash equivalents, other bank balances including non-current portion of fixed deposits with banks and interest accrued thereon, each on a restated basis.

(3) Restated 'pre-tax operating profit' has been calculated as restated net profit before tax excluding exceptional items, other income and finance costs, each on a restated basis.

(4) Restated 'net worth' means the aggregate of the paid-up share capital and other equity (excluding capital reserve), each on a restated basis.

(5) 'Monetary Assets', as restated, as a percentage of the net tangible assets means Monetary Assets, as restated, divided by net tangible assets, as restated, expressed as a percentage.

Set forth below are our Company's pre-tax operating profit, net tangible assets, monetary assets, monetary assets as a percentage of our net tangible assets and net worth, derived from our Restated Consolidated Summary Financial Information included in this Draft Red Herring Prospectus.

(₹ in million)

| Particulars | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 | Fiscal 2014 |
|---|---|---|---|---|---|
| Pre-tax operating profit, as restated (1) | 2,041 | 1,167 | 420 | 24 | 396 |
| Net worth, as restated (2) | 4,955 | 4,670 | 5,171 | 6,320 | 6,605 |
| Net tangible assets, as restated (3) | 4,399 | 4,141 | 5,350 | 7,005 | 7,182 |
| Monetary assets, as restated (4) | 367 | 332 | 347 | 318 | 1,024 |
| Monetary assets, as restated, as a % of net tangible assets (%), as restated(4/3) | 8.34% | 8.01% | 6.48% | 4.54% | 14.26% |

*Source: Restated Standalone Summary Statement of Assets and Liabilities and Restated Standalone Summary Statement of Profit and Loss (including Other comprehensive income) of the Company and Restated Consolidated Summary Statement of Assets and Liabilities and Restated Consolidated Summary Statement of Profit and Loss (including Other comprehensive income) of the Group and its associates, as included in the Draft Red Herring Prospectus under the section "Summary Financial Information ".*

*Notes:*

(1) Restated 'net tangible assets' are defined as sum of the total assets of the Company excluding deferred tax assets (net) and intangible assets as defined in Ind AS 38 'Intangible Assets' deducted by total non-current liabilities and current liabilities excluding deferred tax liabilities (net), each on a restated basis.

(2) Restated 'monetary assets' include cash and cash equivalents, other bank balances including non-current portion of fixed deposits with banks and interest accrued thereon, each on a restated basis.

(3) Restated 'pre-tax operating profit' has been calculated as restated net profit before tax excluding exceptional items, other income and finance costs, each on a restated basis.

(4) Restated 'net worth' means the aggregate of the paid-up share capital and other equity (excluding capital reserve), each on a restated basis.

(5) 'Monetary Assets', as restated, as a percentage of the net tangible assets means Monetary Assets, as restated, divided by net tangible assets, as restated, expressed as a percentage.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith/ unblocked in the respective ASBA Accounts of the ASBA Bidders, as applicable.

Other than the listing fees (which shall be borne by our Company), all costs, charges, fees and expenses associated with and incurred in connection with this Offer will, in accordance with applicable law, be borne by our Company and the Selling Shareholders in proportion to the Equity Shares being offered by each of our Company and the Selling Shareholders in this Offer.

Our Company is in compliance with conditions specified in Regulations 4(2) and 4(5) (a) of the SEBI ICDR Regulations to the extent applicable.

**DISCLAIMER CLAUSE OF THE SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING JM FINANCIAL LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED AND AXIS CAPITAL LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, AND EACH SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF AND FOR ITS RESPECTIVE PORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE. THE BOOK RUNNING LEAD MANAGERS, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD**

**MANAGERS, BEING JM FINANCIAL LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED AND AXIS CAPITAL LIMITED, HAVE FURNISHED TO THE SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 2, 2018 WHICH READS AS FOLLOWS:**

**WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:**

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED JULY 2, 2018 PERTAINING TO THE OFFER; - COMPLIED WITH**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT: - COMPLIED WITH**

   A. **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

   B. **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS ETC., FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   C. **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 (AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND UNTIL DATE SUCH REGISTRATIONS ARE VALID - COMPLIED WITH;**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS; – NOTED FOR COMPLIANCE;**

5. **WE CERTIFY THAT WRITTEN CONSENTS FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS - COMPLIED WITH AND NOTED FOR COMPLIANCE;**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID**

**REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS – <u>COMPLIED WITH;</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION WILL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER – <u>NOT APPLICABLE</u>;**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION - <u>COMPLIED WITH TO THE EXTENT APPLICABLE</u>;**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO AMONG THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION – <u>NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT, 2013, AS AMENDED</u>;**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS/DRAFT LETTER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – <u>NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY</u>;**

11. **WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION; <u>COMPLIED WITH</u>**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS: <u>COMPLIED WITH</u>**

    a. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED WHILE MAKING THE OFFER - NOTED FOR COMPLIANCE;**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC; COMPLIED WITH**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY; COMPLIED WITH**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR; COMPLIED WITH**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH THE INDIAN ACCOUNTING STANDARD 24 IN THE FINANCIAL STATEMENTS OF THE COMPANY AND INCLUDED IN THIS DRAFT RED HERRING PROSPECTUS AND AS CERTIFIED BY NAYAK AND RANE, CHARTERED ACCOUNTANTS, PURSUANT TO THEIR CERTIFICATE DATED JUNE 21, 2018;**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS. (IF APPLICABLE). – NOT APPLICABLE.**

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorized the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. Provided that the liability of the Selling Shareholders, in respect of the above, shall be several and not joint and shall be limited to any liabilities arising in relation to the statements specifically made or confirmed by each of them in respect of themselves and of their respective Offered Shares. SEBI further reserves the right to take up at any point of time, with the BRLM, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

**Price Information of past issues handled by the BRLMs**

**JM Financial Limited**

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.*

| Sr. No. | Issue name | Issue Size (₹ million) | Issue price (₹) | Listing Date | Opening price on Listing Date (in ₹) | +/- % change in closing price, [+/- % change in | +/- % change in closing price, [+/- % change in closing benchmark] - 90th | +/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|

| Sr. No. | Issue name | Issue size | Issue price | Listing date | Opening price | closing benchmark] - 30th calendar days from listing | calendar days from listing | |
|---|---|---|---|---|---|---|---|---|
| 1. | IndoStar Capital Finance Limited | 18,440.00 | 572.00 | May 21, 2018 | 600.00 | -0.96% [+1.84%] | NA | NA |
| 2. | Bandhan Bank Limited | 44,730.19 | 375.00 | March 27, 2018 | 499.00 | +31.81% [+3.79%] | +42.96[+6.26%] | NA |
| 3. | Aster DM Healthcare Limited | 9,801.00 | 190.00 | February 26, 2018 | 183.00 | -13.66% [-3.77%] | -4.97%[+0.21%] | NA |
| 4. | Galaxy Surfactants Limited | 9,370.88 | 1,480.00 | February 8, 2018 | 1,525.00 | +1.14% [-3.31%] | -0.85% [+1.33%] | NA |
| 5. | Reliance Nippon Life Asset Management Limited | 15,422.40 | 252.00 | November 6, 2017 | 295.90 | +3.61% [-3.19%] | +5.91% [+2.95%] | -4.21% [+1.59%] |
| 6. | Prataap Snacks Limited | 4,815.98 | 938.00(1) | October 5, 2017 | 1,270.00 | +25.12% [+5.70%] | +31.82% [+5.60%) | +40.99% [+3.27%) |
| 7. | SBI Life Insurance Company Limited | 83,887.29 | 700.00(2) | October 3, 2017 | 735.00 | -7.56% [+5.89%] | -0.66% [+6.81%] | -3.11% [+2.58%] |
| 8. | ICICI Lombard General Insurance Company Limited | 57,009.40 | 661.00 | September 27, 2017 | 651.10 | +3.62% [+6.25%] | +17.60% [+7.78%] | +12.13% [+2.69%] |
| 9. | Cochin Shipyard Limited | 14,429.30 | 432.00(3) | August 11, 2017 | 440.15 | +27.06% [+2.31%] | +30.96% [+6.10%] | +20.01% [+8.11%] |
| 10. | GTPL Hathway Limited | 4,848.00 | 170.00 | July 4, 2017 | 170.00 | -10.71% [+4.87%] | -19.09% [+1.82%] | -2.94% [+9.54%] |

*Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details*
*Notes:*
1. *A discount of ₹ 90 per equity share had been offered to eligible employees.*
2. *A discount of ₹ 68 per equity share had been offered to eligible employees.*
3. *A discount of ₹ 21 per equity share had been offered to eligible employees and retail individual bidders.*
4. *Opening price information as disclosed on the website of NSE.*
5. *Change in closing price over the issue/offer price as disclosed on NSE.*
6. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*
7. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
8. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
9. *Restricted to last 10 issues.*
10. *Restricted to last 10 issues.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited*

| Financial Year | Total no. of IPOs | Total funds raised (₹ in Millions) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180th calendar days from listing date | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25% - 50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2018-2019* | 1 | 18,440.00 | - | - | 1 | - | - | - | - | - | - | - | - | - |
| 2017-2018 | 10 | 251,600.44 | - | - | 4 | - | 3 | 3 | - | 1 | 3 | | 1 | 2 |
| 2016-2017 | 7 | 137,049.21 | - | - | 2 | 1 | 1 | 3 | - | - | 1 | 2 | 2 | 2 |

* *The information is as on the date of the document*

## Axis Capital Limited

1. *Price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited*

| Sr. No. | Issue name | Issue size (₹ millions) | Issue price(₹ ) | Listing date | Opening price on listing date (in ₹ ) | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 1 | Sandhar Technologies Limited | 5,124.80 | 332.00 | 02-Apr-18 | 346.10 | +19.59%, [+4.96%] | - | - |
| 2 | Hindustan Aeronautics Limited | 41,131.33 | 1,215.00[!] | 28-Mar-18 | 1,152.00 | -6.96%, [4.98%] | -25.84%, [+6.41%] | - |
| 3 | Bandhan Bank Limited | 44,730.19 | 375.00 | 27-Mar-18 | 499.00 | +31.81%, [3.79%] | +42.53%, [+5.68%] | - |
| 4 | Aster DM Healthcare Limited | 9801.00 | 190.00 | 26-Feb-18 | 183.00 | -13.66%, [-3.77%] | -5.39%, [+1.00%] | - |
| 5 | Khadim India Limited | 5,430.57 | 750.00 | 14-Nov-17 | 730.00 | -10.40%,[+0.06%] | -6.47%, [+3.47%] | +10.21%, [+6.09%] |

| Sr. No. | Issue name | Issue size (₹ millions) | Issue price(₹ ) | Listing date | Opening price on listing date (in ₹ ) | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---|---|---|---|---|---|---|---|---|
| 6 | The New India Assurance Company Limited | 18,933.96 | 800[$] | 13-Nov-17 | 750.00 | -27.91%,[+0.15%] | -7.81%, [+3.08%] | -13.06%, [+5.69%] |
| 7 | Mahindra Logistics Limited | 8,288.84 | 429[^] | 10-Nov-17 | 429.00 | +2.49%,[0.00%] | +9.48%,[+1.50%] | +21.00%, [+3.84%] |
| 8 | Reliance Nippon Life Asset Management Limited | 15,422.40 | 252 | 06-Nov-17 | 295.90 | +3.61%[-3.19%] | +8.12%,[+2.05%] | -4.21, [+1.59%] |
| 9 | General Insurance Corporation of India | 111,758.43 | 912[@] | 25-Oct-17 | 850.00 | -12.92%,[+0.52%] | -13.95%,[+6.52%] | -22.02%, [2.81%] |
| 10 | Indian Energy Exchange Limited | 10,007.26 | 1650 | 23-Oct-17 | 1,500.00 | -8.15%,[+1.39%] | -1.95%,[+7.67%] | -0.71%, [+3.72%] |

