Placement Document
Not for circulation and strictly confidential
Serial No._______

CHALET HOTELS LIMITED

Chalet Hotels Limited ("**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**"). 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" with effect from July 19, 1997. 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 further details, see "***General Information***" on page 246.

Registered and Corporate Office: Raheja Tower, Plot No.C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India;
Tel No.: +91 22 2656 4000; **Website**: www.chalethotels.com; **Email**: companysecretary@chalethotels.com;
Contact Person: Christabelle Baptista, Company Secretary and Compliance Officer;
Corporate Identity Number: L55101MH1986PLC038538

Issue of 12,626,263 equity shares of face value of ₹10 each ("**Equity Shares**") at a price of ₹ 792.00 per Equity Share ("**Issue Price**"), including a premium of ₹ 782.00 per Equity Share, aggregating to ₹ 10,000.00 million ("**Issue**"). For further details, see "***Summary of the Issue***" on page 35.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED ("PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED ("COMPANIES ACT, 2013").

The Equity Shares of our Company are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on NSE and BSE as on April 1, 2024 were ₹ 901.40 and ₹ 900.15 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from NSE and BSE, each dated March 27, 2024. Our Company shall make applications to the Stock Exchanges to obtain final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED BELOW) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION TO OFFER OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBs. THIS PLACEMENT DOCUMENT HAS BEEN CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES WERE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 44 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT.

A copy of the Preliminary Placement Document and this Placement Document, which include disclosures prescribed under Form PAS-4 have been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as required under the Companies Act, 2013 and PAS Rules. The Preliminary Placement Document and this Placement Document have not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, RoC or any other listing or regulatory authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been, and will not be filed as a prospectus with the RoC, and have not been circulated or distributed to the public in India or any other jurisdiction, and the Issue does not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue have only been made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (*each as defined hereinafter*). The Preliminary Placement Document and this Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer was made to the public or any other class of investors. For further details, please see "***Issue Procedure***" on page 195. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs, to whom this Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in 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 any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where such offers and sales are made. See "***Selling Restrictions***" on page 211 for information about eligible offerees for the Issue and "***Transfer Restrictions***" on page 218 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

Any information on the websites of our Company, our Subsidiaries, our Associates, as applicable, or any other website directly or indirectly linked to such websites, or the websites of the Book Running Lead Managers (*as defined hereinafter*) or of their respective affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Placement Document is dated April 2, 2024.

BOOK RUNNING LEAD MANAGERS	
JM FINANCIAL	kotak® Investment Banking
JM FINANCIAL LIMITED	**KOTAK MAHINDRA CAPITAL COMPANY LIMITED**

TABLE OF CONTENTS

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Placement Document contains information with respect to us, our Associates and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Placement Document relating to us, our Associates and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to us, our Associates and the Equity Shares to be issued pursuant to the Issue are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us, our Associates and the Equity Shares to be issued pursuant to the Issue, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as on the date of this Placement Document and neither our Company nor the BRLMs have any obligation to update such information to a later date.

Distribution of this Placement Document to any person other than the Eligible QIBs, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any offering material in connection with the Equity Shares.

The information contained in this Placement Document has been provided by our Company and from other sources identified herein. The Book Running Lead Managers have not separately verified all the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or by any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information supplied in connection with us, our Associates or this Issue or distribution of the Preliminary Placement Document and this Placement Document. Each person receiving the Preliminary Placement Document and this Placement Document acknowledges that such person has not relied on either the Book Running Lead Managers or on any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and its Subsidiaries and Associates and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or the Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as on any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including SEBI, the United States Securities and Exchange Commission ("SEC"), any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in 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 any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where such offers and sales are made. For further details, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 211 and 218, respectively.

Subscribers and purchasers of the Equity Shares offered in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements set forth in the sections "***Representations by Investors***" and "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 4, 211 and 218, respectively, of this Placement Document.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted by applicable laws in certain countries or jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of the Preliminary Placement Document or this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For further details, see "***Selling Restrictions***" on page 211.

In making an investment decision, prospective investors must rely on their own examination of our Company its Subsidiaries and Associates, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of the Preliminary Placement Document or this Placement Document as legal, tax, accounting or investment advice and should consult their own counsels and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any investor, subscriber, offeree or purchaser of the Equity Shares regarding the legality or suitability of an investment in the Equity Shares by such investor, subscriber, offeree or purchaser under applicable laws or regulations. Prospective investors should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Placement Document, you should consult an authorised financial advisor and/or legal advisor.

Each Bidder, investor, subscriber or purchaser of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and it is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Placement Document has been prepared for information purposes to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

Neither our Company nor the Book Running Lead Managers undertake to update this Placement Document to reflect subsequent events after the date of this Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with our Company. Neither the delivery of this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of our Company since the date hereof.

Our Company and the Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not ultimately result in triggering a tender offer under the SEBI Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The information available on or through our Company's website (www.chalethotels.com), or any website directly or indirectly linked to the website of our Company, Subsidiaries, Associates or the respective websites of the Book

Running Lead Managers, or their respective affiliates, does not constitute or forms part of this Placement Document and prospective investors should not rely on the information contained in or available through any such websites. This Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 211 and 218, respectively.

Any information on the websites of our Company, its Subsidiaries and its Associates, as applicable, or any other website directly or indirectly linked to such websites, or the websites of the Book Running Lead Managers or its affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such website for investment in this Issue.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective Bidders in the Issue. By Bidding and/ or subscribing to any Equity Shares under this Issue, you are deemed to have made the representations, warranties, acknowledgements and agreements set forth in the sections "***Notice to Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 4, 211 and 218, respectively, and to have represented, warranted and acknowledged to and agreed with our Company and the Book Running Lead Managers as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or our Subsidiaries or our Associates which is not set forth in the Preliminary Placement Document and this Placement Document;

2. You are a 'Qualified Institutional Buyer' as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations/making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

3. You are eligible to invest in India under applicable laws, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

4. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable laws, including the FEMA Rules and any notifications, circulars or clarifications issued thereunder. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws, in connection with the Issue;

5. You acknowledge that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis;

6. You will provide the information as required under the Companies Act, 2013, the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and other applicable regulations for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act, 2013 and other applicable laws;

7. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the Stock Exchanges;

8. You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act 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 any applicable state securities laws. For more information, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 211 and 218, respectively;

9. You are outside the United States and are purchasing the Equity Shares in an 'offshore transaction' as defined in and in reliance with Regulation S, and are not our Company's or the BRLM's affiliate or a person acting on behalf of such an affiliate;

10. You are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation" or

"general advertising" (as those terms are defined in Regulation D under the Securities Act) or "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 211 and 218, respectively;

11. You are aware that the Preliminary Placement Document and this Placement Document have not been, and will not been filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been reviewed, verified or affirmed by SEBI, RBI, Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges for record purposes only and have been displayed on the websites of our Company and the Stock Exchanges;

12. You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents, approvals and authorizations, governmental and otherwise, as may be required and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in the Preliminary Placement Document and this Placement Document), and will honor such obligations;

13. You are aware that the Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and shall rank *pari passu* in all respects with the existing Equity Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Equity Shares after the date of issue of the Equity Shares, as applicable;

14. Neither our Company, the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity in relation to you;

15. All statements other than statements of historical fact included in this Placement Document, including, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Placement Document. Neither our Company, nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;

16. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than the Eligible QIBs, and the Allotment of the same shall be on a discretionary basis i.e. at the discretion of our Company in consultation with the Book Running Lead Managers;

17. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out in this section and under sections "***Selling Restrictions***"

and "***Transfer Restrictions***" on pages 211 and 218, respectively and you warrant that you will comply with such representations, warranties, acknowledgements and undertakings;

18. You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document, and have read it in its entirety, including in particular the "***Risk Factors***" on page 44;

19. In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries and Associates, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and continue to make your own assessment of our Company, its Subsidiaries and Associates and the terms of the Issue, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company, its Subsidiaries and Associates and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

20. Neither our Company nor the Book Running Lead Managers or any of their respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on our Company, the Book Running Lead Managers or any of their respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against us, either of the Book Running Lead Managers or any of their respective shareholders, investors, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

21. You are a sophisticated and informed investor and have such knowledge and experience in financial, investment and business matters as to be capable of evaluating the merits and risks of investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, associates agents or affiliates, for all or part of any such loss or losses that may be suffered, in connection with the Issue, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

22. If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

23. You are not a 'promoter' of our Company (as defined under Section 2(69) of the Companies Act, 2013 and under Regulation 2(oo) of the SEBI ICDR Regulations), and are not a person related to any of the Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoter or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

24. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board

of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

25. You will have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);

26. You acknowledge that the Preliminary Placement Document did not, and this Placement Document does not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

27. You have made the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies have been paid from the bank account of the person whose name appears first in the application;

28. You were eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable laws;

29. The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

30. Your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    i. Eligible QIBs 'belonging to the same group' shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, among an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

    ii. 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

31. You are aware that after Allotment, final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

32. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

33. You are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

34. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

35. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

36. You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

37. You are aware that if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures being made by our Company;

38. You are aware and understand that the Book Running Lead Managers have entered into a placement agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

39. The contents of this Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employee, counsels, advisors, representatives, agents and affiliates has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective shareholders, directors, officers, employee, counsels, advisors, representatives, agents and affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Managers and their respective shareholders, directors, officers, employee, counsels, advisors, representatives, agents and affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion that you may have obtained or received;

40. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employee, counsels, advisors, representatives, agents and affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach or alleged breach of any representations and warranties by our Company, whether to you or otherwise;

41. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

42. Any dispute arising in connection with the Issue will be governed and construed in accordance with the laws of the Republic of India, and the courts in Mumbai, India only, shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

43. You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) shall be below 10% of the total paid-up equity share capital of our Company (i.e. up to 100% under the automatic route) on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis; and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the

total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

44. You confirm you are eligible to invest and hold Equity shares of our Company and that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (where in each case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, read along with the Press Note no. 3 (2020 series), dated April 17, 2020 issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and Rule 6 of the FEMA Rules;

45. You are aware that no offer or invitation of any securities can be made to a body corporate incorporated in, or a national of, a country which shares a land border with India, unless such body corporate or the national, as the case may be, has obtained Government approval under the FEMA Rules and attached the same with the Application Form;

46. You are aware and understand that you were allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a Successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Managers;

47. You confirm that, either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents ("**Company Presentations**") with regard to our Company or this Issue; or (ii) if you have participated in or attended any Company Presentations; (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such meetings or Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

48. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and commencement of trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach or alleged breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts; and

49. You acknowledge that our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company and are irrevocable. You agree that the terms and provisions of the foregoing representations, warranties, acknowledgements and undertakings, shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Book Running Lead Managers and our Company, their respective permitted assigns, and the terms and provisions hereof shall be binding on our permitted assigns and permitted transferees.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, Eligible FPIs (including affiliates of the Book Running Lead Managers) who are registered as a Category I FPI, 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 a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, such P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been, and are not being offered, or sold pursuant to the Preliminary Placement Document or this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors ("**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying Indian company.

Further, in accordance with the Consolidated FDI Policy, read along with the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, and the related amendments to the FEMA Rules, investments made by an entity of a country, which shares land border with India, or investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the Book Running Lead Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and does not constitute any obligations of or claims on the Book Running Lead Managers.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures from the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether

P-Notes are issued in compliance with applicable laws and regulations. Please also see the "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on the pages 211 and 218, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document; or

2. warrant that the Equity Shares to be issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Subsidiaries, our Associates, our Promoters, our management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document or this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER CONVENTIONS

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient' 'investor(s)' 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to 'Chalet', the 'Company', 'our Company', the 'Issuer' are to Chalet Hotels Limited, on a standalone basis, and references to 'we', 'our' or 'us' are to Chalet Hotels Limited, together with its Subsidiaries on a consolidated basis.

Unless otherwise specified or the context otherwise requires, all references in this Placement Document to:

- "Rupee(s)", "Rs." Or "₹" or "INR" are to Indian Rupees, the legal currency of the Republic of India;
- "US$", "U.S. Dollar", "USD" or "U.S. Dollars" are to United States Dollars, the legal currency of the United States of America;
- "India" are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable;
- the 'US' or 'U.S.' or the 'United States' or the 'U.S.A' are to the United States of America and its territories and possessions; and

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Placement Document in "million" units. One million represents 1,000,000. Our Company reports its financial statements in Indian Rupees and are rounded off to two decimal places.

Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

In this Placement Document, 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.

Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Financial and other information

The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year', 'Fiscal Year' or 'Fiscal' or 'FY' are to the twelve months period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

In this Placement Document we have included the following financial statements of our Company prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended read with Section 133 of the Companies Act, 2013 ("**Ind AS**"): (i) Unaudited Condensed Consolidated Interim Financial Statements December 2023; (ii) Unaudited Condensed Consolidated Interim Financial Statements December 2022; (iii) Fiscal 2023 Audited Revised Consolidated Financial Statements; (iv) Fiscal 2022 Audited Consolidated Financial Statements; and (v) Fiscal 2021 Audited Consolidated Financial Statements. The Unaudited Condensed Consolidated Interim Financial Statements December 2022 and Unaudited Condensed Consolidated Interim Financial Statements December 2023 have been adopted pursuant to the meeting of our Board on March 26, 2024, and filed with the Stock Exchanges on March 26, 2024.