*Source: www.nseindia.com*
*[*]Offer Price was ₹ 632.00 per equity share to eligible employees*
*[@]Offer Price was ₹ 855.00 per equity share to retail individual bidders and eligible employees*
*[^]Offer Price was ₹ 387.00 per equity share to eligible employees*
*[$]Offer Price was ₹ 770.00 per equity share to retail individual bidders and eligible employees*
*! Offer Price was ₹1,190.00 per equity share to retail individual bidders and eligible employees*

*Notes:*
*a. Issue Size derived from Prospectus/final post issue reports, as available.*
*b. The CNX NIFTY is considered as the Benchmark Index.*
*c. Price on NSE is considered for all of the above calculations.*
*d. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*
*e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

*2. Summary statement of price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited*

| Financial Year | Total no. of IPOs | Total funds raised (₹ in Millions) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180th calendar days from listing date | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25 % | Over 50% | Between 25%-50% | Less than 25 % |
| 2018-2019* | 1 | 5,124.80 | - | - | - | - | - | 1 | - | - | - | - | - | - |
| 2017-2018 | 18 | 415,433.38 | - | 1 | 9 | 1 | 3 | 5 | - | 2 | 5 | 3 | 2 | 1 |
| 2016-2017 | 10 | 111,377.80 | - | - | 1 | 4 | 2 | 3 | - | - | - | 7 | 1 | 2 |

** The information is as on the date of the document*
*The information for each of the financial years is based on issues listed during such financial year.*

*Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

## Morgan Stanley India Company Private Limited

*1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Morgan Stanley India Company Private Limited.*

| S. No. | Issue Name | Issue Size (₹ in million) | Issue Price (₹) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing (3) (4) (5) | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing (3) (4) (5) | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing (3) (4) (5) |
|---|---|---|---|---|---|---|---|---|
| 1. | Indostar Capital Finance | 18,440 | 572 | May 21, 2018 | 600.00 | -1.9% (1.1%) | - | - |
| 2. | HDFC Standard Life Insurance | 86,950 | 290 | November 17, 2017 | 310.00 | 31.5% (1.2%) | 49.0% (3.2%) | 71.6% (5.2%) |

| S. No. | Issue Name | Issue Size (₹ in million) | Issue Price (₹) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing (3) (4) (5) | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing (3) (4) (5) | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing (3) (4) (5) |
|---|---|---|---|---|---|---|---|---|
| | Company Limited | | | | | | | |
| 3. | PNB Housing Finance Limited [6] | 30,000 | 775 | November 07, 2016 | 860.00 | 11.7% (-3.4%) | 26.9% (4.4%) | 70.5% (10.1%) |
| 4. | RBL Bank Limited | 12,130 | 225 | August 31, 2016 | 274.20 | 27.1% (-1.8%) | 57.0% (-7.1%) | 107.9% (7.7%) |

***Notes**:*

1. *Benchmark index considered is NIFTY50*
2. *Issue Size is as per the prospectus filed with SEBI with the figures rounded off to the nearest decimal point*
3. *If the 30th/90th/180th day falls on a trading holiday then pricing information on the immediate next trading day has been considered*
4. *Pricing Performance for the company is calculated as per the final offer price*
5. *Pricing Performance for the benchmark index is calculated as per the close on the day prior to the listing date*
6. *A discount of INR 75.0 was offered to employee investors*

*2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Morgan Stanley India Company Private Limited*

| Financial Year | Total no. of IPOs | Total amount of funds raised (₹ in million) | No. of IPOs trading at discount - 30th calendar days from listing | | | No. of IPOs trading at premium - 30th calendar days from listing | | | No. of IPOs trading at discount - 180th calendar days from listing | | | No. of IPOs trading at premium - 180th calendar days from listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2018-19* | 1 | 18,440 | - | - | 1 | - | - | - | - | - | - | - | - | - |
| 2017-18 | 1 | 86,950 | - | - | - | - | 1 | - | - | - | - | 1 | - | - |
| 2016-17 | 2 | 42,130 | - | - | - | - | 1 | 1 | - | - | - | 2 | - | - |

***Source**: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details.*

**Track record of past issues handled by the BRLM**

For details regarding the track record of the BRLM, as specified under circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLM mentioned below.

| BRLM | Website |
|---|---|
| JM Financial Limited | https://jmfl.com |
| Morgan Stanley India Company Private Limited | www.morganstanley.com/about-us/globaloffices/india |
| Axis Capital Limited | http://www.axiscapital.co.in |

**Caution – Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs**

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.chalethotels.com, or any website of any of the members of our Promoter Group, Subsidiary, Group Companies or any affiliate of our Company or any of the Selling Shareholders, would be doing so at his or her own risk. Each Selling Shareholder, their respective directors, affiliates, associates and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus, or undertakings provided other than those made by the respective Selling Shareholders in relation to themselves and/or the Equity Shares offered by such Selling Shareholder through the Offer for Sale.

The BRLMs accept no responsibility for any statements made in this Draft Red Herring Prospectus, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the Bidders and public at large and no selective or additional information would be made available by our Company or the Selling Shareholders or the BRLMs for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere. Each of the Selling Shareholders (severally and not jointly) will ensure that Bidders in India are informed of material developments in relation to the statements relating to and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to itself or its respective portion of the Offered Shares in the Red Herring Prospectus until the receipt of final listing and trading approvals by the Stock Exchanges, for the Equity Shares being issued by our Company and being offered by the Selling Shareholders pursuant to the Offer.

Neither our Company, the Selling Shareholders nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

Each of the BRLMs and their respective associates and affiliates, in its capacity as principal or agent, is and may in the future be involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, research, securities issuance, trading (customer and proprietary) and brokerage). Certain of the BRLMs and/or their respective associates and affiliates has engaged, and may in the future engage, in transactions with, and has performed, and may in the future perform, services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or any third parties in the ordinary course of their commercial banking and investment banking activities, for which they have received, and may in the future receive, compensation. In addition, in the ordinary course of their commercial banking and investment banking activities, the BRLMs, and their respective associates and affiliates may at any time hold long or short positions, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities (or related derivative instruments) or senior loans of our Company, the Selling Shareholders and/or any of their respective group companies, affiliates or associates or any third parties. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Bidders will be required to confirm, and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

**Disclaimer in respect of jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families ("**HUFs**"), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important non-banking financial companies or trusts under the applicable trust laws, and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, 2013, state industrial development corporations, permitted insurance companies registered with IRDAI, insurance funds, provident funds, national investment funds, venture capital funds and, to permitted non-residents including Eligible NRIs, Alternative Investment Funds ("**AIFs**"), Foreign Portfolio Investors registered with SEBI ("**FPIs**") and QIBs provided they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A ("Rule 144A") under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law. Bidders are also advised to ensure that they are eligible to apply in the Offer, under all applicable laws.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

**Disclaimer Clause of the BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

**Disclaimer Clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

**Filing**

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at Securities and Exchange Board of India, Plot No. C 4-A, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC situated at the address mentioned below.

*The Registrar of Companies, Maharashtra at Mumbai*
100 Everest, Marine Drive
Mumbai 400 002
Maharashtra, India

**Listing**

Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by the Stock Exchanges, our Company and Selling Shareholders shall forthwith repay all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent such delay has been caused solely or directly attributable to an act or omission of such Selling Shareholder.

Each Selling Shareholder, severally and not jointly, undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company and the BRLMs, to the extent such support and cooperation is required from such Selling Shareholder to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

**Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

*"Any person who –*

*(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*

*(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under section 447."*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

**Consents**

Consents in writing of (a) the Selling Shareholders, our Directors, the Company Secretary, the Compliance Officer, the legal counsel appointed in relation to the Offer, the bankers to our Company, the Bankers to the Offer, lenders (where such consent is required), industry sources, independent chartered accountants, Independent Architect, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer/ Escrow Bank, Public Offer Account Bank and Refund Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents shall not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus and the Prospectus with the SEBI.

Our Company has received consent of our Statutory Auditors, B S R & Co. LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus and as an "Expert" defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Auditors on the Restated Summary Financial Information dated July 2, 2018 and the statement of tax benefits dated July 2, 2018 included in this Draft Red Herring Prospectus but not construing to be "experts" as defined under the U.S. Securities Act.

Our Company has also received a consent from P. Surendra Prabhu, Independent Architect, to include his name in this Draft Red Herring Prospectus as required under the Companies Act, 2013 and as an "expert" as defined under Section 2(38) read with Section 26(5) of the Companies Act, 2013 in respect to the architect certificate.

**Offer Expenses**

For details of the Offer related expenses, see "***Objects of the Offer – Offer Related Expenses***" on page 114.

**Fees, Brokerage and Selling Commission**

The total fees payable to Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the Syndicate Agreement to be executed among our Company, the Selling Shareholders and the members of the Syndicate, a copy of which shall be available for inspection at our Registered Office, from 10.00 am to 4.00 p.m. on Working Days from the date of filing the Red Herring Prospectus until the Bid/Offer Closing Date.

**Fees Payable to the Registrar to the Offer**

The fees payable to the Registrar to the Offer, including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice, CAN, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the Registrar Agreement, a copy of which shall be made available for inspection at our Registered and Corporate Office on Working Days from 10 a.m. to 4 p.m. from the date of the Draft Red Herring Prospectus until the Bid/Offer Closing Date.

**Particulars regarding Public or Rights Issues during the Last Five Years**

There have been no public issues or rights issues undertaken by our Company during the five years immediately preceding the date of this Draft Red Herring Prospectus.

**Commission payable to SCSBs, Registered Brokers, CRTAs and CDPs**

For details of the commission payable to SCSBs, Registered Brokers, CRTAs and CDPs, see "***Objects of the Offer***" on page 114.

**Commission or Brokerage on Previous Issues**

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares, since the incorporation of our Company.