The Audited Consolidated Financial Statements should be read along with the respective audit reports thereon, and the Unaudited Condensed Consolidated Interim Financial Statements should be read along with the review reports thereon. Our Unaudited Condensed Consolidated Interim Financial Statements are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

In accordance with Section 139 of the Companies Act, 2013, B S R & Co. LLP, Chartered Accountants, has been re-appointed as our Statutory Auditors, pursuant to a shareholders' resolution dated September 14, 2022, for a period of five years to conduct statutory audit for the Fiscal 2023 to Fiscal 2027. For details, see "***Our Statutory Auditors***" on page 244.

Our Audited Consolidated Financial Statements as at and for Fiscals 2023, 2022 and 2021 have been audited by our Statutory Auditors, on which they have issued audit reports dated July 3, 2023, May 10, 2022, and May 18, 2021, respectively. Further, limited review of the Unaudited Condensed Consolidated Interim Financial Statements December 2023 and Unaudited Condensed Consolidated Interim Financial Statements December 2022 have been carried out by our Statutory Auditors, on which they have issued review reports each dated March 26, 2024.

In addition, Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its Audited Consolidated Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements, as included in this Placement Document, prepared in accordance with Ind AS, will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 93.

All numerical and financial information as set out and presented in this Placement Document, except for the information in the section "***Industry Overview***", for the sake of consistency and convenience have been rounded off or expressed in two decimal places in ₹ million. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them and the sum or percentage change of such numbers may not conform exactly to the total figure given.

Non-GAAP financial measures

Certain non-GAAP Measures and certain other statistical information relating to our operations and financial performance including Adjusted EBITDA, Debt Equity Ratio and EBITDA adjusted for exceptional items and loss from discontinued operations, have been included in this Placement Document. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "***Financial Information***" starting on page 245. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations— Reconciliation of Non- GAAP Measures***" on page 120.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, professional organizations and industry publications, data from other external sources and knowledge of the markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled "*Industry Report- Upper Tier Hotels, India*" dated March 23, 2024, prepared by Horwath HTL India ("**Horwath Report**"), which is a report exclusively commissioned and paid for by our Company and prepared by Horwath HTL India pursuant to an engagement letter dated March 6, 2024, in connection with the Issue. Horwath HTL India is not related in any manner to our Company, our Promoters, our Directors or Key Managerial Personnel or members of the Senior Management, our Subsidiaries, our Associates or the BRLMs. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured.

Further, information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, neither the accuracy nor completeness of information contained in the Horwath Report is guaranteed. The opinions expressed are not recommendation to buy, sell or hold an instrument. This data is subject to change and cannot be verified with complete certainty due to limitations on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

While we have taken reasonable care in the reproduction of the information from the Horwath Report, neither we nor the Book Running Lead Managers have independently verified this market and industry data, nor do we or the Book Running Lead Managers make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the Book Running Lead Managers can assure potential Investors as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends solely on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "***Business***", **"*Risk Factors***", "***Management's Discussions and Analysis of Results of Operations and Financial Condition***" and otherwise in this Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the Horwath Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors** – **This Placement Document contains information from third party industry sources, including the report commissioned from Horwath Report. Prospective investors are advised not to place undue reliance on such information.***" on page 58.

Disclaimer of the Horwath Report

The Horwath Report is subject to 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* *statements and 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 statements 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 Ltd. (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. This disclaimer must accompany every copy of this Industry Report, which is an integral document and must be read in its entirety".

Disclaimer of the hotel operator (Marriott)

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

Disclaimer of the hotel operator (Hyatt India Consultancy Private Limited)

"*Neither Hyatt India Consultancy Private Limited nor any of its affiliates are associated with the Issue Documents or with the proposed qualified institutions placement of shares by the Company in any manner whatsoever. Hyatt Regency™ and related marks are trademarks of Hyatt Corporation or its affiliates."*

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'could', 'can', 'estimate', 'expect', 'intend', 'likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'seek', 'shall', 'should', 'will', 'would', 'will likely result', 'is likely', 'are likely', 'expected to', 'will continue', 'will achieve' or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate.

These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

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. By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Important factors that could cause our actual results, performance or achievements to differ materially from any of the forward-looking statements include, among others:

- We derive substantial revenue from hotels managed by Marriott and Accor;
- We have experienced losses in recent years;
- A significant portion of our revenue (*53.74% in Fiscal 2023*) is derived from two hotels situated in Mumbai;
- We were not in compliance with certain covenants of our financing arrangements in the past; and
- Our indebtedness and conditions and restrictions imposed by our financing may arrangements limit our ability to grow our business.

Additional factors that could cause our actual results, performance or achievements to differ materially include but are not limited to, those discussed under the sections titled "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Industry Overview***" and "***Our Business***" on pages 44, 93, 128 and 158, respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of, as well as the assumptions made by, and information currently available to, our Company and management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

In any event, these statements included herein are as of the date of this Placement Document or the respective dates indicated in this Placement Document. Our Company and the Book Running Lead Managers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise in our Company's expectations with regard thereto.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. Other than Arthur William De Haast and Radhika Piramal, who are non-residents, all of our other Directors, Key Managerial Personnel and Senior Management named herein are residents of India. A significant portion of our assets are located in India. As a result, it may be difficult for the investors outside India to affect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments and execution of a foreign judgment is provided for under Sections 13 and 44A respectively, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud, or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Procedure Code is applicable only to 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 penalties and does not include arbitration awards.

Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction.

Each of the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, Hong Kong and United Arab Emirates, amongst others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

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 public policy of India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, pursuant to the execution of such foreign judgment, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally any such amount may be subject to income tax in accordance with applicable laws. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Rupee and the U.S. Dollar (in ₹ per US$) based on the reference rates released by RBI/FBIL, which are available on the website of RBI/FBIL.

U.S.$

(₹ per US$)

Period	Period end(1)	Average(2)	High(3)	Low(4)
Fiscal				
2023	82.22	80.06	83.20	75.39
2022	75.81	74.51	76.92	72.48
2021	73.50	74.27	76.81	72.29
Nine months ended:				
December 31, 2023	83.12	82.71	83.40	81.65
December 31, 2022	82.79	79.77	83.20	75.39
Month ended				
February 29, 2024	82.92	82.97	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85
December 31, 2023	83.12	83.28	83.40	83.02
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.24	83.27	83.15
September 30, 2023	83.06	83.05	83.26	82.66

Source: www.rbi.org.in,www.fbil.org.in

Notes:

(1) *The price for the period end refers to the price as on the last trading day of the respective Fiscal or monthly period*

(2) *Average of the official rate for each working day of the relevant period*

(3) *Maximum of the official rate for each working day of the relevant period*

(4) *Minimum of the official rate for each working day of the relevant period*

- *If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
- *The RBI reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider while reading the information contained herein. The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

The terms defined in this Placement Document shall have the meaning set out herein, unless specified otherwise in the context thereof, and references to any statute or regulations or policies shall include amendments, rules, guidelines, circulars, clarifications, and notifications issued thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Unless the context otherwise indicates, all references to "**Chalet**", "**the Issuer**", "**the Company**", and "**our Company**", are references to Chalet Hotels Limited, on a standalone basis, a public limited company incorporated in India under the Companies Act, 1956 having 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 400051, Maharashtra, India. Furthermore, unless the context otherwise indicates, all references to the terms "**we**", "**us**" and "**our**" are to our Company and our Subsidiaries (*as defined below*) on a consolidated basis.

Notwithstanding the foregoing, terms used in the sections "***Industry Overview***", "***Taxation***", "***Legal Proceedings***" and "***Financial Information***" on pages 128, 229, 233 and 245, respectively, shall have the meaning given to such terms in such sections.

Company related terms

Term	Description
Articles/ Articles of Association/ AoA	Articles of Association of our Company, as amended
Associates	Krishna Valley Power Private Limited, Sahyadri Renewable Energy Private Limited and TP Agastaya Limited
Audit Committee	The audit committee of our Board. For details, see "***Board of Directors and Senior Management***" on page 177
Audited Consolidated Financial Statements	Collectively, Fiscal 2023 Audited Revised Consolidated Financial Statements, Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2021 Audited Consolidated Financial Statements
Auditors/Statutory Auditors	The current statutory auditors of our Company, namely, B S R & Co. LLP, Chartered Accountants
Ayushi and Poonam Estates LLP	Limited liability partnership constituting of our Company, Sonmil Industries Private Limited and Ashwani Bhardwaj
Board/Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Registered and Corporate Office	Raheja Tower, Plot No.C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India
Chairman	Chairman of our Board, Hetal Gandhi
Chalet Airport	Chalet Airport Hotel Private Limited
Chalet Kerala	Chalet Hotels & Properties (Kerala) Private Limited
Chief Financial Officer	The chief financial officer of our Company, Milind Wadekar
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Christabelle Baptista
Compensation, Nomination and Remuneration Committee	The compensation, nomination and remuneration committee of our Board. For details, see "***Board of Directors and Senior Management***" on page 177
Corporate Social Responsibility and ESG Committee	The corporate social responsibility and ESG committee of our Board. For details, see "***Board of Directors and Senior Management***" on page 177
Director(s)	The director(s) on the Board of our Company
Dukes Retreat	The Dukes Retreat Private Limited
Equity Shares	Equity shares of our Company of face value of ₹10 each
ESOP Scheme 2018	An employee stock option plan, namely 'Chalet Hotels Limited - Employee Stock Option Plan 2018'
ESOP Scheme 2022	An employee stock option plan, namely 'CHL Employee Stock Option Plan 2022'
ESOP Scheme 2023	An employee stock option plan, namely 'CHL Employee Stock Option Plan 2023'

Term	Description
Financial Information	Collectively, the Audited Consolidated Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements
Fiscal 2021 Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and the Subsidiaries, which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Fiscal 2022 Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and the Subsidiaries, which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Fiscal 2023 Audited Revised Consolidated Financial Statements	The audited revised consolidated financial statements of our Company and the Subsidiaries, which comprise the revised consolidated balance sheet as at March 31, 2023, and the revised consolidated statement of profit and loss (including other comprehensive income), the revised consolidated statement of changes in equity and the revised consolidated statement of cash flows for the year then ended, and notes to the revised consolidated financial statements, including a summary of significant accounting policies and other explanatory information
QIP Committee	The qualified institutions placement committee of our Board, comprising the members Hetal Gandhi, Neel C. Raheja and Sanjay Sethi
Independent Director(s)	Independent director(s) on our Board. For details, see "***Board of Directors and Senior Management***" on page 177
Key Managerial Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations. For details, see "***Board of Directors and Senior Management***" on page 177
K Raheja	K. Raheja Private Limited
K Raheja Corp	K. Raheja Corp Private Limited
Magna	Magna Warehousing & Distribution Private Limited
Managing Director and Chief Executive Officer	The managing director and chief executive officer of our Company, Sanjay Sethi
Marriott	JW Marriott, Westin, Marriott, Marriott Executive Apartments, Courtyard by Marriott, Four Points by Sheraton which are held by Marriott Hotels India Private Limited and its affiliates
Memorandum/Memorandum of Association/MoA	Memorandum of association of our Company, as amended from time to time
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	The non-executive directors on our Board. For details, see "***Board of Directors and Senior Management***" on page 177
Preference Shares	Collectively, Non-cumulative Redeemable Preference Shares and Zero-Coupon Non-Cumulative Non-Convertible Redeemable Preference Shares
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations
Promoters	The promoters of our Company in terms of SEBI ICDR Regulations and the Companies Act, 2013, 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, Ivory Property Trust and Raghukool Estate Development LLP
Registrar of Companies/ RoC	The Registrar of Companies, Maharashtra at Mumbai
Risk Management Committee	The risk management committee of our Board. For details, see "***Board of Directors and Senior Management***" on page 177
Senior Management	Members of the senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see "***Board of Directors and Senior Management***" on page 177
Shareholders	The holders of the Equity Shares, from time to time
Sonmil Industries	Sonmil Industries Private Limited
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board. For details, see "***Board of Directors and Senior Management***" on page 177

Term	Description
Subsidiaries	Collectively, Chalet Kerala, Chalet Airport, Dukes Retreat and Sonmil Industries.
Unaudited Condensed Consolidated Interim Financial Statements December 2022	The unaudited condensed consolidated interim financial statements of our Company and the Subsidiaries for the quarter and nine months period ended December 31, 2022, which comprise the condensed consolidated interim balance sheet as at December 31, 2022, the condensed consolidated interim statement of profit and loss for the quarter and nine months ended December 31, 2022, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flow for the nine months period ended December 31, 2022 and notes to the unaudited condensed consolidated interim financial statements including a summary of material accounting policies and other explanatory information
Unaudited Condensed Consolidated Interim Financial Statements December 2023	The unaudited condensed consolidated interim financial statements of our Company and the Subsidiaries for the quarter and nine months period ended December 31, 2023, which comprise the condensed consolidated interim balance sheet as at December 31, 2023, the condensed consolidated interim statement of profit and loss for the quarter and nine months ended December 31, 2023, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flow for the nine months period ended December 31, 2023 and notes to the unaudited condensed consolidated interim financial statements including a summary of material accounting policies and other explanatory information
Unaudited Condensed Consolidated Interim Financial Statements	Together, Unaudited Condensed Consolidated Interim Financial Statements December 2022 and Unaudited Condensed Consolidated Interim Financial Statements December 2023
Zero-Coupon Non-cumulative Non-Convertible Redeemable Preference Shares / Zero Coupon NCRPS	Series A and Series B 0.00 % non-cumulative non-convertible redeemable preference shares of our Company of face value ₹ 100,000 each

Issue Related Terms

Term	Description
Allocated/ Allocation	Allocation of Equity Shares in connection with the Issue, in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Application Amount submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue and determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form or such amount transferred/ paid to the Escrow Bank Account, as application, including any revisions thereof
Application Form	Form (including any revisions thereof) which was submitted by the Eligible QIBs for registering a Bid in the Issue
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bid Amount	The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form
Bidder (s)	Any investor, being an Eligible QIB, who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Bid/ Issue Closing Date	April 2, 2024, the date after which our Company (or the Book Running Lead Managers on behalf of our Company) ceased acceptance of Application Forms and the Application Amount
Book Running Lead Managers or BRLMs	JM Financial Limited and Kotak Mahindra Capital Company Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation to Successful Bidders confirming the Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about April 2, 2024
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPIs	FPIs that were eligible to participate in this Issue in terms of applicable laws, other than

Term	Description
	individuals, corporate bodies and family offices
Eligible QIBs	QIBs which were eligible to participate in this Issue and which were (i) not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the applicable laws. FVCIs are not permitted to participate in the Issue In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act are eligible to participate in this Issue
Escrow Account	Non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened in the name and style "CHALET HOTELS LIMITED – QIP ESCROW ACCOUNT" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited by the Eligible QIBs and from which refunds, if any, shall be remitted, as set out in the Application Form
Escrow Agreement	Agreement dated March 26, 2024 entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	ICICI Bank Limited
Floor Price	Floor price of ₹ 780.76 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations.
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Issue	The offer, issue and Allotment of 12,626,263 Equity Shares each at a price of ₹ 792.00 per Equity Share, including a premium of ₹ 782.00 per Equity Share, aggregating to ₹ 10,000.00 million to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Opening Date	March 27, 2024, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) commenced acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs submitted their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ 792.00, including a premium of ₹ 782.00 per Equity Share
Issue Size	The aggregate size of the Issue, 12,626,263 Equity Shares aggregating to ₹ 10,000.00 million
Monitoring Agency	CRISIL Ratings Limited
Monitoring Agency Agreement	The agreement dated March 26, 2024 entered into between our Company and the Monitoring Agency
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and estimated expenses of the Issue
Pay-In Date	Last date specified in the CAN for the payment of application monies by Bidders in the Issue
Placement Agreement	Placement agreement dated March 27, 2024 entered into between our Company and the Book Running Lead Managers
Placement Document	This placement document dated April 2, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The preliminary placement document cum application form, dated March 27, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 and the rules made thereunder
QIB/ Qualified Institutional Buyer	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation Letter	The letter from the Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts on the date of issuance of CAN
Relevant Date	March 27, 2024 which is the date of the meeting in which the Board or any authorised committee of our Board decided to open the Issue
Stock Exchanges	Together, NSE and BSE

Term	Description
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who have been Allocated Equity Shares pursuant to the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/ Abbreviations

Term	Description
Adjusted EBITDA	Adjusted EBITDA is calculated as profit/(loss) for the period/ year plus loss from discontinued operations before tax plus finance costs plus tax expense/(benefit) plus depreciation and amortization expense plus exceptional items (gain)/ loss
AGM/ Annual General Meeting	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I FPI	FPIs who are registered with SEBI as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II FPI	FPIs who are registered with SEBI as “Category II foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Companies Act, 2013/ Companies Act	Companies Act, 2013 read with the rules, regulations, circulars, clarifications and modifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
Copyright Act	Copyright Act, 1957
Civil Procedure Code	The Code of Civil Procedure, 1908
COVID–19	A public health emergency of international concern as declared by World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (*formerly Department of Industrial Policy and Promotion*), GoI
ERP	Enterprise resource planning
EGM	Extraordinary general meeting
ESG	Environment, Social and Governance
FBIL	Financial Benchmark India Private Limited
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended and any notifications, circulars or clarifications issued thereunder
Financial Year/Fiscal Year/FY/Fiscal	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
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPIs	A foreign portfolio investor who has been registered under Chapter II of the SEBI FPI Regulations and shall be deemed to be an intermediary in terms of the provisions of the Securities and Exchange Board of India Act, 1992
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended) registered with SEBI

Term	Description
GAAP	Generally accepted accounting principles
GDP	Gross Domestic Product
GoI	The Government of India
GST	Goods and Services Tax
ICAI	Institute of Chartered Accountants of India
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
IMF	International Monetary Fund
Income Tax Act	Income-tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Ind As Rules	Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016
Indian GAAP	Generally Accepted Accounting Principles in India
INR or ₹ or Rs. or Indian Rupees	Indian Rupee, the official currency of the Republic of India
IoT	Internet of things
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn	Million
MoU	Memorandum of understanding
Msf	Million square feet
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
NEAT	National Exchange for Automated Trading
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.a.	Per annum
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
PML Act	Prevention of Money Laundering Act, 2002, as amended
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Rs/Rupees/Indian Rupees/₹	The legal currency of India
SCR (SECC) Regulations	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SDD	System Driven Disclosures
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	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America

Term	Description
U.S. Securities Act	The United States Securities Act of 1933
UPSI	Unpublished price sensitive information
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations

Industry Related Terms

Term	Description
ADR	Average daily rate. ADR represents hotel room revenues from room rentals at our hotels divided by total number of room nights sold (including keys room nights that were available for only a certain portion of a 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
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 and hotels under aggregators.
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 HTL India	Crowe Horwath HTL Consultants Private Limited
Horwath Report	'Industry Report- Upper Tier Hotels, India' dated March 23, 2024, prepared by Horwath HTL India
Keys	Available rooms at a hotel
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
USGBC LEED	U.S. Green Building Council's Leadership in Energy and Environmental Design

SUMMARY OF BUSINESS

Overview

We are an owner, developer, asset manager and operator of high-end hotels and mixed-use assets in key metro cities and leisure locations in India. As on the date of this Placement Document, our hotel platform comprises ten operating hotels, including a hotel with a one service apartment building, present across Mumbai Metropolitan Region, Hyderabad, Bengaluru, National Capital Region, Pune and Lonavala, representing 3,052 keys. Our hotels are branded with globally recognized hospitality brands and are in the luxury, upper upscale and upscale hotel segments (*Source: Horwath Report*). Our hotel platform encompasses strategic locations, efficient design and development, appropriate positioning and segmentation together with branding and operational tie-ups with leading hospitality companies. We use our extensive experience to actively manage the hotel assets to drive performance and deliver efficient results. In addition, we have developed hotel-led mixed-use spaces by adding complementary commercial spaces, in close proximity to certain of our hotels, and are also in the process of expanding our commercial assets portfolio. Further, we also own a residential project, Raheja Vivarea, Koramangala, Bengaluru.

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 (*Source: 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 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. Further, we have also acquired certain assets in drivable leisure locations near metro cities, with high potential for social events, leisure travellers and MICE. These acquisitions have been identified with potential upsides, including inventory additions, product upgradations, brand re-positioning and other asset management initiatives.

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. Our hotels are currently branded with global brands such as JW Marriott, Westin, Marriott, Marriott Executive Apartments, Courtyard by Marriott and Four Points by Sheraton which are held by Marriott Hotels India Private Limited and its affiliates (collectively "**Marriott**") and Novotel, which is held by Accor S.A. and its affiliates (collectively, "**Accor**"). Further, we are in the process of setting up hotels under the brands 'Taj' held by The Indian Hotels Company Limited ("**IHCL**") and 'Hyatt Regency™' under a franchise agreement with Hyatt India Consultancy Private Limited and its affiliates (collectively, "**Hyatt**"). 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 resort at Lonavala is operated by us and our hotel at Vashi, Navi Mumbai, is operated by us under a license agreement with Marriott, and eight of our hotels, including our service apartment building, are operated pursuant to hotel operation and related agreements with Marriott and Accor.

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, quarterly expense review meetings and provide regular inputs on revenue enhancement, cost management initiatives and development potential. We are also conscientious towards environmental initiatives, and focus on reducing our carbon footprint, electricity consumption, water and food waste. For further details, see "***Our Business– Environmental, social and governance***" on page 173. 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, including leading EBITDA margins on the basis of the hospitality segments of select listed companies (*Source: Horwath Report*). For further details, see "***Industry Overview***" on page 128.

We operate as the hospitality arm of one of India's leading real estate development group, K Raheja Corp 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, including the assets held by Mindspace Business Parks REIT, resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and opportunities. K Raheja Corp has a pan India presence with over six decades of experience, spanning over four operational malls, residential spaces over cities in India, over 240 operational retail outlets across India and more than 54 Msf leasable area. As on March 1, 2024, the listed entities forming part of the K Raheja Corp, including our Company, Mindspace Business Parks REIT and Shoppers Stop Limited have a market capitalisation of US$5.38 billion (assuming the exchange rate of US$1 as ₹ 83). In addition to the hotels owned and operated by our Company, K Raheja Corp has one additional hotel namely, The Resort at Madh Marve, Mumbai consisting of 94 keys. We further leverage the experience and relationships of the K Raheja Companies with construction companies, architects and designers, to develop, refurbish and maintain hotels at optimal cost and quality.

Our Promoters include Ravi C. Raheja and Neel C. Raheja, who have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning. We have a strong management team with significant industry experience. Our Managing Director and Chief Executive Officer, Sanjay Sethi has over 35 years of experience in the hospitality industry, our Chief Financial Officer, Milind Wadekar, has close to three decades of experience in roles of finance, accounts and tax, our Chief Growth & Strategy Officer, Shwetank Singh has 25 years of experience in strategy, asset management and business development, and our Chief Operating Officer, Rajneesh Malhotra has three decades of experience in hospitality. Our Key Management Personnel and members of 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.

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. Our total income was ₹ 10,126.31 million and ₹ 8,321.71 million for the nine months ended December 31, 2023 and December 31, 2022, respectively and ₹ 11,779.54 million, ₹ 5,297.39 million and ₹ 3,167.25 million for the Fiscals 2023, 2022 and 2021 respectively, and our total income grew at a CAGR of 2.63% between Fiscals 2019 and 2023. Our total comprehensive income was ₹ 1,953.44 million and ₹ 1,466.81 million and our Adjusted EBITDA was ₹ 4,153.70 million and ₹ 3,420.33 million, for the nine months ended December 31, 2023 and December 31, 2022. Our total comprehensive income/ (expense) was ₹ 1,828.26 million, ₹ (813.19) million and ₹ (1,391.00) million and our Adjusted EBITDA was ₹ 5,023.04 million, ₹ 1,204.09 million and ₹ 293.90 million, for Fiscals 2023, 2022 and 2021. Our Adjusted EBITDA grew at a CAGR of 6.49%, between Fiscals 2019 and 2023, which is a supplemental measure of our performance and liquidity.

Competitive Strengths

High-end branded hotels strategically located in key metro cities and leisure locations of India

We are an owner, developer, asset manager and operator of high-end hotels and mixed-use assets in key metro cities and leisure locations in India. As on the date of this Placement Document, our hotel platform comprises ten operating hotels, including one service apartment building, present across Mumbai Metropolitan Region, Hyderabad, Bengaluru, National Capital Region, Pune and Lonavala, representing 3,052 keys. Our hotels are branded with globally recognized hospitality brands and are in the luxury, upper upscale and upscale hotel segments (*Source: 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.

A significant portion of our hotel assets are located in high density business districts of key metro cities in India (*Source: Horwath Report*). We have developed our hotels at strategic locations generally with high barriers-to-entry, maximizing development potential with complementary commercial spaces and creating an additional diversified revenue stream. 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 Chhatrapati Shivaji Maharaj International Airport. Similarly, our hotel in Vashi, Navi Mumbai and proposed hotel at Airoli, Navi Mumbai are located close to new business districts and the proposed international airport at Panvel, Navi Mumbai and our hotels in Hyderabad and Bengaluru are located in the centre of new business districts near the offices of major technology corporations, business centres and commercial facilities. Further, our recently acquired leisure properties, 'The Dukes Retreat' at Lonavala and 'Courtyard by Marriott Aravali Resort' at Faridabad in Delhi NCR are destinations aimed to cater to leisure travellers, wedding celebrations and corporate events. We have also entered into a license agreement with Delhi International Airport Limited to design, develop and operate a hotel near the Indira Gandhi International Airport in New Delhi, which will be branded under the ‘Taj’ brand, held by IHCL.