**Previous Issues Otherwise than for Cash**

Except as disclosed in "***Capital Structure***" on page 87, our Company has not issued any Equity Shares for consideration otherwise than for cash.

**Capital Issues in the Preceding Three Years**

Except as disclosed in "***Capital Structure***" on page 87, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

**Performance vis-à-vis Objects**

Our Company has not undertaken any public issue or rights issue in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

**Performance vis- à-vis Objects: Last issue of listed Group Companies and Subsidiary**

None of our Subsidiary or Group Companies are listed on any Stock Exchanges

**Outstanding Debentures, Bonds or Redeemable Preference Shares**

Other than as disclosed in "***Capital Structure***" on Page 87, Our Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Draft Red Herring Prospectus.

**Partly Paid-Up Shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

**Stock Market Data of the Equity Shares**

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

**Mechanism for Redressal of Investor Grievances**

The Registrar Agreement, provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors may contact the BRLMs for any complaint pertaining to the Offer. All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders DP' ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Our Company, the Selling Shareholders, the BRLMs and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

**Disposal of Investor Grievances by our Company**

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Christabelle Baptista as our Company Secretary and Dhanraj Mulki as our Compliance Officer. Dhanraj Mulki may be contacted in case of any pre-Offer or post-Offer related grievances, at the address set forth hereunder.

Raheja Tower, Plot No.C-30
Block 'G', Next to Bank of Baroda,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
**Tel:** +91 22 26565420
**Fax:** +91 22 - 26565451
**E-mail:** dhanraj.mulki@chalethotels.com

The Selling Shareholders have authorized the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective portion of the Offered Shares.

Further, our Board has constituted the Stakeholders Relationship Committee comprising our Directors, Neel C. Raheja, Ravi C. Raheja, Sanjay Sethi and Rajeev Newar, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "***Management - Board committees - Stakeholders' Relationship Committee***" on page 177.

**Disposal of investor grievances by listed companies under the same management**

As on the date of this Draft Red Herring Prospectus, none of the companies under the same management as of our Company are listed on any stock exchange. Accordingly, the requirement to disclose details of investor grievances by listed companies under the same management as our Company, does not apply.

**Changes in auditors**

Except as described below, there has been no change in our statutory auditors for the last three years:

| Name of Auditor | Date of appointment | Date of Resignation/Completion of tenure | Reason for Change |
|---|---|---|---|
| M/s B S R & Co. LLP Chartered Accountants | September 22, 2017 | - | Appointed as the Statutory Auditors |
| Deloitte Haskins & Sells LLP | September 29, 2016 | September 22, 2017 | Expiry of term |

**Capitalization of Reserves or Profits**

Our Company has not capitalized its reserves or profits at any time during the five years immediately preceding the date of this Draft Red Herring Prospectus.

**Revaluation of Assets**

Other than the revaluation of its freehold land in fiscal 2017 by an independent registered appraiser, our Company has not revalued its assets at any time during the last five years preceding the date of filing this Draft Red Herring Prospectus. For further details, please see "***Summary Financial Information***" on page 240 of this Draft Red Herring Prospectus.
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## SECTION VII – OFFER RELATED INFORMATION

## OFFER STRUCTURE

Initial public offering of up to [•] Equity Shares for cash at price of ₹ [•] per Equity Share (including a premium of ₹ [•] per Equity Share) aggregating up to ₹ [•] million comprising a Fresh Issue of up to [•] Equity Shares aggregating up to ₹ 9,500 million by our Company and Offer for Sale of up to 24,685,000 Equity Shares aggregating up to ₹ [•] million by the Selling Shareholders. The Offer will constitute [•] % of the post-Offer paid-up Equity Share capital of our Company. In terms of Rule 19(2) (b) (iii) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations, the Offer is being made for at least 10% of the post-Offer paid up equity share capital of our Company.

The Offer is being made through the Book Building Process.

| | **QIBs*** | **Non-Institutional Investors** | **Retail Individual Investors** |
|---|---|---|---|
| Number of Equity Shares available for allocation** | [•] Equity Shares | Not less than [•] Equity Shares or Offer less allocation to QIBs and Retail Individual Investors | Not less than [•] Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors |
| Percentage of Offer size available for allocation | Not more than 50% of the Offer size shall be available for allocation to QIBs. Up to 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the balance QIB Category | Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Investor shall be available for allocation | Not less than 35% of the Offer or the Offer less allocation to QIBs and Non Institutional Investors shall be available for allocation |
| Basis of Allotment if respective category is oversubscribed | Proportionate as follows (excluding the Anchor Investor Portion):<br>(a) Up to [•] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and<br>(b) [•] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above | Proportionate | Allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see "***Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIIs***" on page 633. |
| Mode of Bidding | Through ASBA process only (other than Anchor Investors) | | |
| Minimum Bid | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000 | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000 | [●] Equity Shares |
| Maximum Bid | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000 |
| Mode of Allotment | Compulsorily in dematerialized form | | |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | | |
| Allotment Lot | [●] Equity Shares and in multiples of one Equity Share thereafter | | |
| Trading Lot | One Equity Share | | |
| Who can Apply*** | Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, venture | Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, societies and trusts | Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs |

| | QIBs* | Non-Institutional Investors | Retail Individual Investors |
| --- | --- | --- | --- |
| | capital funds registered with SEBI, Alternative Investment Funds, state industrial development corporations, systemically important non-banking financial companies, insurance companies registered with IRDAI, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India | and any Category III FPIs registered with SEBI | |
| Terms of Payment**** | ***In case of Anchor Investors:*** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<br><br>***In case of all other Bidders***: Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders (other than Anchor Investors) that is specified in the ASBA Form at the time of the submission of the Bid cum Application Form | | |

** Our Company and the Selling Shareholders, in consultation with the BRLM may allocate up to 60% of the QIB Category to Anchor Investors at the price at which allocation is made to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is being made to other Anchor Investors, which price shall be determined by our Company and Selling Shareholders in consultation with the BRLMs.*

***This Offer is being made in accordance with Rule 19(2) (b) of the SCRR, through the Book Building Process wherein not more than 50% of the Offer will be Allotted to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis, as mentioned above. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.*

****If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Further, other non-residents such as FVCIs, multilateral and bilateral development financial institutions and NRI's applying on a repatriation basis are not permitted to participate in the Offer. As per the existing policy of the Government, OCBs cannot participate in this Offer.*

*****Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

*Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

In accordance with the FEMA Regulations, participation by non-residents in the Offer is restricted to participation by (i) FPIs under Schedule 2 of the FEMA Regulations, in accordance with applicable law, in the Offer subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company and the aggregate limit for FPI investment not exceeding 24% of the post-Offer paid-up capital of our Company; and (ii) Eligible NRIs only on non-repatriation basis under Schedule 4 of the FEMA Regulations, in accordance with applicable law, subject to limit of the individual holding of an NRI below 5% of the post-Offer paid-up capital of our Company and the aggregate limit for NRI investment to 10% of the post-Offer paid-up capital of our Company. Further, other non-residents such as FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Offer. As per the existing policy of the Government, OCBs cannot participate in this Offer.

**Withdrawal of the Offer**

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right to not proceed with the Offer at any time after the Bid/Offer Opening Date but before Allotment. If our Company and the Selling Shareholders withdraw the Offer, our Company will issue a public notice within two days from the Bid/Offer Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, a fresh draft red herring prospectus will be filed and/or submitted with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within six Working Days of the Bid/Offer Closing Date; and (ii) the final RoC approval of the Prospectus after it is filed and/or submitted with the RoC and the Stock Exchanges.

## TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the MoA, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN, the abridged prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

**Ranking of Equity Shares**

The Equity Shares being issued and transferred pursuant to the Offer will be subject to the provisions of the Companies Act, the SEBI Listing Regulations, the MoA and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company, after the date of Allotment. For more information, see "***Main Provisions of the Articles of Association***" on page 682.

**Mode of Payment of Dividend**

Our Company will pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our MoA and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in this Offer, will be payable to the Allottees, in accordance with applicable law. For more information, see "***Dividend Policy***" and "***Main Provisions of our Articles of Association***" on pages 238 and 682, respectively.

**Face Value and Price Band**

The face value of each Equity Share is ₹ 10. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of each Equity Share is ₹ [●] and the Cap Price of each Equity Share is ₹ [●].

The Price Band and the minimum Bid Lot will be decided by our Company and Selling Shareholders, in consultation with the BRLMs and published at least five Working Days prior to the Bid/Offer Opening Date, in all editions of [●] (an English national daily newspaper) and all editions of [●] (a Hindi national daily newspaper) and [●] edition of [●], a Marathi newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchanges.

**Rights of the Equity Shareholder**

Subject to applicable law and our Articles of Association, the Equity Shareholders will have the following rights:

- Right to receive dividend, if declared.
- Right to attend general meetings and exercise voting powers, unless prohibited by law.
- Right to vote on a poll either in person or by proxy or e-voting.
- Right to receive offers for rights shares and be allotted bonus shares, if announced.
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied.
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law.
- Such other rights as may be available to a shareholder of a listed public company under the Companies

Act, the terms of the SEBI Listing Regulations and our MoA and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of the Articles of Association***" on page 682.

**Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares will be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialized form.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialized form in multiples of one Equity Share. For details of the Basis of Allotment, see "***Offer Procedure***" on page 633.

**Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

**Jurisdiction**

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai.

**Period of operation of subscription list**

See "*– Bid/Offer Period*" on page 633.

**Nomination facility**

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office, or with the CRTA of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

**Bid/Offer Period**

| | |
|---|---|
| **BID/OFFER OPENS ON*** | [●] |
| **BID/OFFER CLOSES ON**** | [●] |
| **FINALIZATION OF BASIS OF ALLOTMENT** | [●] |
| **INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS** | [●] |
| **CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES** | [●] |
| **COMMENCEMENT OF TRADING** | [●] |

** Our Company and Selling Shareholders, in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
*** Our Company and Selling Shareholders, may in consultation with the BRLMs, decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date.*

**This timetable, is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholders or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company and Selling Shareholders, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. Each Selling Shareholder confirms that it shall extend reasonable cooperation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.**

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period at the Bidding Centers, except that on the Bid/Offer Closing Date (which for QIBs may be a day prior to the Bid/Offer Closing Date for non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Investors. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. Bidders are cautioned that if a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Our Company, the Selling Shareholders and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days. Investors may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our Company and Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price be revised accordingly.

**In case of any revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated**

**by notification to the Stock Exchanges by issuing a press release and by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and will also be intimated to SCSBs, the Registered Brokers, CRTAs and CDPs. However, in case of revision in the Price Band, the Bid Lot shall remain the same.**

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**Minimum Subscription**

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Offer equivalent to up to at least 10% post-Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR and Regulation 41 of the SEBI ICDR Regulations), including through devolvement to the Underwriters, if any, within sixty (60) days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest at the rate of 15% per annum, for the delayed period, in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended. The requirement for minimum subscription is not applicable to the Offer for Sale.

In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Offer, prior to the Equity Shares offered pursuant to the Offer for Sale. The Selling Shareholders agree and acknowledge that in the event that any Equity Shares are not sold in the Offer for Sale on account of under-subscription, such unsold Equity Shares shall be subject to lock-in in accordance with this Draft Red Herring Prospectus and the SEBI ICDR Regulations.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

It is clarified that, subject to applicable law, none of the Selling Shareholders shall be liable to pay any amounts as interest for any delay, unless such default or delay has been caused solely and directly by an act or omission attributable to such Selling Shareholder.

**Arrangement for Disposal of Odd Lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

**Restriction on Transfer of Shares**

Except for lock-in of pre-Offer equity shareholding, Promoters' Contribution and Anchor Investor lock-in in the Offer, as detailed in *"**Capital Structure**"* on page 87 and as provided in our Articles as detailed in "***Main Provisions of the Articles of Association***" on page 682, there are no restrictions on transfers and transmission of Equity Shares and/or on their consolidation/splitting.

**Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

## OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to among others the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, notified by SEBI ("**General Information Document**") included below under sub-section titled " – **Part B - General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act, 2013, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.*

*Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

## PART A

### Book Building Procedure

The Offer is being made through the Book Building Process wherein not more than 50% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders, in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the price at which allocation is made to Anchor Investors. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

**Bid cum Application Form**

Copies of the ASBA Forms and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered and Corporate Office. The Bid cum Application Forms will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected.

Further, such Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp maybe liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

| Category | Colour of Bid cum Application Form* |
|---|---|
| Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^ | White |
| FPIs applying on a repatriation basis | Blue |
| Anchor Investors** | White |

** Excluding electronic Bid cum Application Forms*

***Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

*^Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

**Who can Bid?**

In addition to the category of Bidders set forth under the sub-section "***- Part B - General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue***" on page 633, any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable are also eligible to invest in the Equity Shares.

**Participation by associates and affiliates of the BRLMs and the Syndicate Members, Promoters, members of the Promoter Group and persons related to Promoter/Promoter Group**

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Promoters, members of the Promoter Group, the BRLMs and any persons related to the BRLMs (except Mutual Funds sponsored by entities related to the BRLMs) cannot apply in the Offer under the Anchor Investor Portion.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

**Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Eligible NRIs bidding on a non-repatriation basis using Resident Forms should authorise their SCSBs to block their Non-Resident Ordinary accounts for the full Bid amount, at the time of submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form meant for residents (white in colour). For details of restrictions on investment by NRIs, see "***Restrictions on Foreign Ownership of Indian Securities***" beginning on page 680.

**Bids by FPIs**

In terms of the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 ("**SEBI FPI Regulations**"), investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be below 10% of our post-Offer Equity Share capital.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for FPIs (blue in colour).

In terms of applicable FEMA regulations and the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended, investments by FPIs in the capital of an Indian company under the SEBI (Foreign Portfolio Investors) Regulations, 2014 is subject to certain limits, i.e. the individual holding of an FPI is restricted to below 10% of the capital of the company and the aggregate limit for FPI investment is capped at 24% of the capital of the company. Such aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI.

In accordance with the FEMA Regulations, participation by non-residents in the Offer is restricted to participation by (i) FPIs through the portfolio investment scheme under Schedule 2 of the FEMA Regulations, in accordance with applicable law, in the Offer subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company and the aggregate limit for FPI investment not exceeding 24% of the post-Offer paid-up capital of our Company; and (ii) Eligible NRIs only on non-repatriation basis under Schedule 4 of the FEMA Regulations, in accordance with applicable law, subject to limit of the individual holding of an NRI below 5% of the post-Offer paid-up capital of our Company and the aggregate limit for NRI investment to 10% of the post-Offer paid-up capital of our Company. Further, other non-residents such as FVCIs and multilateral and bilateral financial institutions are not permitted to participate in the Offer. As per the existing policy of the Government, OCBs cannot participate in this Offer.

Additionally, the aggregate foreign portfolio investment up to 24% of the paid-up capital on a fully diluted basis or the sectoral/statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance of sectoral conditions as laid down in these regulations.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure, *inter alia*, that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

a. such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

b. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

**Bids by SEBI registered VCFs and AIFs**

The SEBI VCF Regulations and the SEBI AIF Regulations, *inter-alia*, prescribe the respective investment restrictions on the VCFs and AIFs registered with SEBI. Accordingly, the holding by any individual VCF registered with SEBI, in any company should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Neither our Company, nor the Selling Shareholders nor the BRLMs will be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

**Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing this, such Bids may be rejected without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a) (v) (c) (i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

**Bids by systemically important non-banking financial companies**

In case of Bids made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

**Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

**Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDAI Investment Regulations**") are set forth below:

a. equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;

b. the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

c. the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face* *value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDAI Investment Regulations.

**Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLMs, may deem fit.

**Bids by Anchor Investors**

For details in relation to Bids by Anchor Investors, see the section entitled "***Offer Procedure – Part B – General Information Document for Investing in Public Issues***" on page 633.

**Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Bid, without assigning any reason therefor.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act, and (ii) outside the United States only in offshore transactions in reliance on Regulation S and pursuant to the applicable laws of the jurisdictions where those offers and sales occur.**

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus.**

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**
**Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●] (an English national daily newspaper), all editions of [●] (a Hindi national daily newspaper) and [●] edition of [●] a Marathi newspaper (Marathi being the regional language of Maharashtra, where our registered office is located), each with wide circulation. Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

**Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC, in accordance with applicable laws. The Prospectus will contain details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and will be complete in all material respects.

**General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. If the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder.

7. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

8. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

11. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

13. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

16. Ensure that Anchor Investors submit their Anchor Investor Application Form only to the BRLMs;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

21. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

22. Note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

23. Ensure that where the Bid cum Application Form is submitted in joint names, the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

24. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in) or such other websites as may be updated from time to time;

25. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

26. Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case maybe, after you have submitted a Bid to a Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Anchor Investors should not Bid through the ASBA process;

7. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company or at a location other than the Bidding Centers;

8. Do not Bid on a physical ASBA Form that does not have the stamp of the relevant Designated Intermediary;

9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus

11. If you are a Non-Institutional Investor or a Retail Individual Investor, do not submit your Bid after 3.00 pm on the Offer/Issue Closing Date;

12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date

13. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Investors);

14. Do not submit the General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer

16. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

17. Do not submit more than five Bid cum Application Forms per ASBA Account;

18. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

19. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations;

20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor

21. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

22. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

23. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

24. Do not submit ASBA Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in); and

25. Do not Bid if you are a FVCI, OCB, multilateral or bilateral financial institution or an NRI applying on a repatriation basis.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Payment into Escrow Account**

Our Company and Selling Shareholders, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"

(ii) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

**Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated April 30, 2002 among NSDL, our Company and the Registrar to the Offer.
- Agreement dated June 14, 2018 among CDSL, our Company and Registrar to the Offer.

**Undertakings by our Company**

Our Company undertakes the following:

(i) That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;

(iii) That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date;

(iv) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/ Offer Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) No further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

(vii) That if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(viii) That if our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company or the Selling Shareholders subsequently decides to proceed with the Offer thereafter;

(ix) That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;

(x) That the intimation of credit of securities/refund orders to Eligible NRIs shall be dispatched within specified time;

(xi) That adequate arrangements shall be made to collect all Bid cum Application Forms; and

(xii) That our Company shall not have recourse to the proceeds of the Fresh Issue until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

**Undertakings by the Selling Shareholders**

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholders in this Draft Red Herring Prospectus shall be deemed to be “statements and undertakings made by the Selling Shareholder.” All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders. Each Selling Shareholder, severally and not jointly, specifically confirms and undertakes the following in respect of itself and the Equity Shares being offered by it pursuant to the Offer for Sale:

(i) Its respective portion of the Offered Shares shall be transferred in the Offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Offer, and without any objection by it and in accordance with the instructions of the Registrar to the Offer.

(ii) Its respective portion of the Offered Shares have been held by such Selling Shareholders for a minimum period of one year prior to the date of filing this Draft Red Herring Prospectus, such period determined in accordance with Regulation 26(6) of the SEBI ICDR Regulations.

(iii) It is the legal and beneficial owner and has full title of its respective portion of the Offered Shares.

(iv) That it shall provide all reasonable cooperation as requested by our Company and the BRLMs in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the Offered Shares.

(v) It will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges.

(vi) It will deposit its respective portion of the Offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Red Herring Prospectus with the RoC.

(vii) It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Bid in the Offer.

(viii) That it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer.

The Selling Shareholders have authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

**Utilization of Net Proceeds**

Our Board of Directors certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

Our Company, each of the Selling Shareholders, severally and not jointly, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in subsection 3 of Section 40 of the Companies Act, 2013.

## PART B

### General Information Document for Investing in Public Issues

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.*

### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

## SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

### 2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

### 2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

### 2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act 1956 (to the extent applicable), the SCRR, industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

### 2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-offer advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