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, as on the date of this Placement Document, our four largest hotels have 604, 588, 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. Currently, majority of our hotels are branded with global brands, such as, JW Marriott, Westin, Marriott, Marriott Executive Apartments, Courtyard by Marriott and Four Points by Sheraton which are held by Marriott, and Novotel which is held by Accor. 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 a) attract our target customer base including large corporate key accounts such as information technology companies, airlines, multi-national corporations, consultancy firms and banks, b) deliver an enhanced customer experience, c) encourage repeat business and d) drive customer loyalty.

Active asset management model

We follow an active asset management model across our hotels, which are operated either by Marriott or Accor pursuant to hotel operation and related agreements. These agreements give us access to Marriott’s and Accor’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 each of Marriott and Accor, 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 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 and expense review meetings each quarter with the hotel management team to assess hotel performance on a host of parameters and provide regular inputs on revenue enhancement, cost management initiatives and development potential;
- 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, consents and operational insurance policies, 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, including leading EBITDA margins on the basis of the hospitality segments of select listed companies (*Source: Horwath Report*).

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

Particulars	**Nine months ended December 31,**		**Fiscal ended March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
ADR(1) (₹)	10,297.79	8,444.42	9,168.61	4,576.35	4,039.65
Average Occupancy (2)	71.44%	71.40%	72.04%	51.45%	30.05%

RevPAR[3] (₹)	7,357.11	6,029.16	6,604.71	2,354.72	1,213.95
Total Operating Revenue (₹ million)[4]	9,102.72	7,186.87	10,284.69	4,058.32	2,017.95
Total Operating Expenses (₹ million)[5]	4,596.50	3,856.48	5,238.35	3,046.56	2,020.14
Staff per Room Ratio as on last day of the year [6]	0.93	0.91	0.93	0.84	0.74

(1) *ADR represents hotel room revenue from room rentals at our hotels divided by total number of room nights sold (including room nights 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 revenue from hotel including room revenue, food and beverage revenue and other income from hotel operations.*

(5) *Operating expenses comprises expenses towards food and beverage consumed, operating supplies, fuel, power and light, employee benefit cost, repairs and maintenance, business promotion expenses and other expenses.*

(6) *Staff per room ratio is calculated by dividing total staff by number of available keys*

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 0.93, 0.91, 0.93, 0.84 and 0.74 as of December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, respectively. One of the largest operating costs in the hospitality industry is payroll costs which has a material impact on the business of companies engaged in the hospitality business (*Source: Horwath Report*).

Our total income was ₹ 10,126.31 million and ₹ 8,321.71 million for the nine months ended December 31, 2023 and December 31, 2022, respectively and ₹ 11,779.54 million, ₹ 5,297.39 million and ₹ 3,167.25 million for Fiscals 2023, 2022 and 2021, respectively, and our total income grew at a CAGR of 2.63% between Fiscals 2019 and 2023. Our total comprehensive income was ₹ 1,953.44 million and ₹ 1,466.81 million and our Adjusted EBITDA was ₹ 4,153.70 million and ₹ 3,420.33 million, for the nine months ended December 31, 2023 and December 31, 2022. Our total comprehensive income/ (expense) was ₹ 1,828.26 million, ₹ (813.19) million and ₹ (1,391.00) million and our Adjusted EBITDA was ₹ 5,023.04 million, ₹ 1,204.09 million and ₹ 293.90 million, for Fiscals 2023, 2022 and 2021. Adjusted EBITDA grew at a CAGR of 6.49%, between Fiscals 2019 and 2023. As of December 31, 2023, December 31, 2022 and March 31, 2023, 2022 and 2021, our Average Cost of Indebtedness (including exchange (gain) /loss) was 8.74%, 8.43%, 8.75%, 7.51% and 8.16%, respectively and our Average Cost of Indebtedness (excluding exchange (gain) / loss) was 8.74%, 8.43%, 8.75%, 7.29% and 7.77%, respectively.

Well positioned to benefit from industry trends

Positive long-term elements for India's hotel sector include (a) robust domestic travel across several purposes - business, leisure, MICE, weddings and social events; (b) newer demand from various international and national events for sports and entertainment including various sports leagues, music, dance, drama and film festivals; demand will also be fostered by the new convention centres in Mumbai, Delhi and Jaipur, encouraging performing arts based events in other cities as well; (c) growing demand from international political and business delegations; (d) continued urbanisation and infrastructure growth creating new travel destinations and hotel micro-markets; (e) changing demographics, with millennials and younger travellers seeking experiences and willing to spend on entertainment, recreation, wellness and lifestyle (*Source: Horwath Report*). 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, strong demand potential from business travel and for corporate MICE and substantial demand for residential weddings is a positive for upper tier hotels (*Source: Horwath Report*). We believe that given our presence in key metro cities and size of our hotels, including large sized banquet, outdoor and conferencing facilities, particularly at our hotel at Sahar Mumbai and at our hotel and convention centre at Powai, Mumbai, we are well-positioned to benefit from the growth potential in the MICE segment, facilitating both domestic and international business meetings and conferences. We believe that 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.

Track record of delivering robust financial and operational performance

We have been operating in the Indian hospitality industry since 2000. Over the last two decades, we have worked with globally recognized hospitality brands and have added global best practices in the hospitality industry to our experience. We have a distinctive mix of hotels, resorts and commercial assets across key business and leisure travel destinations across India. For further details on our financial and operational performance of our Company, see "***Our Business - Competitive Strengths - Active asset management model***" on page 160.

We develop hotels, within budgeted costs and timelines, while adhering to high quality standards. We believe that our focus on increasing efficiency of built-up area per key, managing development cost per key, maximizing revenue through higher occupancies and controlling operating expenses through employee engagement and productivity, enables us to deliver improved operating margins. Further, we also strive to manage and operate our commercial assets efficiently, by developing them in close proximity to certain of our hotels and business districts. We believe that this helps in creating a symbiotic environment leading to the growth in revenues of hotels and commercial assets.

As on the date of this Placement Document, eight of our operating hotels, including a hotel with a service apartment building, are managed by third parties, while one of our hotels is directly managed and operated by us, while one of our hotels is operated by us under franchise and license agreements. We believe that such franchise and in-house hotel management models may lead to savings of fees usually payable in relation to hotels managed by third parties.

We also seek to continue evaluating opportunities for acquisition of hotel assets which we believe would be value accretive and we intend to continue to strengthen and expand our portfolio to newer geographies across India, through brownfield and greenfield projects. For instance, we have acquired a controlling interest in Ayushi and Poonam Estates LLP which owns '*Courtyard by Marriott Aravali Resort*' at Faridabad in Delhi NCR, which has resulted in the addition of 158 keys, thereby enhancing our leisure property portfolio. Further, we have also entered into a franchise agreement with IHCL and a franchise agreement with Hyatt and are in the process of setting up new hotels under the brands 'Taj' and 'Hyatt Regency™' at New Delhi and Navi Mumbai, respectively.

Experienced management team

We have a strong management team with significant industry experience. Our Promoters, Ravi Raheja and Neel Raheja, have been instrumental in the growth of our hospitality and commercial business and actively advise on finance, corporate strategy and planning. Further, our Managing Director and Chief Executive Officer, Sanjay Sethi has over 35 years of experience in the hospitality industry, including with leading Indian hotel chains, and across hotel segments. Further, our Chief Financial Officer, Milind Wadekar, has nearly three decades of experience in roles of finance, accounts and tax, our chief growth and strategy officer, Shwetank Singh has nearly 25 years of experience in strategy, asset management and business development, and our chief operating officer, Rajneesh Malhotra has three decades of experience in hospitality. Our Key Management Personnel and members of 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 are supported by a specialized team dedicated to improving sourcing costs across our assets through centralized procurement. 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. In addition, we are also focused on building capabilities and talent pool for rendering complete hotel management. Our scale and size of operations helps us in developing efficient talent deployment.

Backed by leading Indian real estate developer

We operate as the hospitality arm of one of India's leading real estate development group, K Raheja Corp group 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. K Raheja Corp has a pan India presence with over six decades of experience, spanning over four operational malls, residential spaces over cities in India, over 240 operational retail outlets across India and more than 54 Msf leasable area. As on March 1, 2024, the listed entities forming part of the K Raheja Corp, including our Company, Mindspace Business Parks REIT and Shoppers Stop Limited have a market capitalisation of US$5.38 billion (assuming the exchange rate of US$1 as ₹ 83). In addition to the hotels owned and operated by our Company, K Raheja Corp has one additional hotel namely, The Resort at Madh Marve, Mumbai consisting of 94 keys. We further leverage the experience and relationships of these companies with construction companies to develop hotels at optimal cost and quality. 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 and real estate properties.

Growth 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 revenue enhancement and 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 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 as explore shared service opportunities, such as laundry and finance operations, for our hotels located in the same city;

- sourcing and contracting green power, which is less expensive than the traditional coal-based electricity, from third parties for the energy requirements of our hotels; 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 in the process of developing two additional hotel projects which are expected to have 670 keys and increasing the number of keys at two operating hotels/ resorts. For further details on our greenfield and brownfield developments, see "***Our Business - Hotels under development***" on page 171. 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 spaces. For example, we are developing commercial space in Powai, Mumbai and 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 and commercial office space. Our commercial space under construction is expected to generate regular rental income and cushion the hospitality cash flow cyclicality. Commercial spaces 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 real estate projects in proximity to our hotels will provide benefits to our hotel business for MICE events and assist in driving room occupancy. Further, we are also in the process of developing our residential project, Raheja Vivarea, Koramangala, Bengaluru, comprising eleven residential towers and one commercial tower.

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 real estate properties 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 December 31, 2023, December 31, 2022 and March 31, 2023, 2022 and 2021, our Average Cost of Indebtedness (including exchange (gain)/loss) was 8.74%, 8.43%, 8.75%, 7.51% and

8.16%, respectively; Average Cost of Indebtedness (excluding exchange (gain)/loss) was 8.74%, 8.43%, 8.75%, 7.29% and 7.77%, respectively and our debt to equity ratio was 1.61, 1.71, 1.81, 1.89 and 1.30, respectively. We aim to continue to reduce our cost of indebtedness through active evaluation of refinancing and alternative capital sources.

Explore opportunities for reflagging hotels or renegotiating hotel operation contracts

Our hotels are either managed directly by us or through arrangements such as, hotel operation contracts, license agreements and management agreements,. with periodic renewal clauses. 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, 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 and domestic brands of similar to higher positioning as our current brands, in order to reduce risk of reliance on any one hospitality company.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including "***Risk Factors***", "***Use of Proceeds***", "***Issue Procedure***", "***Placement and Lock-up***" and "***Description of the Equity Shares***" on pages 44, 78, 195, 209 and 225, respectively.

Issuer	Chalet Hotels Limited
Face Value	₹ 10 per Equity Share
Issue Size	Aggregating to ₹ 10,000.00 million, comprising 12,626,263 Equity Shares A minimum of 10% of the Issue Size, i.e. at least 1,262,627 Equity Shares, was made available for Allocation to Mutual Funds only, and the balance 11,363,636 Equity Shares was made available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Floor Price	₹ 780.76 per Equity Share which has been calculated in accordance with Regulation 176 of the Chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price.
Issue Price	₹ 792.00 per Equity Share (including a premium of ₹ 782.00 per Equity Share)
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form were delivered and who were eligible to participate in the Issue and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or restricted from participating in the Issue under the applicable laws including the SEBI ICDR Regulations. For further details, see "***Issue Procedure – Eligible QIBs***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 200, 211 and 218, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered was determined by our Company in consultation with our Book Running Lead Managers, at its discretion.
Date of Board Resolution approving the Issue	January 24, 2024
Date of Shareholders' Resolution (through postal ballot) approving the Issue	March 10, 2024
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance of Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules, and other provisions of the Companies Act, 2013 and Chapter VI of the SEBI ICDR Regulations. For further details, see "***Issue Procedure***" on page 195.
Dividend	For details on dividend, see section "***Dividends***" and "***Description of the Equity Shares***" on pages 92 and 225, respectively.
Taxation	For details on taxation, see "***Taxation***" on page 229
Equity Shares issued and outstanding prior to the Issue	205,474,008 Equity Shares
Subscribed and paid-up share capital prior to the Issue	₹ 4,214,740,080 (comprising ₹ 2,054,740,080 of the equity share capital and ₹ 2,160,000,000 of the preference share capital)
Equity Shares issued and outstanding immediately after the Issue	218,100,271 Equity Shares
Listing	Our Company has obtained in-principle approvals from NSE and BSE, each dated March 27, 2024, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares, to be issued pursuant to this Issue, after the Allotment and the credit of Equity Shares to the beneficiary account with the Depository Participant, respectively.
Lock-up	For details of the lock-up, see "***Placement and Lock-up***" on page 209.