### 2.5 OFFER PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

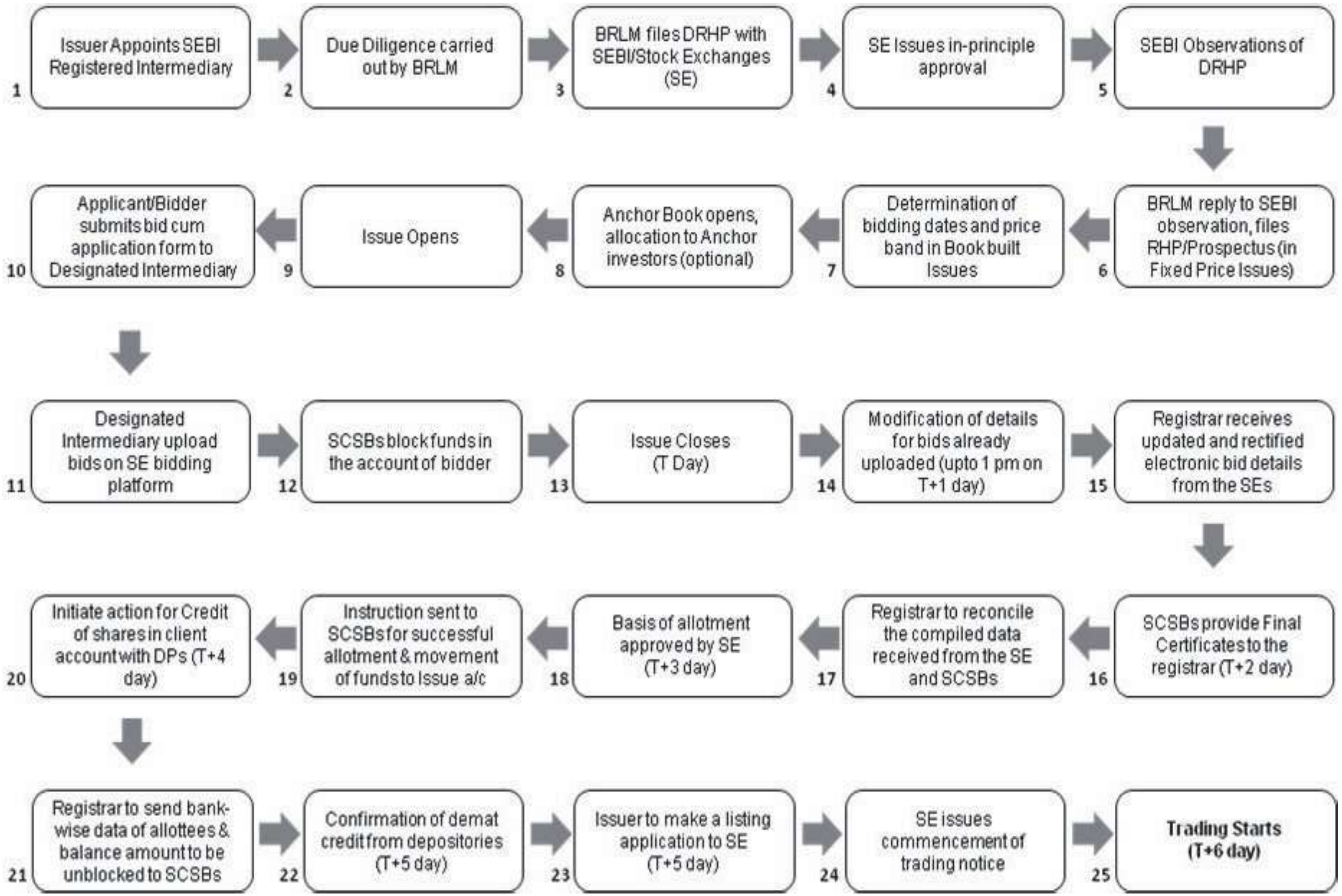
**2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  i. Step 7 : Determination of Offer Date and Price

  ii. Step 10: Applicant submits Bid cum Application Form with Designated Intermediaries.


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

## SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

***Each Bidder/Applicant should check whether it is eligible to apply under applicable law.*** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

## SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus. For Anchor Investors, Bid cum Application Forms shall be available at the offices of the BRLM.

**Fixed Price Issue:** Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

| Category | Colour of the Bid cum Application Form |
|---|---|
| Resident Indian, Eligible NRIs applying on a non-repatriation basis | White |
| FPIs on a repatriation basis | Blue |
| Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category | As specified by the Issuer |

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

### 4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

## Application Form–For Residents

| COMMON BID CUM APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - R<br>Address : .................... Contact Details: .................... CIN No.......... | FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS |
|---|---|---|

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....................

Bid cum Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE |
|---|---|
| SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE |
| BANK BRANCH SERIAL NO. | SCSB SERIAL NO. |

**1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

**2. PAN OF SOLE / FIRST BIDDER**

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✔ tick) |
|---|---|---|---|---|---|
| | 8 \| 7 \| 6 \| 5 \| 4 \| 3 \| 2 \| 1 | 3 \| 2 \| 1 | 3 \| 2 \| 1 | 3 \| 2 \| 1 | |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**5. CATEGORY**

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

**6. INVESTOR STATUS**

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

**7. PAYMENT DETAILS** PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

| 8A. SIGNATURE OF SOLE/ FIRST BIDDER | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
|---|---|---|
| | I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue | |
| | 1) | |
| | 2) | |
| Date : | 3) | |

TEAR HERE

LOGO

| XYZ LIMITED<br>INITIAL PUBLIC ISSUE - R | Acknowledgement Slip for Broker/SCSB/ DP/RTA | Bid cum Application Form No. |
|---|---|---|

DPID / CLID

PAN of Sole / First Bidder

| Amount paid (₹ in figures) | Bank & Branch | Stamp & Signature of SCSB Branch |
|---|---|---|
| ASBA Bank A/c No. | | |
| Received from Mr./Ms. | | |
| Telephone / Mobile | Email | |

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | | |
| Amount Paid (₹) | | | |

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

# Application Form–For Non–Residents

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

| COMMON BID CUM APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - NR<br>Address : .................... Contact Details: .................... CIN No ........ | FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS |
|---|---|---|

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ..........................

Bid cum Application Form No.

| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE |
|---|---|
| SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE |
| BANK BRANCH SERIAL NO. | SCSB SERIAL NO. |

**1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER**

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

**2. PAN OF SOLE / FIRST BIDDER**

**3. BIDDER'S DEPOSITORY ACCOUNT DETAILS** ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

**4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")**

| Bid Options | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|
| | 8 \| 7 \| 6 \| 5 \| 4 \| 3 \| 2 \| 1 | 3 \| 2 \| 1 | 3 \| 2 \| 1 | 3 \| 2 \| 1 | |
| Option 1 | | | | | ☐ |
| (OR) Option 2 | | | | | ☐ |
| (OR) Option 3 | | | | | ☐ |

**5. CATEGORY**

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

**6. INVESTOR STATUS**

- NRI Non-Resident Indian(s) (Repatriation basis)
- FII FII or Sub-account not a Corporate/Foreign Individual
- FIISA FII Sub-account Corporate/Individual
- FVCI Foreign Venture Capital Investor
- FPI Foreign Portfolio Investors
- OTH Others (Please Specify)________

**7. PAYMENT DETAILS** PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

| 8A. SIGNATURE OF SOLE/ FIRST BIDDER | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
|---|---|---|
| | I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue | |
| | 1) | |
| | 2) | |
| Date : ____________ | 3) | |

TEAR HERE

LOGO

| XYZ LIMITED<br>INITIAL PUBLIC ISSUE - NR | Acknowledgement Slip for Broker/SCSB/ DP/RTA |
|---|---|

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

| Amount paid (₹ in figures) | Bank & Branch | Stamp & Signature of SCSB Branch |
|---|---|---|
| ASBA Bank A/c No. | | |
| Received from Mr./Ms. | | |
| Telephone / Mobile | Email | |

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | | |
| Amount Paid (₹) | | | |

ASBA Bank A/c No.________________

Bank & Branch________________

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

**Acknowledgement Slip for Bidder**

Bid cum Application Form No.

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such First Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**"*Any person who:***

***(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***

***(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitous name,***

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for any correspondence(s) related to an Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off

Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Offer size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5 : CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorization provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIIs who Bid at Cut-off price shall be blocked on the Cap Price.

(c) All Bidders (other than Anchor Investors) can participate in the Offer only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

4.1.7.1. **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by RTGS, NACH or NEFT.

(c) The Anchor Escrow Bank(s) shall maintain the monies in the Anchor Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2. **Payment instructions for Bidders (other than Anchor Investors)**

(a) Bidders may submit the Bid cum Application Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.

(g) **Bidders bidding through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) **Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.1.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful

Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.7.2 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may block for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder (other than employees) may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

(b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Issue.

ii. In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.

iv. In case of queries relating to uploading of Bids by a Designated Intermediary, the Bidders/Applicants should contact the relevant Designated Intermediary.

v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.

(c) The following details (as applicable) should be quoted while making any queries –

i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

ii. name and address of the Designated Intermediary, where the Bid was submitted or

iii. Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

**4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

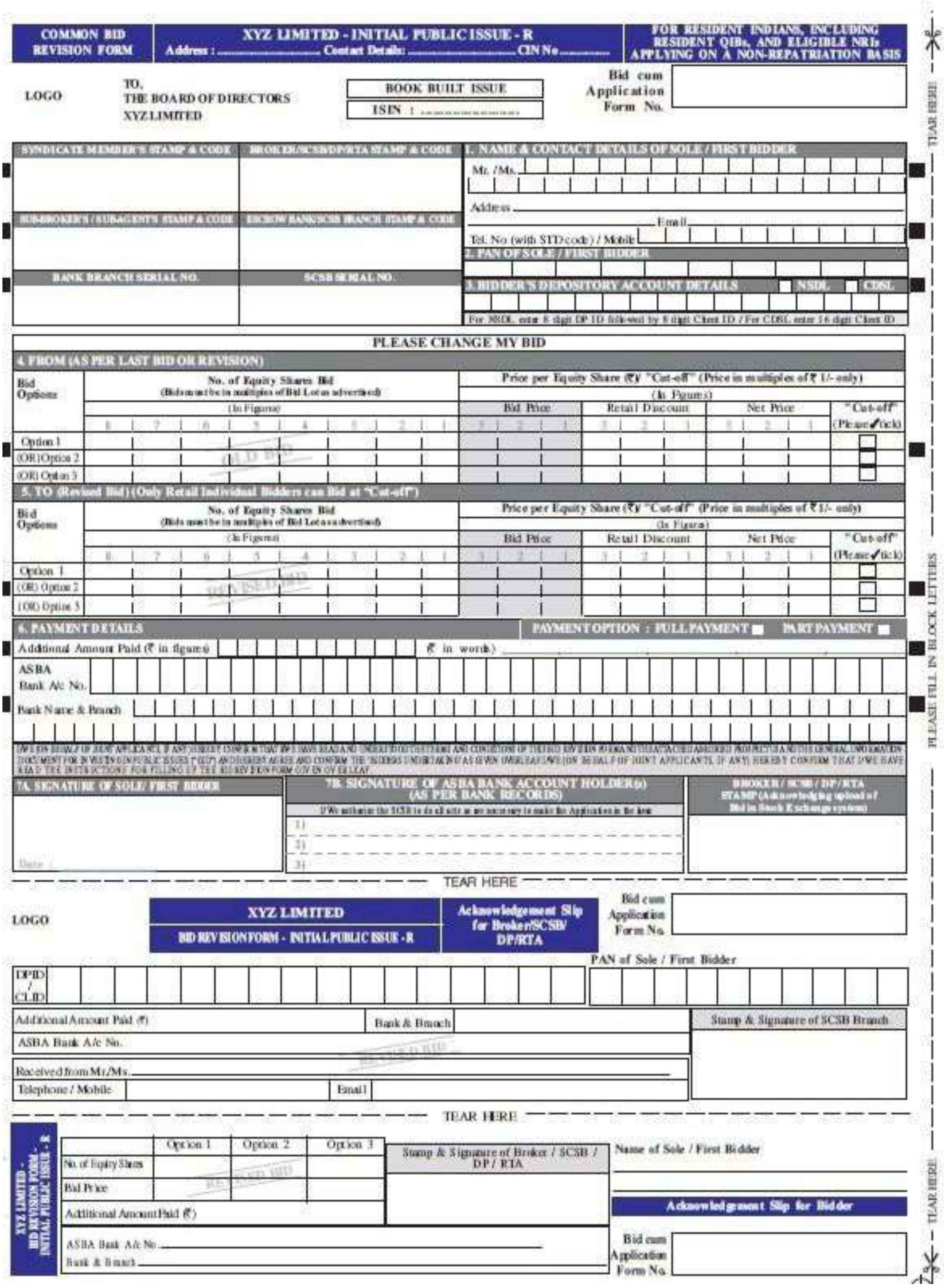
(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their Bids or withdraw their bids until Bid/Offer Closing date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : ............ Contact Details: ............ CIN No............