Transferability restrictions	Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Allotments made to VCFs, and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. For further details, see, "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 195, 211 and 218, respectively.
Use of proceeds	The gross proceeds of this Issue will aggregate to approximately ₹ 10,000.00 million. The net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹ 9,802.00 million which is proposed to be utilized for (i) repayment /pre-payment, in full or in part, of certain outstanding borrowings availed by our Company; and (ii) General corporate purposes. For further details, see "***Use of Proceeds***" on page 78 for additional information regarding the use of Net Proceeds.
Risk Factors	Please see "***Risk Factors***" on page 44 for a discussion of risks you should consider before deciding whether to subscribe to Equity Shares pursuant to this Issue.
Closing Date	The Allotment of the Equity Shares offered pursuant to this Issue is expected to be made on or about April 2, 2024.
Status, ranking and Dividend	Equity Shares being issued pursuant to the Issue shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of voting rights and dividends. Our Shareholders (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in Shareholders' meetings on the basis of one vote for every Equity Share held in accordance with the Companies Act, 2013. For further details, see "***Dividends***" and "***Description of the Equity Shares***" on pages 92 and 225, respectively
Security codes for the Equity Shares	**ISIN :** INE427F01016 **BSE Code :** 542399 **NSE Code :** CHALET

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the more detailed information contained in "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and the Audited Consolidated Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements included in "***Financial Information***" on pages 93 and 245, respectively.

Summary of consolidated balance sheet as at nine months ended December 31, 2023 and December 31, 2022 and the Fiscal year ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
ASSETS					
Non-current assets					
Property, plant and equipment	21,640.07	19,160.78	20,968.70	19,741.37	20,594.08
Right of Use assets	475.80	540.67	524.67	589.55	-
Capital work-in-progress	466.21	898.62	977.74	322.27	358.48
Investment property	17,729.91	16,018.55	16,473.85	13,560.39	9,950.72
Goodwill	537.11	226.11	537.11	226.11	226.11
Other intangible assets	36.67	10.47	31.25	16.48	25.88
Financial assets					
(i) Other investments	68.72	62.76	68.47	62.79	44.94
(ii) Loans	-	-	-	-	109.22
(iii) Others	788.88	477.86	587.83	387.04	231.45
Deferred tax assets (net)	1,718.35	1,794.16	1,444.97	2,352.68	1,796.65
Non-current tax assets (net)	508.64	368.68	154.84	402.67	402.58
Other non-current assets	699.54	726.45	494.64	343.70	597.28
Total non-current assets	**44,669.90**	**40,285.11**	**42,264.07**	**38,005.06**	**34,337.40**
Current assets					
Inventories	4,759.54	4,084.21	4,129.26	3,934.97	3,912.12
Financial assets					
(i) Investments	501.18	-	-	-	-
(ii) Trade receivables	550.18	432.62	589.51	436.02	216.40
(iii) Cash and cash equivalents	448.53	136.75	444.54	245.23	269.02
(iv) Bank balances other then cash and cash equivalents	478.50	401.65	775.26	753.22	188.66
(v) Loans	-	5.00	-	-	71.76
(vi) Others	145.57	110.08	129.98	150.63	26.97
Other current assets	1,246.30	949.16	975.13	901.89	865.61
Total current assets	**8,129.80**	**6,119.47**	**7,043.68**	**6,421.96**	**5,550.54**
TOTAL ASSETS	**52,799.70**	**46,404.58**	**49,307.75**	**44,427.02**	**39,887.94**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	2,053.95	2,050.25	2,050.25	2,050.24	2,050.24
Other equity	15,590.12	12,959.94	13,369.14	11,362.31	12,110.38
Equity attributable to owners of the Company	**17,644.07**	**15,010.19**	**15,419.39**	**13,412.55**	**14,160.62**
Non controlling interests	(3.95)	(3.76)	(4.06)	(2.62)	(3.22)
Total equity	**17,640.12**	**15,006.43**	**15,415.33**	**13,409.92**	**14,157.40**
Liabilities					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	22,472.71	22,193.60	22,077.12	21,428.13	17,603.82
(ia) Lease liabilities	512.59	559.68	548.56	591.47	-
(ii) Others	245.94	219.18	252.74	159.59	190.97
Provisions	87.73	90.04	82.85	80.41	76.42
Deferred tax liabilities (net)	-	-	-	11.93	137.51
Other non-current liabilities	145.93	141.16	154.78	139.80	109.58
Total non-current liabilities	**23,464.90**	**23,203.66**	**23,116.05**	**22,411.33**	**18,118.30**

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Current liabilities					
Financial liabilities					
(i) Borrowings	5,954.48	3,477.25	5,861.59	3,911.69	843.99
(ia) Lease liabilities	47.09	42.18	42.91	39.70	-
(ii) Trade payables					
(a) Total outstanding dues of micro enterprises and small enterprises and	206.86	73.66	144.59	89.83	32.54
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises	1,341.78	1,279.17	1,357.26	776.95	796.05
(iii) Other financial liabilities	1,129.07	829.45	1,047.01	623.79	2,595.75
Other current liabilities	2,905.96	2,211.14	2,214.57	2,116.72	2,239.97
Provisions	109.44	86.64	108.44	852.09	908.94
Current tax liabilities		195.00	-	195.00	195.00
Total current liabilities	**11,694.68**	**8,194.49**	**10,776.37**	**8,605.77**	**7,612.24**
TOTAL EQUITY AND LIABILITIES	**52,799.70**	**46,404.58**	**49,307.75**	**44,427.02**	**39,887.94**

Summary of consolidated statement of profit and loss for the nine months ended December 31, 2023 and December 31, 2022 and the Fiscal year ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in million)

Particulars	For the nine months period ended December 31, 2023	For the nine months period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Continuing operations					
Revenue from operations	9,989.88	7,905.93	11,284.67	5,078.07	2,943.87
Other income	136.43	415.78	494.87	219.32	223.38
Total income (A)	**10,126.31**	**8,321.71**	**11,779.54**	**5,297.39**	**3,167.25**
Expenses from Continuing operations					
Real estate development cost	63.79	63.79	85.06	221.66	95.06
Changes in inventories of finished good and construction work in progress	-	-	-	(12.80)	-
Food and beverages consumed	767.41	743.02	999.19	538.63	242.87
Operating supplies consumed	293.80	289.13	392.66	243.76	123.35
Employee benefits expense	1,429.70	1,098.28	1,510.96	999.76	906.57
Other expenses	3,417.91	2,707.16	3,768.63	2,102.29	1,505.50
Total expenses (B)	**5,972.61**	**4,901.38**	**6,756.50**	**4,093.30**	**2,873.35**
EBITDA adjusted for exceptional items and loss from discontinued operations (C) (A-B)	**4,153.70**	**3,420.33**	**5,023.04**	**1,204.09**	**293.90**
Depreciation and amortisation expenses	1,012.54	874.67	1,173.09	1,184.23	1,174.62
Finance costs	1,437.89	1,139.43	1,544.74	1,444.13	1,519.78
Profit / (Loss) before exceptional items and tax from Continuing operations (D)	**1,703.27**	**1,406.23**	**2,305.21**	**(1,424.27)**	**(2,400.50)**
Exceptional items (E)	-	607.47	423.08	(44.58)	(41.71)
Profit / (Loss) before income tax from Continuing operations (F) (D+E)	**1,703.27**	**2,013.70**	**2,728.29**	**(1,468.85)**	**(2,442.21)**
Tax expense (G)	**(254.14)**	**547.11**	**895.39**	**(719.53)**	**(1,091.55)**
Current tax (includes tax for the earlier years)	198.00	0.62	178.65	(37.76)	(63.34)
MAT credit entitlement	-	-	(178.41)	-	-
Deferred tax expense / (credit)	(452.14)	546.49	895.15	(681.77)	(1,028.21)
Profit / (Loss) for the year from Continuing operations (H) (F-G)	**1,957.41**	**1,466.59**	**1,832.90**	**(749.32)**	**(1,350.66)**
Discontinued Operations					
(Loss) from discontinued operations before tax	-	-	-	(65.37)	(40.62)
Tax expense of discontinued operations	-	-	-	-	-
(Loss) from discontinued operations (I)			-	**(65.37)**	**(40.62)**
Profit / (Loss) for the year (H + I)	**1,957.41**	**1,466.59**	**1,832.90**	**(814.69)**	**(1,391.28)**
Other comprehensive (expense) from Continuing operations					
<u>Items that will not be reclassified to profit or loss</u>					
Remeasurements of the defined benefit plans	(6.01)	0.33	(7.51)	1.65	0.05
Income tax Credit on above	2.04	(0.11)	2.87	(0.15)	0.23
Other comprehensive (expense) /Income for the year, net of tax (J)	**(3.97)**	**0.22**	**(4.64)**	**1.50**	**0.28**
Total comprehensive income / (expense) for the year (K) (J+I+H)	**1,953.44**	**1,466.81**	**1,828.26**	**(813.19)**	**(1,391.00)**
Profit / (Loss) attributable to :					
Owners of the company	1,957.29	1,466.18	1,833.32	(815.28)	(1,390.76)
Non-controlling interests	0.12	0.41	(0.42)	0.60	(0.52)
Other comprehensive (expense) attributable to :					

Particulars	**For the nine months period ended December 31, 2023**	**For the nine months period ended December 31, 2022**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Owners of the company	(3.97)	0.22	(4.64)	1.50	0.28
Non-controlling interests	-	-	-	-	-
Total comprehensive Income / (expense) attributable to :					
Owners of the company	1,953.32	1,466.40	1,828.68	(813.79)	(1,390.48)
Non-controlling interests	0.12	0.41	(0.42)	0.60	(0.52)
Earnings per equity share - Continuing operations (Face value of Rs 10 each)					
Basic (* not annualised)	*9.54	*7.15	8.94	(3.66)	(6.59)
Diluted (* not annualised)	*9.53	*7.15	8.94	(3.66)	(6.59)
Earnings per equity share - Discontinued operations (Face value of Rs 10 each)					
Basic (* not annualised)	-	-	-	(0.32)	(0.19)
Diluted (* not annualised)	-	-	-	(0.32)	(0.19)
Earnings per equity share - Continuing and Discontinued operations (Face value of Rs 10 each)					
Basic (* not annualised)	*9.54	*7.15	8.94	(3.98)	(6.78)
Diluted (* not annualised)	*9.53	*7.15	8.94	(3.98)	(6.78)

Summary of consolidated statement of cashflow for the nine months ended December 31, 2023 and December 31, 2022 and the Fiscal year ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ in million)

Particulars	For the nine months period ended December 31, 2023	For the nine months period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES :					
Profit /(Loss) before tax from Continuing operations	**1,703.27**	**2,013.70**	**2,728.29**	**(1,468.85)**	**(2,442.21)**
(Loss) before tax from Discontinued operations	-	-	-	**(65.37)**	**(40.62)**
Adjustments for :					
Interest income from instruments measured at amortised cost	(80.69)	(298.53)	(316.30)	(57.13)	(65.95)
Depreciation and amortisation expenses	1,012.54	874.67	1,173.09	1,184.23	1,174.62
Finance costs	1,437.89	1,139.43	1,544.74	1,444.13	1,519.78
Unrealised exchange loss /(gain)	4.79	27.98	25.85	-	(20.33)
Provision for estimated cost	-	(607.47)	(423.08)	44.58	41.71
Profit on sale of property, plant and equipment (net)	(0.64)	(0.95)	(5.78)	(3.66)	(4.53)
Property, plants and equipment written off	-	3.90	-	21.25	1.86
Profit on sale of investment	-	-	(1.99)	(0.12)	(0.10)
Provision for doubtful debts, advances and bad debt written off	5.09	3.79	6.55	5.46	11.91
Employee stock option expense	75.03	50.72	78.98	1.02	5.59
Export benefits and entitlements	(8.02)	(30.02)	(36.91)	(59.42)	(21.66)
Provision for mark to market on derivative contract	-	-	(0.75)	(12.18)	62.19
Provision for stock obsolescence	-	-	-	3.04	2.68
Proposed dividend	-	-	(0.00)	-	-
Sundry balance written back	(9.79)	(21.52)	-	(0.28)	(2.25)
Total	**2,436.20**	**1,142.00**	**2,044.40**	**2,570.91**	**2,705.52**
Operating Profit before working capital changes	4,139.47	3,155.70	4,772.69	1,036.69	222.69
Adjustments					
(Increase) / Decrease in trade receivables and current assets	(528.95)	(161.09)	(408.90)	(222.40)	212.71
(Increase) / Decrease in inventories	(630.28)	(149.24)	(373.06)	(10.33)	11.97
Increase / (Decrease) in trade payables and current liabilities	907.82	(71.58)	746.65	(219.43)	(312.64)
Total	**(251.41)**	**(381.91)**	**(35.31)**	**(452.16)**	**(87.96)**
Income Taxes (net of refund)	(373.04)	27.65	31.46	37.67	466.98
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**3,515.02**	**2,801.44**	**4,768.84**	**622.20**	**601.71**
CASH FLOW FROM INVESTING ACTIVITIES :					
Purchase of property, plant and equipment, Right of Use assets (including capital work in progress, capital creditors and capital advances)	(1,056.24)	(695.06)	(1,748.17)	(415.92)	(482.86)
Proceeds from sale of property, plants and equipments and investment property	88.40	2.18	33.42	19.51	14.40
Purchase of investments (including investment property and investment property under construction)	(2,005.07)	(2,638.81)	(4,125.34)	(3,019.00)	(950.19)
Sale/redemption of Investments	-	-	-	0.31	0.30