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ..................

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

| Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|
| | 8 7 6 5 4 3 2 1 | 3 2 1 | 3 2 1 | 3 2 1 | |
| Option 1 | | | | | |
| (OR) Option 2 | | | | | |
| (OR) Option 3 | | | | | |

OLD BID

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

| Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price | Retail Discount | Net Price | "Cut-off" (Please ✓ tick) |
|---|---|---|---|---|---|
| | 8 7 6 5 4 3 2 1 | 3 2 1 | 3 2 1 | 3 2 1 | |
| Option 1 | | | | | |
| (OR) Option 2 | | | | | |
| (OR) Option 3 | | | | | |

REVISED BID

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

Date :

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

| | Option 1 | Option 2 | Option 3 |
|---|---|---|---|
| No. of Equity Shares | | | |
| Bid Price | | | |
| Additional Amount Paid (₹) | | | |

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3**: **NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding will be unblocked.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicant, Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional amount is required for blocking Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

**4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Offer size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

ii. For applications from Mutual Funds submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Offer portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the

Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Offer

(b) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

(a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.

(b) Applicants must specify only such Bank Account number maintained with the SCSB in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Application to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Offer Closing Date.

4.3.5.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

**4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM**

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

| Mode of Application | Submission of Bid cum Application Form |
|---|---|
| Anchor Investors Application Form | To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form |
| All Applications (other than Anchor Investors) | (a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the CRTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations; and<br>(b) To the Designated Branches of the SCSBs where the ASBA Account is maintained |

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

## SECTION 5: OFFER PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### 5.1 SUBMISSION OF BIDS

(a) During the Bid/Offer Period, ASBA Bidders/Applicants may approach any of the Designated Intermediary to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

### 5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

### 5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

**5.4 WITHDRAWAL OF BIDS**

(a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalization of basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

**5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

i. The Bids accepted by the Designated Intermediary;

ii. The Bids uploaded by the Designated Intermediary; and

iii. The Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;

(c) Bids/Applications by OCBs;

(d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;

(f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) Bids/Applications by persons in the United States;

(i) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(j) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(k) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(l) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(m) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(n) Bids/Applications at Cut-off Price by NIIs and QIBs;

(o) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(p) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(q) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(u) Bank account mentioned in the Bid cum Application Form may not be an account maintained by SCSB. Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;

(v) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;

(w) Where no confirmation is received from SCSB for blocking of funds;

(x) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(y) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;

(z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(aa) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in any category (except QIB category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

*Bidders* should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

| Bid Quantity | Bid Amount (Rs.) | Cumulative Quantity | Subscription |
|---|---|---|---|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of equity shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the Offer Price at or below such cut-off price, i.e., at or below Rs. 22.00. All bids at or above this Offer Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (**"Alternate Book Building Process"**).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one

Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## SECTION 6: OFFER PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Offer Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (**"ASBA Account"**). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### 7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot **("Maximum RII Allottees"**). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

**7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

**7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

**7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to Rs.10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor; and

- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 250 crores and an additional 10 Anchor Investors for every additional Rs. 250 crores or part thereof, subject to minimum allotment of Rs. 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the** Offer **Price is higher than the Anchor Investor** Offer **Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the terms of the Cash Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Cash Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Bid/Offer Closing Date.

# SECTION 8: INTEREST AND REFUNDS

## 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within six Working Days of the Bid/Offer Closing Date.

## 8.2 GROUNDS FOR REFUND

### 8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to Rs. 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith may take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not refunded to Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the

RHP/Prospectus.

### 8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, as applicable, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Rule 19(2) (b) of the SCRR. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### 8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

### 8.3 MODE OF REFUND

1. **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

2. **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

3. In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Bid cum Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

4. In the case of Bids from Eligible NRI Bidders and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company and the Selling Shareholders may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

i. **NACH** — National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

ii. **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

iii. **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

iv. **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Anchor Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants may refer to RHP/Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working Days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in the Draft Red Herring Prospectus, the description as ascribed to such term in the Draft Red Herring Prospectus shall prevail.*

| Term | Description |
|---|---|
| Allotment/Allot/Allotted | The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges |
| Allottee | A Bidder/Applicant to whom the Equity Shares are Allotted |
| Anchor Escrow Account | Account opened with the Anchor Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid |
| Anchor Escrow Bank | Refer to definition of Banker(s) to the Issue |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and the Red Herring Prospectus |
| Anchor Investor Portion | Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors |
| Application Form | The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue |
| Application Supported by Blocked Amount /ASBA | An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB |
| ASBA Account | Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant |
| Banker(s) to the Offer/ Anchor Escrow Bank(s)/Collecting Banker | The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Anchor Escrow Accounts for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer |
| Basis of Allotment | The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue |
| Bid | An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Offer Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application |
| Bid Amount | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount |
| Bid/Offer Closing Date | Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date |
| Bid/Offer Opening Date | The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date |
| Bid/Offer Period | Except in the case of Anchor Investors (if applicable), the period between the Bid/ Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the |

| Term | Description |
|---|---|
| | SEBI ICDR Regulations. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period |
| Bid cum Application Form | An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Bidder/Applicant | Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant |
| Book Built Process/Book Building Process/Book Building Method | The book building process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made |
| Broker Centres | Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges |
| BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM | The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM |
| Business Day | Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays) |
| CAN/Confirmation of Allotment Note | The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange |
| Cap Price | The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account |
| Collecting Depository Participant or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Collecting Registrar and Share Transfer Agents or CRTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the Circular on Streamlining of Public Issues |
| Cut-off Price | Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price |
| DP | Depository Participant |
| DP ID | Depository Participant’s Identification Number |
| Depositories | National Securities Depository Limited and Central Depository Services (India) Limited |
| Demographic Details | Details of the Bidders/Applicants including the Bidder/Applicant’s address, name of the Applicant’s father/husband, investor status, occupation and bank account details |
| Designated Branches | Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.<br><br>The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Date | The date on which funds are transferred by the Anchor Escrow Bank from the Anchor Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale |
| Designated Intermediaries /Collecting Agent | Syndicate Members, sub-syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and CRTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer |
| Designated RTA Locations | Such locations of the CRTAs where Bidders can submit the Bid cum Application Forms to CRTAs. |

| Term | Description |
|---|---|
| | The details of such Designated RTA Locations, along with names and contact details of the CRTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Stock Exchange | The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer |
| Discount | Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations. |
| Draft Prospectus | The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band |
| Employees | Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus |
| Equity Shares | Equity Shares of the Issuer |
| Cash Escrow Agreement | Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Anchor Escrow Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof |
| FCNR Account | Foreign Currency Non-Resident Account |
| First Bidder/Applicant | The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form |
| Fixed Price Issue/Fixed Price Process/Fixed Price Method | The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made |
| Floor Price | The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto |
| FPIs | Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| FPO | Further public offering |
| Foreign Venture Capital Investors or FVCIs | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000 |
| IPO | Initial public offering |
| Issuer/Company | The Issuer proposing the initial public offering/further public offering as applicable |
| Maximum RII Allottees | The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot. |
| MICR | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf |
| Mutual Fund | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 |
| Mutual Funds Portion | 5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form |
| NACH | National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS |
| NEFT | National Electronic Fund Transfer |
| NRE Account | Non-Resident External Account |
| NRI | NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares |
| NRO Account | Non-Resident Ordinary Account |
| Net Offer | The Offer less reservation portion |
| Non-Institutional Investors or NIIs | All Bidders/Applicants, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs) |

| Term | Description |
|---|---|
| Non-Institutional Category | The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI |
| OCB/Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| Offer | Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable |
| Offer for Sale | Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders |
| Offer Price | The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s) |
| Other Investors | Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961 |
| Price Band | Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation |
| Pricing Date | The date on which our Company and Selling Shareholders in consultation with the Book Running Lead Manager(s), finalise the Offer Price |
| Prospectus | The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information |
| Public Offer Account | An account opened with the Banker to the Offer to receive monies from the Anchor Escrow Account and from the ASBA Accounts on the Designated Date |
| QIB Category | The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis |
| Qualified Institutional Buyers or QIBs | As defined under SEBI ICDR Regulations |
| RTGS | Real Time Gross Settlement |
| Red Herring Prospectus/RHP | The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus |
| Refund Account(s) | The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made |
| Refund Bank(s) | Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer |
| Refunds through electronic transfer of funds | Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable |
| Registered Broker | Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate |
| Registrar to the Offer/RTO | The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form |
| Reserved Category/Categories | Categories of persons eligible for making application/Bidding under reservation portion |
| Reservation Portion | The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations |
| Retail Individual Investors/RIIs | Investors who applies or bids for a value of not more than ₹ 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs. |
| Retail Individual | Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000. |

| Term | Description |
|---|---|
| Shareholders | |
| Retail Category | The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis. |
| Revision Form | The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s) |
| RoC | The Registrar of Companies |
| SEBI | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended |
| Self Certified Syndicate Bank(s) or SCSB(s) | The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes |
| Specified Locations | Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form |
| Stock Exchanges/SEs | The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed |
| Syndicate | The Book Running Lead Manager(s) and the Syndicate Member |
| Syndicate Agreement | The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members |
| Syndicate Member(s)/SM(s) | The Syndicate Member(s) as disclosed in the RHP/Prospectus |
| Underwriters | The Book Running Lead Manager(s) and the Syndicate Member(s) |
| Underwriting Agreement | The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date |
| Working Day | Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries / departments of the Government of India and the RBI. The Union Cabinet has recently approved phasing out the erstwhile Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the Office Memorandum dated June 5, 2017 issued by the Department of Economic Affairs, Ministry of Finance, approval for foreign investment under the FDI Policy and FEMA has been entrusted to the concerned ministries / departments.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued the FDI Policy by way of circular no. D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017 which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy will be valid until the DIPP issues an updated FDI Policy.