Particulars	For the nine months period ended December 31, 2023	For the nine months period ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Loans given	-	(5.00)	(5.00)	-	-
Loans received	-	-	5.00	-	-
Interest income received	66.15	918.70	29.23	56.01	64.40
Receipt of Intercorporate Deposit given	-	1.48	-	-	-
Fixed deposits matured / (placed) (net)	52.71	554.47	(21.05)	(598.76)	810.42
Margin money matured / (placed) (net)	169.70	(245.21)	(92.12)	(3.12)	44.31
Acquired in Business Combination - CFS					
NET CASH (USED IN) FROM INVESTING ACTIVITIES (B)	**(2,684.35)**	**(2,107.25)**	**(5,924.03)**	**(3,960.98)**	**(499.22)**
CASH FLOW FROM FINANCING ACTIVITIES :					
Issue of preference shares	-	250.00	250.00	500.00	-
Issue of equity shares	111.72	0.32	1.32	-	-
Proceeds from long-term borrowings	1,982.29	4,320.00	9,976.13	7,233.66	3,970.00
Repayment of long-term borrowings	(2,433.96)	(4,919.94)	(7,951.35)	(2,280.99)	(2,892.83)
Proposed dividend	-	-	0.00	-	-
Payment of lease liability	(73.60)	(73.15)	(88.67)	(39.70)	-
Intercorporate Deposit taken	650.00	350.00	450.00	-	-
Proceeds from short-term borrowings (net)	1.47	(1.48)	-	1.00	104.00
Repayment of short-term borrowings (net)	-	-	-	(2.74)	(100.45)
Interest and finance charges paid	(1,214.12)	(1,200.56)	(1,376.98)	(1,301.77)	(1,421.62)
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**(976.20)**	**(1,274.81)**	**1,260.45**	**4,109.46**	**(340.89)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(145.53)**	**(580.62)**	**105.26**	**770.69**	**(238.40)**
CASH AND CASH EQUIVALENTS - OPENING BALANCE	354.30	231.51	231.51	(539.18)	(300.78)
Acquired in Business Combination	-	-	17.53	-	-
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**208.77**	**(349.11)**	**354.30**	**231.51**	**(539.18)**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during: (i) Fiscal 2021; (ii) Fiscal 2022; (iii) Fiscal 2023; (iv) for the nine months ended December 31, 2023; and (v) for the nine months ended December 31, 2022, as per the requirements in accordance with Indian Accounting Standards ("**Ind AS**") notified under the Ind AS Rules read with Section 133 of the Companies Act, 2013, see "***Financial Information – Fiscal 2021 Audited Consolidated Financial Statements - Note 49 – Related Party Disclosures***", "***Financial Information – Fiscal 2022 Audited Consolidated Financial Statements - Note 46 – Related Party Disclosures***", "***Financial Information – Fiscal 2023 Audited Revised Consolidated Financial Statements - Note 47 – Related Party Disclosures***", "***Financial Information – Unaudited Condensed Consolidated Interim Financial Statements December 2022 - Note 14 – Related Party Disclosures***" and "***Financial Information – Unaudited Condensed Consolidated Interim Financial Statements December 2023 - Note 16 – Related Party Disclosures***" on pages F-409, F-303, F-196, F-92, and F-42, respectively.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following Risk Factors and all the information disclosed in this Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. These risks and additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business, prospects, financial condition, cash flows and results of operations, the trading price of, and the value of your investment in our Equity Shares could decline or fall significantly and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.

*This Placement Document also contains forward-looking statements that involve risks 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 Placement Document. Please see "**Forward Looking Statements**" on page 17.*

*The financial and other related implications of the risk factors, wherever material and quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. To obtain a complete understanding of our Company, this section should be read together with "**Industry Overview**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 128, 158 and 93, respectively, as well as the financial statements, including the notes thereto, and other financial, statistical and other information contained in this Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Prospective investors should consult their own tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.*

*We prepared our Financial Information in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**"). Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar. Unless otherwise indicated or the context otherwise requires, the financial information included in this Placement Document for (i) the nine months ended December 31, 2023 and December 31, 2022 have been derived from our Unaudited Condensed Consolidated Interim Financial Statements, and (ii) Fiscals 2023, 2022 and 2021 have been derived from our Audited Consolidated Financial Statements.*

Unless otherwise indicated, industry and market data used in this section is derived from a report titled "Industry Report – Upper Tier Hotels, India" dated March 23, 2024, prepared and issued by Horwath HTL India and commissioned by us in connection with the Issue. The data included herein includes excerpts from the Horwath Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue) of the Horwath Report, that has been left out or changed in any manner. Unless otherwise indicated, operational, industry and other related information derived from the Horwath Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Our financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise stated, references in this section to "we", "our" or "us" are to our Company, on a consolidated basis.

INTERNAL RISK FACTORS

RISK RELATING TO OUR BUSINESS

1. We derive substantial revenue from our hotels managed by Marriott and Accor, which collectively contributed ₹ 9,689.69 million or 85.87%, to our total revenue from operations in Fiscal 2023. 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.

We derive a substantial majority of our revenues from hotels managed by 2 third-party hotel operators *i.e.*, Marriott Hotels India Private Limited and its affiliates (collectively "**Marriott**") and Novotel, held by Accor S.A.

and its affiliates (collectively, "**Accor**"). As on the date of this Placement Document, our portfolio consists of ten operating hotels, two of which are managed by us (including one which has been franchised by Marriott), seven of which are managed by Marriott and one is managed by Accor. As on December 31, 2023, the hotels managed by Marriott and Accor comprised a total of 2,662 keys or 91.98% of our total keys. For further details on the breakdown of our hotels by operator, including our license expiration date for each hotel, see the table under "***Our Business – Description of Our Business – Our Hotel Business***" on page 165. Our hotel operator services agreements are for terms generally ranging from 15 to 30 years, under which we are generally obliged to pay fees for various services rendered by third-party operators. During the nine months ended December 31, 2023 and past three Fiscals, the amounts payable to the hotel operators ranged from 8.13% to 12.94% of each of our hotel's total operating revenue, for our hotels managed by third parties.

The following table sets forth details of our relationship with each of Marriott and Accor, along with a breakdown of our revenue from operations (in absolute terms and as percentage of total revenue from operations) attributable to our hotels managed by each of them for the years indicated:

	Average period of relationship/ tenure	Revenue contribution for the nine months ended December 31,				Revenue contribution for the Fiscal ended March 31,					
		2023		2022		2023		2022		2021	
		(₹ in million)	(% of revenue from operations)	(₹ in million)	(% of revenue from operations)	(₹ in million)	(% of revenue from operations)	(₹ in million)	(% of revenue from operations)	(₹ in million)	(% of revenue from operations)
Marriott	Up to 25 years	8,060.76	80.69%	6,358.46	80.43%	9,150.96	81.09%	3,486.74	68.66%	1,777.17	60.37%
Accor	4 years	424.70	4.25%	399.40	5.05%	538.73	4.77%	270.11	5.32%	100.70	3.42%

Further, in line with our growth strategy, we have also entered into franchise, license and other related agreements with IHCL and Hyatt and are in the process of setting up new hotels under the brands 'Taj' and 'Hyatt Regency™' at New Delhi and Navi Mumbai, respectively. Post commencement of operations of such hotels, they shall be operated by us.

The hotel operation and management 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 that 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.

2. *We have experienced losses in recent years.*

Our Company has incurred losses in the past, details of which are set out below for the years indicated:

(₹ in million)

Particulars	As at and for the Fiscal	
	2022	2021
Profit/ (loss) for the year	(814.69)	(1,391.28)

In the event our Company continues to incur losses, our consolidated results of operations, cash flows and financial condition will continue to be adversely affected. For further details, see "***Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 245 and 93, respectively. We cannot assure you that we will not incur losses in the future.

3. A significant portion of our revenues, i.e., 53.74% in Fiscal 2023 is derived from two of our hotels situated in Mumbai and any adverse developments affecting such hotels or regions could have an adverse effect on our business, results of operation and financial condition. Further, a large portion (collectively, 94.44% in Fiscal 2023) of our revenues are derived from hotels concentrated across the Mumbai Metropolitan Region, Bengaluru and Hyderabad regions.

Our two largest hotels are The Westin Mumbai Powai Lake and JW Marriott Mumbai Sahar and any decrease in our revenues from these hotels, including due to increased competition and supply or reduction in demand in the markets in which these hotels operate, may have an adverse effect on our business, results of operation and financial condition. The following table sets forth the aggregate contribution of the two hotels situated in Mumbai to the total revenue from operations for the years indicated:

Particulars	Nine months ended December 31,				Fiscals ended					
	2023		2022		2023		2022		2021	
	(₹ in million)	*(% of revenue from operations)*	*(₹ in million)*	*(% of revenue from operations)*	*(₹ in million)*	*(% of revenue from operations)*	*(₹ in million)*	*(% of revenue from operations)*	*(₹ in million)*	*(% of revenue from operations)*
Total revenue from operation for the two largest hotels	5,184.70	51.90%	4,182.91	52.91%	6,063.96	53.74%	2,366.83	46.61%	1,120.87	38.07%

In addition, a large portion of our revenues are derived from hotels concentrated across the Mumbai Metropolitan Region, Bengaluru and Hyderabad. The following table sets forth the aggregate contribution of our hotels located in these regions to the total revenue from operations for the years indicated:

Particulars	Nine months ended December 31,				Fiscals ended					
	2023		2022		2023		2022		2021	
	(₹ in million)	*(% of revenue from operations)*	*(₹ in million)*	*(% of revenue from operations)*	*(₹ in million)*	*(% of revenue from operations)*	*(₹ in million)*	*(% of revenue from operations)*	*(₹ in million)*	*(% of revenue from operations)*
Bengaluru	1,139.08	11.40%	861.95	10.90%	1,254.94	11.12%	333.56	6.57%	295.43	10.04%
Hyderabad	1,736.98	17.39%	1,313.61	16.62%	1,828.29	16.20%	786.35	15.49%	360.87	12.26%
Mumbai Metropolitan Region	5,615.32	56.21%	4,611.68	58.33%	6,658.96	59.01%	2,668.29	52.55%	1,260.29	42.81%
Total	**8,491.38**	**85.00%**	**6,787.24**	**85.85%**	**9,742.19**	**86.33%**	**3,788.20**	**74.61%**	**1,916.59**	**65.11%**

Any decrease in revenues from our hotels concentrated in the Mumbai Metropolitan Region, including due to increased competition or supply, or reduction in demand, in this region, 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.

4. We were not in compliance with certain covenants under certain of our financing agreements in the past, and in case of any breach of covenants in the future, such non-compliance, if not waived, could adversely affect our business, results of operations and financial condition.

Our borrowings require us to comply with certain covenants and conditions, such as maintaining a specified

RevPAR or certain financial ratios, which are tested periodically. For further details, see "***– Our indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business.***" on page 47.

In the past three Fiscals, and as of the date of this Placement Document, due to the impact of the COVID-19 pandemic on our revenues and indebtedness levels, our Company was not in compliance with certain financial covenants under certain financing agreements from certain lenders. Details of certain past instances of non-compliances during the last three Fiscals under our outstanding financing agreements for various assets, are set forth below:

Legal entity	Lender	Period of non-compliance	Nature of covenants
Our Company	HDFC Bank Limited	Fiscal 2023	• Maximum debt to EBITDA ratio
		Fiscal 2021	• Maximum debt to EBITDA ratio • Minimum debt service coverage ratio
	Axis Bank Limited	Fiscal 2022	• Minimum debt service coverage ratio
		Fiscal 2021	• Minimum debt service coverage ratio
	Standard Chartered Bank	Fiscal 2022	• Minimum debt service coverage ratio • Minimum RevPAR • Minimum net operating income
		Fiscal 2021	• Minimum debt service coverage ratio • Minimum RevPAR • Minimum net operating income

We have obtained waivers from the relevant lenders with respect to the above-mentioned instances of non-compliances, and none of our lenders have required us to repay any part of our borrowings, imposed any penalty, undertaken any other enforcement actions or otherwise exercised their rights under the financing agreements as a result of any of our non-compliances.

However, such waivers only apply to past defaults and we cannot assure you that we will be able to continue to comply with the relevant covenants under our financing agreements in the future. Any breach of financial or other covenants under our financing agreements in the future, if not waived, could lead to an event of default. Such events of default may result in lenders taking actions such as the termination of our credit facilities, the acceleration of the repayment of the debt, the imposition of penalty interest, the enforcement of security interests or the conversion of part or whole of the outstanding amount of the facility into equity shares, among others. An event of default under certain financing agreements may also trigger cross defaults under certain of our other financing agreements. We cannot assure you that our lenders will not exercise their rights or remedies under loan documents in the future.

5. Our indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business.

We operate in a capital-intensive industry and, as of December 31, 2023, we had outstanding borrowings (*comprising current and non-current borrowings, current portion of non-current borrowings as well as interest accrued on borrowings*) of ₹ 28,427.19 million on a consolidated basis. Our outstanding borrowings also include NCDs (secured) that we have issued to IFC and NCRPS and Zero Coupon NCRPS. As of December 31, 2023, our outstanding NCDs (secured) amounted to ₹2,000.00 million and non-cumulative redeemable preference shares amounted to ₹ 1,967.55 million. We generally raise debt for the purpose of funding capital expenditure, including for renovation and rebranding of hotels, and refinancing existing loans.

The table below sets forth certain information on our total borrowings, net borrowings, net borrowings to total equity ratio, debt service coverage ratio and Adjusted EBITDA/finance costs, as of the dates indicated:

Particulars	Nine months ended December 31,		Fiscals ended		
	2023	2022	2023	2022	2021
Non-current borrowings (₹ million) (A)	22,472.71	22,193.60	22,077.12	21,428.13	17,603.82
Current borrowings (₹ million) (B)	5,954.48	3,477.25	5,861.59	3,911.69	843.99
Current maturity of long term borrowings (₹ million)[(8)]	-	-	-	-	2,135.43

Particulars	Nine months ended December 31,		Fiscals ended		
	2023	2022	2023	2022	2021
(B(i))					
Total borrowings (₹ million)[1] (C = A+B+B(i))	28,427.19	25,670.85	27,938.71	25,339.82	20,583.24
Finance costs (₹ million)	1,437.89	1,139.43	1,544.74	1,444.13	1,519.78
Net borrowings (₹ million) (D)[2]	27,500.16	25,132.45	26,718.91	24,341.37	20,125.56
Net debt[3] (E)	24,498.88	22,977.75	24,388.65	22,558.71	18,895.16
Total Equity (₹ million) (F)	17,640.12	15,006.43	15,415.33	13,409.92	14,157.39
Net borrowings to total equity ratio (G = D/F) (in times)[4]	1.56	1.67	1.73	1.82	1.42
Net debt to total equity ratio (H = E/F) (in times)	1.39	1.53	1.59	1.68	1.33
Debt service coverage ratio (in times)[5]	0.62	0.84	0.63	0.34	0.04
Adjusted EBITDA/ finance costs (in times)[6]	2.89	3.00	3.25	0.83	0.19
Interest coverage ratio[7] (in times)	3.07	3.05	2.95	1.30	0.88

Notes:

(1) *Total borrowings is computed as sum of non-current and current borrowings and current maturity of long term borrowings.*

(2) *Net borrowings is computed as total borrowings minus cash and cash equivalents and other balances with banks.*

(3) *Net debt does not include preference shares and inter-corporate deposits.*

(4) *Net Borrowings to total equity ratio is computed as net borrowings divided by total equity.*

(5) *Debt service coverage ratio is calculated as earnings for debt service (net profit before tax + non-cash operating expenses (depreciation and amortisation) + finance cost + other adjustments such as gain on sale of property, plant and equipment) divided by debt service (finance cost and lease payments + principal repayments of long term borrowings).*

(6) *Adjusted EBITDA/ finance costs is calculated as Adjusted EBITDA divided by finance costs.*

(7) *Interest coverage ratio = (earnings/(loss) before finance cost, depreciation and amortisation, exceptional items and tax - Depreciation and amortisation expense) / Finance costs paid.*

(8) *In the Financial Year 2021, the current maturity of long term borrowings was disclosed under the head 'Current - other financial liabilities'.*

As of December 31, 2023, the interest rate for our borrowings (*excluding preference capital of ₹ 1,967.55 million availed by us*) aggregating to ₹ 26,459.64 million, was expressed as the base rate or marginal cost of funds based lending rate of a specified lender, 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.

In addition, we intend to utilize a substantial portion of the Net Proceeds towards the repayment, and/or prepayment of all or a portion of certain borrowings availed by us, see "– ***A substantial portion of the Net Proceeds will be utilized for the repayment and/ or prepayment of indebtedness availed by our Company.***" on page 53. However, our ability to continue to meet our debt service obligations and repay our outstanding borrowings will depend, in part, on the cash flows generated from our operations. We cannot assure you that our business will generate cash flows sufficient for servicing our debt or funding other liquidity needs. Our current and future levels of leverage could have significant consequences for our future financial results and business prospects, including but not limited to:

- increasing our vulnerability to economic downturns in India;
- reducing our flexibility to plan for or respond to changing business, regulatory and economic conditions;
- limiting our ability to acquire new hotels and pursue growth plans;
- 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;
- subjecting us to fluctuating market interest rates, which may adversely affect the cost of our borrowings; and

- reducing the availability of cash flows from our operations to fund capital expenditure, working capital requirements and growth initiatives or to make dividend payouts.

In addition, our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of actions, which could adversely affect our business and financial condition. For example, some of our financing agreements require us to obtain prior written consent from, or intimate our lenders for, among other things, changes in the capital structure and shareholding pattern of our Company, increase the authorized share capital, lock-up of shareholding of promoters and other shareholders, and repayment/ pre-payment of any of the credit facilities. We have applied to our lenders and we have received consents from the relevant lenders, to the extent required, in relation to this Issue.

Further, certain terms of our borrowings require us to maintain financial ratios, which are tested periodically. Any failure on our part to satisfactorily comply with any condition or covenant under our financing agreements, or any new financing agreements we may enter into, in the future may lead to an event of default which in turn may lead to the acceleration of the repayment of the debt. During the past three Fiscals, we were not in compliance with certain financial covenants under several financing agreements that our Company is a party to. For further details, see "– ***We were not in compliance with certain covenants under certain of our financing agreements in the past, and in case of any breach of covenants in the future, such non-compliance, if not waived, could adversely affect our business, results of operations and financial condition.***" on page 46. However, we have received consent letters from the lenders that have waived off the breach in relation to the financial covenant and letters which confirm that our Company has taken corrective actions in the form that were acceptable, and no actions have triggered an event of default.

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 "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities, Capital Commitments and Contractual Obligations – Indebtedness***" on page 121.

6. If we are unable to realize the anticipated growth opportunities and synergies from our recent acquisitions or the acquisitions that we may undertake in the future, our business, financial condition, cash flows and results of operations may be adversely affected.

As part of our growth strategy, we seek to acquire hotels and leisure properties. While we have grown from acquisitions in the past, including through our acquisitions of leisure properties like 'The Dukes Retreat' at Lonavala on March 22, 2023 and 'Courtyard by Marriott Aravali Resort' at Faridabad in Delhi NCR on February 29, 2023, we cannot assure you that we will be able to find suitable assets to acquire or continue to experience the same level of success and growth through acquisitions in the future. As of December 31, 2023, and during the last three Fiscals, we acquired one property, *i.e.*, The Dukes Retreat, or 11.11% of our total operating hotels portfolio. The following table sets forth the aggregate contribution of The Dukes Retreat to our total revenue for the nine months ended December 31, 2023:

Particulars	Nine months ended December 31, 2023	
	(₹ in million)	(% of revenue from operations)
Total income from acquired hotels	183.66	1.84%

For further details of our recent acquisitions, see "***Our Business – Description of our Business***" on page 164.

The success of the acquisitions that we undertake depend, in part, on our ability to realize the anticipated growth opportunities and synergies from integrating these businesses, which requires substantial management attention and efforts as well as additional expenditures. In acquiring and integrating new businesses, we may encounter a variety of challenges in connection with the renovation, rebranding or development of hotel assets, including difficulties arising from:

- developing and preserving uniform culture, values and work environment across our operations;

- recruiting, training and retaining competent management and employees;

- delays or failure to obtain requisite consents or authorizations from relevant statutory authorities;
- risks and costs associated with the litigation of the acquired businesses;
- developing and improving our internal administrative infrastructure, including our financial, operational, technology and communications and other internal systems; and
- delays in project execution and significant time and cost overruns.

Acquired businesses or assets may not generate the financial results we expect and may be loss making over time. Further, acquisitions may result in incurrence of debt. Although we have not experienced significant difficulties associated with acquiring and integrating new business in the nine months ended December 31, 2023 and the past three Fiscals, if our management's attention is diverted or we experience any such difficulties in the future, our ability to realize the potential benefits of the business and, in turn, our business, financial condition, cash flows and results of operations could be adversely affected.

7. We have pursued a strategy of expansion of our hotels and properties and have also entered into license agreements to design, develop and operate hotels and commercial projects in India.

We have entered into a license agreement with Delhi International Airport Limited to design, develop and operate a hotel near the Indira Gandhi International Airport in New Delhi, which will be branded under the 'Taj' brand, held by IHCL. Further, we have entered into an international license agreement with Sheraton International, Inc. for the global brand Four Points by Sheraton together with a centralised services agreement, which among other things gives us access to the Four Points by Sheraton brand owned by Marriott. For further details, see "***Our Business – Certain Key Agreements – License and related agreements***" on page 170. Our development pipeline consists of 870 rooms across four hotels. Further, as of December 31, 2023, the development pipeline for commercial projects consisted of leasable area of approximately 0.80 Msf across one project. 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.

However, we may not be able to consummate a transaction on terms that are favourable to us or achieve expected returns and other benefits. The development and maintenance of our assets may subject us to several risks, including:

- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to real estate development or construction projects;
- availability, terms and conditions associated with and timely receipt of regulatory approvals, the denial of which could delay or prevent a hotel from becoming operational and if granted, may be subject to onerous conditions requiring us to alter the design or operational parameters of the hotel;
- increased costs of and delays in construction, including unanticipated risks beyond our control such as weather conditions or labor suspension, shortages of materials or labor and construction cost overruns;
- our dependency on the third parties whom we contract to construct and renovate our hotels, including their ability to meet our anticipated timelines, quality and budget expectations;
- 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;
- design or construction defects that could result in additional costs associated with repair, delay or the closing of part, or all of a hotel during such repair period;
- 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;
- environmental, health and safety issues, including potential personal injuries to workers, site accidents and spread of viruses;

- competition from other real estate owner and developers, which may increase the purchase price of a desired property;
- the resulting lack of capitalization on any investment related to identifying and valuing development opportunities, should we subsequently decide to abandon such opportunities;
- availability of adequate electricity and water to effectively operate;
- ability to achieve an acceptable level of occupancy or tenancy upon completion of construction
- natural disasters such as fires, dust storms and earthquakes; and
- 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, generating insufficient cash from operations, or an inability to obtain the necessary debt or equity financing on satisfactory terms, to consummate a construction or renovation project.

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 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 projects. These risks could result in substantial unanticipated delays or expenses as well as 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.

While we have experienced occurrence of some of the abovementioned risks during Fiscal 2021, we cannot assure you that we will not be subject to such risks in the future. We could also face unanticipated delays in the development or renovation of our properties as well as an increase in our budgeted expenditure for such activities should any of these risks materialize. We could also risk losing all or a part of the capital we have already invested in a property, or we may have to make further unforeseen investments, which may have an adverse effect on our business, results of operations and financial condition.

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

We operate in an industry which is subject to seasonal and cyclical variations. Our revenues are typically higher during the second half of each financial year as compared to the first half of the financial year. The periods during which our hotel experiences higher revenues varies from property to property, depending principally upon location, the nature of the asset and the guests served at each property. Further, seasonality also affects leisure travel and the MICE sector, including weddings. The winter months are preferred for travel in India, for leisure, MICE events, for leadership level business travel and high end destination weddings *(Source: Horwath Report)*. Further, inbound travel in the summer and monsoon periods is slower, mainly comprising routine business travel, upscale and mid-sector leisure, and more selective travel for destination weddings and MICE *(Source: Horwath Report)*. This seasonality can be expected to cause 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 in different financial periods. For example, during Fiscal 2020, despite lower than expected demand for hotels during the last quarter of the year as result of the onset of the COVID-19 pandemic, we still experienced overall higher demand during the second half of the year as compared to the future of the first half of the year.