Currently, 100% FDI is permitted under the automatic route in the companies which are engaged in construction-development projects (including development of townships, construction of residential / commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure and townships) subject to compliance with prescribed conditions. The conditions prescribed are as follows:

(i) Each phase of the construction development project would be considered as a separate project;

(ii) The investor will be permitted to exit on completion of the project or after development of trunk infrastructure i.e. roads, water supply, street lighting, drainage and sewerage. However, a person resident outside India will be permitted to exit and repatriate foreign investment before the completion of project under automatic route, provided that a lockin-period of three years, calculated with reference to each tranche of foreign investment has been completed. Further, transfer of stake from a person resident outside India to another person resident outside India, without repatriation of foreign investment will neither be subject to any lock-in period nor to any government approval;

(iii) The project shall conform to the norms and standards, including land use requirements and provision of community amenities and common facilities, as laid down in the applicable building control regulations, bye-laws, rules, and other regulations of the State Government / Municipal / Local Body concerned;

(iv) The Indian investee company will be permitted to sell only developed plots, i.e. plots where trunk infrastructure i.e. roads, water supply, street lighting, drainage and sewerage, have been made available;

(v) The Indian investee company shall be responsible for obtaining all necessary approvals, including those of the building/ layout plans, developing internal and peripheral areas and other infrastructure facilities, payment of development, external development and other charges and complying with all other requirements as prescribed under applicable rules/ bye-Laws/ regulations of the State Government/ Municipal/ Local Body concerned; and

(vi) The State Government / Municipal / Local Body concerned, which approves the building/ development plans, will monitor compliance of the above conditions by the developer.

Condition of lock-in period does not apply to hotels and tourist resorts, hospitals, special economic zones, educational institutions, old age homes and investment by NRIs/ OCIs. Additionally, foreign investment up to 100% under automatic route is permitted in completed projects for operating and managing townships, malls / shopping complexes and business centres.

Consequent to such foreign investment, transfer of ownership and/or control of the investee company from persons resident in India to persons resident outside India is also permitted. However, there would be a lock-in-period of three years, calculated with reference to each tranche of foreign investment and transfer of immovable property or part thereof is not permitted during this period. Completion of the project will be determined as per the local bye-laws / rules and other regulations of State Governments.

In accordance with FEMA Regulations, participation by non-residents in the Offer is restricted to participation by (i) FPIs through the portfolio investment scheme under Schedule 2 of the FEMA Regulations, in accordance with applicable law, in the Offer subject to limit of the individual holding of an FPI below 10% of the post-Offer paid-up capital of our Company and the aggregate limit for FPI investment not exceeding 24% of the post-Offer paid-up capital of our Company; and (ii) Eligible NRIs only on non-repatriation basis under Schedule 4 of the FEMA Regulations, in accordance with applicable law, subject to limit of the individual holding of an NRI below 5% of the post-Offer paid-up capital of our Company and the aggregate limit for NRI investment to 10% of the post-Offer paid-up capital of our Company. Further, other non-residents such as FVCIs and multilateral and bilateral financial institutions are not permitted to participate in the Offer. As per the existing policy of the Government, OCBs cannot participate in this Offer.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in this Offer. The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.*

**Application of Table F**

Article 1(a) provides that regulations contained in the table 'F' to the Schedule I of the Companies Act 2013, shall not apply to the Company except in regard to matters not specifically provided in these Articles. In case of any contradiction between the provisions of Table 'F' and these Articles, the provisions of these Articles will prevail.

**Share Capital**

Article 4(a) provides that: "The Authorized Share Capital of the Company shall be such as given in Clause V of the Memorandum of Association as altered from time to time."

Article 4(b) provides that: "The Share Capital of the Company may be classified into Equity Shares and / or Preference Shares with differential rights as to Dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time."

Article 4(c) provides that: "The Paid up Share Capital shall be at all times at least a minimum of such amount as may be prescribed under the Act."

Article 4(d) provides that: "All Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to Dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company."

Article 4(e) provides that: "The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith

Subject to these Articles and the provisions of section 55 of the Act, preference shares (other than the Subscription Securities) issued by the Company are at the option of the Company are liable to be redeemed at any time, but not later than 21st December, 2023, the Redemption Date. The Company's option to redeem these Shares at any time prior to the Redemption Date shall be subject to serving the Preference Shareholders prior notice of three months. Further, the Preference Shares shall, subject to the availability of profits during any financial year, be entitled to nominal dividend of Re.1/- (Rupee One only) per Preference Share per year."

Article 4(p) provides that: "The Board may, in accordance of Article 16 of these Articles, from time to time, with the sanction of the Company in General Meeting by Ordinary Resolution increase the share capital of the Company by such sum to be divided into shares of such amount and of such classes with such rights and privileges attached thereto as the General Meeting shall direct by specifying the same in the resolution and if no directions be given, as the Board may determine."

**Call**

Article 12 provides that:

"Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call of such shares as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

(a) 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(b) The joint holders of a share shall be jointly and severally liable to pay all installments and calls due in respect thereof.

(c) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour."

Article 12(e) provides: "Restrictions on power to make calls and notice-

No call shall exceed one-fourth of the nominal amount of share, or be made payable within 30 days' after the last preceding call was payable. Not less than, 14 days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

(a) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share for which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of 10 per cent interest per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.

(b) The Board shall be at liberty to waive payment of any such interest either wholly or in part."

Article 12(h) provides: "Payment of call in advance:

The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act), agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(a) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable

(b) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company."

**Forfeiture of Shares**

Article 13(a) provides that: "If call or Installment not paid notice may be given-

(a) If any Shareholder fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or installment remains unpaid serve a notice on such Shareholder requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company for the reason of such non-payment.

(b) The notice shall name a day (not being less than 14 days from the date of notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which such call was made or installments is payable will be liable to be forfeited. If notice is not complied with shares in respect of which such notice was given may be forfeited.

Article 13(c) provides that: Notice after forfeiture-

When any share shall have been so forfeited, notice of the resolution shall be given to the Shareholder in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make such entry as aforesaid."

**Lien**

Article 14(a) provides that: "The Company shall have a first and paramount lien upon every share / debenture not being a fully Paid up share / debenture registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share / debenture whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share / debenture shall be created except upon the footing and condition that Article 15 hereof is to have fully effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares / debentures subject to Section 205A of the Act. Unless otherwise agreed the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any on such shares / debentures. The Directors may at any time declare any shares / debentures wholly or in part to be exempt from the provisions of this clause. Fully paid up shares / debentures shall be free from all lien."

Article 14(b) provides that: "As to enforcing lien by sale-
For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it think fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell has been served on such Shareholder, his executor or administrators or his payment of the moneys called or payable at a fixed time in respect such shares for fourteen days after the date of such notice. The Board may authorise some person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale."

Article 14(c) provides that: "Applications of proceeds of sale-
The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed, upon the shares before the sale) be paid to the person entitled to the share at the date of this sale."

Article 14(d) provides that: "Board may issue new shares-
Where any share under the power in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered upto the Company by the former holder of such share the Board may issue a new certificate for such share distinguishing in such manner as it may think fit from the certificate not so delivered up"

**Transfer and Transmission of Shares**

Article 15 provides that:

(a) "The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, or other Security held in a material form.

(b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. All provisions of Section 56 of the Act and statutory modifications thereof shall be complied with in respect to all transfers of shares of the Company and registration thereof. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

    i. An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act

ii. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(c) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(d) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(e) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. Further, subject to the provisions of Section 56 of the Act and section 22A and other relevant provisions of the Securities Contracts (Regulation) Act, 1956, as amended, the Board may, at its absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal shall not be affected by the circumstances that the proposed transferee is already a Shareholder of the Company. The Board shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. Transfer of shares / debentures in whatever lot shall not be refused."

**Increase and Reduction in Capital**

Article 16 (a) provides that: "Increase of Capital: Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say:

i. it may increase its Share Capital by such amount as it thinks expedient;

ii. consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

iii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

iv. sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

v. cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. Such cancellation of shares shall not be deemed to be a reduction of share capital;

vi. The Company shall have power, subject to and in accordance with all applicable provisions of the Act and Articles, to purchase any of its own fully paid Shares whether or not they are redeemable and may make payment out of capital in respect of such purchase;

vii. Subject to Applicable Law (including the Act), the Company may issue Shares; either equity or any other kind with non-voting rights and the resolution authorizing such issue shall prescribe the terms and conditions of that issue;"

Article 16 (b) provides that: "Reduction of Capital**:**

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. Option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings. This Article is not to derogate any power the Company would have under Law, if it were omitted"

Article 16 (c) provides that: "Further Issue of Capital

i. Where at any time, in terms of Section 62 of the Act, the Company proposes to increase its subscribed capital by the allotment of further shares either out of the unissued capital or out of the increased Share Capital, such shares shall be offered—

    a. to persons who, as on the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-

        (i) the aforesaid offer shall be made by notice specifying the number of shares offered and limiting a time prescribed under the Act from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

        (ii) the aforementioned offer shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause (a) above shall contain a statement of this right. Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him;

        (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company; and

        (iv) Nothing in sub-clause b of clause A of sub-article (i) above shall be deemed:

            i. to extend the time within which the offer should be accepted; or

            ii. to authorize any Person to exercise the right of renunciation for a second time, on the ground that the Person in whose favor the renunciation was first made has declined to take the shares comprised in the renunciation.

        (v) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

            i. to convert such debentures or loans into shares in the Company; or

            ii. to subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

        Provided that the terms of the issue of such debentures or the terms of such loans include a term providing for such option and such term have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting.

b. to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause A above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.

c. to employees under a scheme of employee stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed.

ii. The notice referred to in sub-clause (a) of clause A of sub-article (i) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the issue.

iii. The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act, the Rules and other applicable provisions of the Act."

**General Meeting**

Article 21(a) provides that: "In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next Annual General Meeting. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings."

Article 21(d) provides that: "When extraordinary general meeting to be called-

(a) All general meetings other than annual general meeting shall be called extraordinary general meeting.

(b) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(c) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any directors or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

(d) The Extraordinary General Meeting called under this Article shall be subject to the Act as amended."

**Directors**

Article 23(c) provides that: "The number of Directors shall not be less than three (3) nor more than fifteen (15). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time."

Article 23(i) provides that: "Subject to the provisions of Section 188 of the Act, the remuneration of Directors may be a fixed or a particular sum or a percentage sum or a percentage of the net profits or otherwise as may be fixed by the Board, from time to time."

Article 31(a) provides that: "Only two-thirds of the Directors of the Company shall be liable to retire by rotation. At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, including the Managing Director, Wholetime Director & Executive Director or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election."

Article 23(p) provides that: "Subject to Article 23 (c) and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any

Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed."

Article 23(q) provides that: "The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

If for any reason the Chairman is not present within 15 (fifteen) minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman, Managing Director or Whole-time Director of the Company may act as Chairman to the Board of Directors of the Company."

Article 23(r) provides that: "The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the Listing Regulations."

**Powers of the Board**

Article 26 provides that: "Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

(a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of the Company.

(b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

(c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

  i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;

  ii. Remit, or give time for repayment of, any debt due by a Director;

  iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

  iv. Borrow money (ies) where the money (ies) to be borrowed together with the money (ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the Paid up capital of the Company and its free reserves."

**Dividends and Reserves**

Article 52(a) provides that: "The Company in General meeting may declare dividends but no dividend shall exceed the amount recommended by the Board."

Article 52(b) provides that: "Subject to the applicable provisions of the Act and Rules made there under, the Board may, from time to time, pay to the members such interim dividends as appear it to be justified by the profits earned by the Company."

Article 52(c) provides that: "The Board may, before recommending any dividend, set aside out of the profits of the Company, such sums, as it may think proper, as reserve or reserves which shall at the discretion of the Board, be applicable for any of the purposes to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such applications may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit."

Article 52(d) provides that: "The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve."

Article 52(e) provides that: "Subject to the rights of the persons, if any, holding shares with special rights as the dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid."

**Winding Up**

Article 59(a) provides that: "If the company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not."

Article 59(b) provides that: "For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders."

**Indemnity**

Article 64 provides that: "Subject to provisions of Section 197 of the Act, the Chairman, Directors, Auditors, Managing Directors and other officer for the time being of the Company and any trustees for the time being acting in relation to any of the affairs of the Company and their heirs and executors, shall be indemnified out of the assets and funds of the Company from or against all bonafide suits, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or about the execution of their duties in their respective offices except those done through their wilful neglects or defaults of any other officer or trustee."

**Buyback of Shares**

Article 66 provides that: "Subject to the provisions of Sections 68, 69 and 70 of the Act and subject to requirement of applicable buy-back regulations/rules made by central government / SEBI in this regard as may be modified from time to time, the Company may purchase its own Equity Shares or other Securities."

**Cancellation of Forfeited Shares**

Article 67 provides that: "The Company may, by a resolution of the Board, decide not to reissue any forfeited shares in the Company. In such a case, the Board may cancel the forfeited shares, with or without canceling them from the authorised share capital, and transfer the amount received on such shares to appropriate account head. In case the Company decides to diminish the amount of Company's share capital by the nominal value of forfeited shares cancelled, it shall be done in accordance with the provisions of the Act as applicable."

**Capitalisation of Profits**

Article 68(i) provides that: "The Company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in Article 68 (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions."

Article 68(ii) provides that: “The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 68 (iii), either in or towards—

(a) Paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b)”

Article 68(iii) provides that: “A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.”

Article 68(iv) provides that: “The Board shall give effect to the resolution passed by the Company in pursuance of this Article.”

Article 68(v) provides that: “Whenever such a resolution as aforesaid shall have been passed, the Board shall

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

generally do all acts and things required to give effect thereto.”

## SECTION IX – OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected at our Registered and Corporate Office, from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

***Material Contracts to the Offer***

1. Offer Agreement dated June 29, 2018 entered into among our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated June 28, 2018 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Monitoring Agency Agreement dated [●] entered into among our Company and Monitoring Agency.

4. Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, Public Offer Account Bank, Escrow Bank(s), the Refund Bank and the Registrar to the Offer.

5. Share Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders and a share escrow agent.

6. Syndicate Agreement dated [●] entered into among the Syndicate Members, the BRLMs, our Company and the Selling Shareholders.

7. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, Registrar to the Offer and Syndicate Members.

***Other Material Contracts in relation to our Company***

1. Scheme of amalgamation of NPHPL with our Company approved by the High Court of Bombay by its order dated September 1, 2006.

2. Scheme of amalgamation of MAPHPL with our Company approved by the High Court of Bombay by its order dated November 27, 1997.

3. Scheme of amalgamation of Genext with our Company approved by the National Company Law Tribunal (Mumbai Bench) by its order dated August 2, 2017

4. Scheme of amalgamation of Magna with our Company approved by the by the National Company Law Tribunal (Bengaluru Bench) by its order dated March 14, 2018.

5. Subscription agreement dated June 4, 2018 entered into among our Company, Ravi C. Raheja and Neel C. Raheja.

***Material Documents***

1. Certified copies of our Memorandum of Association and Articles of Association as amended until date.

2. Certificate of incorporation dated January 6, 1986.

3. Fresh certificates of incorporation consequent upon change of name dated July 19, 1997, April 6, 1998, May 4, 1999, October 15, 2011 and June 6, 2018.

4. Board resolution of our Company dated June 12, 2018 and Shareholders resolution dated June 13, 2018 approving the Offer and other related matters.

5. Board resolution of our Company dated July 2, 2018 approving the DRHP.

6. Board resolution dated February 9, 2018, Shareholders resolution dated June 13, 2018 for appointment of Sanjay Sethi as Managing Director and Chief Executive Officer and the employment agreement dated June 21, 2018 entered into between our Company and Sanjay Sethi.

7. Board resolution dated August 3, 2017 and Shareholders resolution dated September 22, 2017 for reappointment of Rajeev Newar, Executive Director and the employment agreement dated September 15, 2017 entered into between our Company and Rajeev Newar.

8. Copies of annual reports for the preceding five Fiscals.

9. The examination reports of our Statutory Auditors on our restated financial information included in this Draft Red Herring Prospectus.

10. Copy of the ESOP 2018.

11. Consent dated June 29, 2018 from the Statutory Auditors, namely, M/s B S R & Co. LLP Chartered Accountants to include its name as an expert under the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the reports of the Statutory Auditors dated June 12, 2018, on the Restated Standalone Summary Financial Information and Restated Consolidated Summary Financial Information of our Company, and the statement of tax benefits dated July 2, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

12. Consent dated June 20, 2018 from Marriott Hotels India Private Limited and its relevant affiliates.

13. Consent dated June 25, 2018 from Horwath HTL to use their name and all or any part of their report titled “Industry Report – Top Tier & Upscale Hotels” and consent dated June 26, 2018 from CBRE Research to use their name and all or any part of their reports titled “CBRE India Retail Market View H2 2017”, “CBRE India Market Outlook Report April 2018” and “CBRE India Office Market View Q1 2018” in this Draft Red Herring Prospectus.

14. Consent dated June 20, 2018 from P. Surendra Prabhu, Independent Architect to include his name in this Draft Red Herring Prospectus as an “expert” as defined under the Companies Act, 2013 in respect of the architect certificate.

15. Statement of special tax benefits dated July 2, 2018 form the Statutory Auditors, namely M/s B S R & Co. LLP Chartered Accountants.

16. Consents of Bankers to our Company, the BRLMs, Syndicate Members, Registrar to the Offer, Bankers to the Offer, Escrow Banks, Refund Banks, legal counsel, Horwath HTL and CBRE Research, Directors of our Company, Chief Financial Officer, Company Secretary and Compliance Officer as referred to act, in their respective capacities.

17. Consent letter dated June 28, 2018 issued by Ravi C. Raheja consenting to the inclusion of his portion of the Equity Shares in the Offer for Sale.

18. Consent letter dated June 28, 2018 issued by Neel C. Raheja consenting to the inclusion of his portion of the Equity Shares in the Offer for Sale.

19. Resolution dated June 11, 2018 by the board of K Raheja Corp Private Limited consenting to the inclusion of its portion of Equity Shares in the Offer for Sale.

20. Resolution dated June 11, 2018 by the board of Ivory Properties and Hotels Private Limited consenting to the inclusion of its portion of Equity Shares in the Offer for Sale.

21. Resolution dated June 11, 2018 by the meeting of the partners of Palm Shelter Estate Development LLP consenting to the inclusion of its portion of Equity Shares in the Offer for Sale.

22. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.

23. SEBI final observation letter dated [●].

24. Tripartite Agreement dated April 30, 2002 among our Company, NSDL and the Registrar to the Offer.

25. Tripartite Agreement dated June 14, 2018 among our Company, CDSL and the Registrar to the Offer.

26. Due diligence certificate to SEBI from the BRLMs dated July 2, 2018.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF OUR COMPANY**

| | | |
|---|---|---|
| **(Hetal Gandhi)**<br>**(Chairman and Independent Director)** | **(Ravi C. Raheja)**<br>**(Non-Executive Director)** | **(Neel C. Raheja)**<br>**(Non-Executive Director)** |
| **(Sanjay Sethi)**<br>**(Managing Director and CEO)** | **(Rajeev Newar)**<br>**(Executive Director and CFO)** | **(Conrad D'Souza)**<br>**(Independent Director)** |

**Date: July 2, 2018**

**Place: Mumbai**

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF OUR COMPANY**

| | |
|---|---|
| **(Arthur William De Haast)**<br>**(Independent Director)** | **(Radhika Piramal)**<br>**(Independent Director)** |

**Date: July 2, 2018**

**Place: London**

**DECLARATION BY RAVI C. RAHEJA**

Ravi C. Raheja, hereby certifies that all statements and undertakings specifically made by him in this Draft Red Herring Prospectus about, or in relation to himself, and the Equity Shares being offered by him in the Offer, are true and correct. Ravi C. Raheja assumes no responsibility for any other statement, including the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

**Signed by Ravi C. Raheja**

Date: July 2, 2018
Place: Mumbai

## DECLARATION BY NEEL C. RAHEJA

Neel C. Raheja, hereby certifies that all statements and undertakings specifically made by him in this Draft Red Herring Prospectus about, or in relation to himself, and the Equity Shares being offered by him in the Offer, are true and correct. Neel C. Raheja assumes no responsibility for any other statement, including the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

**Signed by Neel C. Raheja**

Date: July 2, 2018
Place: Mumbai

## DECLARATION BY K. RAHEJA CORP. PRIVATE LIMITED

K Raheja Corp Private Limited, hereby certifies that all statements and undertakings specifically made by it in this Draft Red Herring Prospectus about, or in relation to itself, and the Equity Shares being offered by it in the Offer, are true and correct. K Raheja Corp Private Limited assumes no responsibility for any other statement, including the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

**For and on behalf of K Raheja Corp Private Limited**

Authorized Signatory:
Name [●]
Designation: [●]

Date: July 2, 2018
Place: Mumbai

## DECLARATION BY IVORY PROPERTIES AND HOTELS PRIVATE LIMITED

Ivory Properties and Hotels Private Limited, hereby certifies that all statements and undertakings specifically made by it in this Draft Red Herring Prospectus about, or in relation to itself, and the Equity Shares being offered by it in the Offer, are true and correct. Ivory Properties and Hotels Private Limited assumes no responsibility for any other statement, including the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

**For and on behalf of Ivory Properties and Hotels Private Limited**

Authorized Signatory:
Name [●]
Designation: [●]

Date: July 2, 2018
Place: Mumbai

**DECLARATION BY PALM SHELTER ESTATE DEVELOPMENT LLP**

Palm Shelter Estate Development LLP, hereby certifies that all statements and undertakings specifically made by it in this Draft Red Herring Prospectus about, or in relation to itself, and the Equity Shares being offered by it in the Offer, are true and correct. Palm Shelter Estate Development LLP assumes no responsibility for any other statement, including the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

**For and on behalf of Palm Shelter Estate Development LLP**

Authorized Signatory:
Name [●]
Designation: [●]

Date: July 2, 2018
Place: Mumbai