Further, while leisure travel increases during weekends, business travel is high during the weekdays. The hospitality industry is cyclical, and demand generally follows, on a lagged basis, key macroeconomic indicators. Typically, the industry sees changes in demand linked to macro-economic cycles. Down cycles see greater travel controls and needs, causing demand to slow or shift to lower hotel categories, while a positive macro-economic situation and sentiment fuels travel and demand. Hotel occupancies decline or grow with such movements and in turn impact room rates *(Source: 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. However, the costs of running a hotel, including in relation to power, fuel, water, employees, tend to be more fixed than variable. Further, our RevPAR for our total portfolio of hotels was ₹ 5,721.88 for the first half of the Fiscal 2023, as compared to ₹ 7,492.40 for the second half of the Fiscal 2023. As a result, our room rates, sales and results of operations may fluctuate significantly from period to period, and comparisons of different periods or the same periods during different years may not be meaningful. Our results for a given financial year are not necessarily indicative of results to be expected for any other period.

9. 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.

Except for Dukes Retreat, 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 (i) Accor for use of the brand 'Novotel', and (ii) Marriott for use of global brands such as JW Marriott, Westin, Marriott, Marriott Executive Apartments, Courtyard by Marriott and Four Points by Sheraton. Further, we have also entered into agreements with IHCL and Hyatt and are in the process of setting up new hotels under the brands 'Taj' and 'Hyatt Regency™' at New Delhi and Navi Mumbai, respectively. 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. 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.

The performance and quality of services at our hotels are critical to the success of our business. Any incident where our hotels lack, or are perceived to lack, high standards of service quality may adversely affect our reputation. 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. Majority of our hotels operate under third party brands, *i.e.*, Marriott and Novotel. At certain of our hotels, we are also dependent on third party service providers for providing certain ancillary guest services such as laundry, health club, maintenance, security and valet chauffeur services. In the past three Fiscals and the nine months ended December 31, 2023, we have not experienced any material instances of negative branding of the brands under which our hotels are operated, nor have we experienced any material instances of deficient service quality or failures of quality control systems leading to terminations of material third party service provider agreements or adverse effects on our reputation. However, any real or perceived failure, deficiency or decrease in the quality of services rendered at our hotels in the future, whether on account of the hotel operators or any third-party service provider, could adversely affect our reputation, dilute the impact of our branding and marketing initiatives and result in negative reviews and feedback from our guests on online travel portals or social media and may cause guests to choose the services of our competitors.

10. 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 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 K Raheja Corp by CIDCO was challenged in two public interest litigations filed before the Bombay High Court ("**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 K Raheja Corp to hand over vacant possession of the land to CIDCO within a period of six months from November 2014. K Raheja Corp 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 the SLP is currently pending before the Supreme Court. For further details, see "***Legal Proceedings – Litigation involving our Company – Litigation by our Company – Material Civil Proceedings initiated by our Company***" on page 237. The balance of prepaid lease rental in relation to such leasehold land as of December 31, 2023 is ₹ 47.64 million and carrying value of property, plant and equipment as at December 31, 2023 is ₹ 366.11 million. Our Statutory

Auditors have also identified such public interest litigation and ongoing legal proceedings as an emphasis of matter in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Placement Document. For further details, see "***Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Reservations, Qualifications, or Adverse Remarks of our Auditors in the last five fiscals immediately preceding the year of this Placement Document***" on pages 245 and 123, respectively. 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.

11. There are outstanding legal proceedings involving us. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.

We are contesting certain legal proceedings in various courts, including certain civil, criminal and taxation cases that have been filed against us, which are pending at different levels of adjudication before various courts, tribunals and other authorities. For details of the legal proceedings that we are subject to, see "***Legal Proceedings***" on page 233. We cannot assure you that the outcome of any of these legal proceedings will be favourable. Any adverse decision in any of these cases may adversely affect our business, results of operations, financial condition and cash flows. Such proceedings could divert our management's time and attention and consume our financial resources in their defence or prosecution. A summary of such outstanding legal proceedings as on the date of this Placement Document is set forth below:

Types of Proceedings	**Number of cases**	**Amount (in ₹ million)***
Litigation against our Company		
Criminal proceedings	5	1.00
Material Civil Proceedings	3	474.32
Actions by statutory or regulatory authorities	10	25.13
Direct and indirect tax proceedings	21	309.33
Litigation by our Company		
Material civil proceedings	2	357.56

* *To the extent quantifiable.*

In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and current liabilities. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, results of operations, financial condition and cash flows could be adversely affected.

12. A substantial portion of the Net Proceeds will be utilized for the repayment and/or prepayment of indebtedness availed by our Company.

As of December 31, 2023, the total outstanding borrowings of our Company and Subsidiaries, on a consolidated basis, is ₹ 28,427.19 million. Some of such borrowings and the accrued interest thereon as provided in "***Use of Proceeds – Details of Objects – Repayment/ pre-payment, in full or in part, of certain outstanding borrowings availed by our Company.***" on page 79 are proposed to be repaid and/or pre-paid through the Net Proceeds.

The borrowings to be prepaid and/or repaid, will be selected based on a range of various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to repay and/or pre-pay the borrowings and time taken to fulfil, or obtain waivers for the fulfilment of, such conditions, (iii) levy of any prepayment penalties and the quantum thereof, (iv) provisions of any laws, rules and regulations governing such borrowings, and (v) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

Accordingly, the Net Proceeds apportioned for repayment/ prepayment, in full or in part, of certain borrowings availed of by our Company including payment of the interest accrued thereon will not be available for any capital expenditure or creation of tangible assets by our Company.

While such utilization of the Net Proceeds will help reduce our outstanding indebtedness on a consolidated basis and debt servicing costs, we cannot assure you that it will enable utilization of the internal accruals for further investment towards business growth and expansion in an efficient manner. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

13. ***Our operations are dependent on our ability to attract and retain qualified personnel which are in high demand in India, and any inability to retain qualified personnel could adversely affect our business, results of operations, cash flows and financial condition. 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.***

Our operations are dependent on our ability to attract and retain qualified personnel with relevant experience in the hospitality industry, since we aim to provide our guests with quality 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. We deploy a large workforce across our hotels. As of December 31, 2023, we had 2,078 permanent employees across our operations. In addition to our permanent employees, we utilize 883 personnel engaged on a contractual basis.

Particulars	As of and for the nine months ended December 31,		As of and for the year ended March 31,		
	2023	2022	2023	2022	2021
Total number of employees	2,078	1,723	1,857	1,419	1,846
Attrition rate (%)	39.00	35.00	24.00-60.00	22.00-56.00	22.00-57.50

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, cash flows 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. Set out below are details of our employee benefit expenses for the periods/years indicated.

Particulars	Nine months ended December 31,		Fiscals ended		
	2023	2022	2023	2022	2021
Employee benefits expense (in ₹ million)	1,429.70	1,098.28	1,510.96	999.76	906.57
Employee benefits expense as a % of total revenue from operations	14.31%	13.89%	13.39%	19.69%	30.81%
Employee benefits expense as a % of total expenses	23.94%	22.41%	22.36%	24.42%	31.56%

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. Any inability on our part to attract and retain qualified personnel could adversely affect our business, results of operations, cash flows and financial condition. Any inability or delay in the employment of qualified personnel or any significant increase in employee compensation will result in a corresponding increase in operational cost, which could adversely affect our business, results of operations, financial condition and cash flows.

Further, 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 personnel engaged on a contractual basis to adequately perform their duties including rendering deficient services, shortage in shift, absenteeism or lateness;
- violation by our personnel or personnel engaged on a contractual basis of security, privacy, health and safety regulations and procedures;
- any failure to adequately verify backgrounds and qualifications of our personnel or personnel engaged on a contractual basis 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.

14. Low occupancy levels of our leased commercial office space may adversely affect our results of operations and financial condition.

We derive lease and rental revenue from the lease of our commercial projects in Mumbai and Bengaluru. For more information, see "***Our Business - Our rental and annuity business***". Set out below are details of the revenue derived by us from such lease rentals for the periods/years indicated:

Particulars	**Nine months ended December 31,**				**Fiscals ended**					
	2023		**2022**		**2023**		**2022**		**2021**	
	Amount (₹ million)	**% of revenue from operations**	**Amount (₹ million)**	**% of revenue from operations**	**Amount (₹ million)**	**% of revenue from operations**	**Amount (₹ million)**	**% of revenue from operations**	**Amount (₹ million)**	**% of revenue from operations**
Lease rent (Mumbai)	687.12	6.88%	636.77	8.05%	886.78	7.86%	933.64	18.39%	827.54	28.11%
Lease rent (Bengaluru)	92.81	0.93%	-	-	-	-	-	-	-	-
Total	779.93	7.81%	636.77	8.05%	886.78	7.86%	933.64	18.39%	827.54	28.11%

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. Set out below is our aggregate average occupancy level for the periods/years indicated:

Particulars	**Nine months ended December 31,**		**Fiscals ended**		
	2023	**2022**	**2023**	**2022**	**2021**
Aggregate average occupancy level (for hotels managed by us)	80.28%	90.76%	90.02%	65.22%	31.65%
Aggregate average occupancy (for hotels managed by third parties)	70.69%	70.17%	70.90%	50.58%	29.95%

Future inability on our part to maintain and attract clients to lease our completed commercial office projects may have an adverse effect on our revenues, financial condition and results of operations. Various factors may affect customer profile and footfalls in both our existing commercial spaces and any new assets we acquire or develop, including location and floor layout for new commercial developments and regional economy, amongst others, specific to the states in which we operate in. In addition, we believe that to successfully operate our commercial 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 commercial developments, which would adversely affect our business, results of operations and financial condition.

15. Our Statutory Auditor's reports on our consolidated financial statements include certain emphasis of matters in our Financial Statements.

Our Statutory Auditor's reports on our consolidated financial statements include certain emphasis of matters on (a) for the financial years ended March 31, 2023, 2022 and 2021 and nine months ended December 31, 2023 and

December 31, 2022, on ongoing litigation in respect of leasehold rights; (b) for the financial year ended March 31, 2023 for revision of financial statements basis the approval of scheme of amalgamation; and (c) for the financial year ended March 31, 2021 for excess remuneration paid to our Managing Director and Chief Executive Officer as described in "***Management's Discussion and Analysis of Financial Condition And Results of Operations – Reservations, qualifications, or adverse remarks of our auditors in the last five fiscals immediately preceding the year of this Placement Document***" on page 123. We cannot assure you that reports issued by our Statutory Auditors for any future financial period will not contain similar observations, remarks, emphasis of matters or other matters, prescribed under CARO, and that such matters will not otherwise affect our results of operations. For such emphasis of matter in relation to the Audited Consolidated Financial Statements, see "***Selected Financial Information***" on page 37.

16. 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. 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. 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 further details, see "***Legal Proceedings***" on page 233.

17. Our operations are dependent on our ability to attract and retain qualified key managerial personnel, members of senior management and any inability and if we are unable to recruit and retain qualified and skilled personnel, 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 Ravi C. Raheja and Neel C. Raheja and, our Key Managerial Personnel and members of Senior Management, including, Managing Director and Chief Executive Officer, Sanjay Sethi, our Chief Financial Officer, Milind Wadekar, our Company Secretary and Chief Compliance Officer, Christabelle Baptista, our chief growth and strategy officer, Shwetank Singh and our chief operating officer, Rajneesh Malhotra. For further details see "***Board of Directors and Senior Management***" beginning on page 177. We believe that the inputs and experience of our Key Managerial Personnel and members of Senior Management 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 key personnel and employees or find adequate replacements in a timely manner, or at all. Any inability on our part to attract and retain qualified personnel and members of Senior Management could adversely affect our business, results of operations and financial condition.

18. 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 *(Source: Horwath Report)*, where consumer demand from business, leisure, MICE (meetings, incentives, conferences and events) travelers for our services is highly dependent on the general economic performance in India and globally. Typically, the industry sees changes in demand linked to macro-economic cycles. Down cycles see greater travel controls and needs, causing demand to slow or shift to lower hotel categories, while a positive macro-economic situation and sentiment fuels travel and demand. Hotel occupancies decline or grow with such movements and in turn impact room rates *(Source: 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. Further, while changes in the government or economic policies have not materially affected our business in the nine months ended December 31, 2023 and Fiscals 2023, 2022 or 2021, such changes in the future could adversely affect economic conditions prevalent in the cities 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. In particular, our total revenue and profitability are strongly correlated to customer discretionary spending in India, which is influenced by general economic conditions, salaries, employment levels and customer confidence. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, financial condition, cash flows and results of operations and the price of our Equity Shares. For example, for details on the impact of the slowdown in economic growth as a result of the COVID-19 pandemic on our business, see "***Risk Factors – COVID-19 pandemic, or any future pandemic or widespread public health emergency, could affect our business, financial condition, cash flows and results of operations***." on page 66.

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, for details see "***Industry Overview***" on page 128.

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

A portion of our hotel bookings 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. Our hotel operators and us enter into agreements with travel agents, online travel aggregators and other distribution channels to facilitate the process for customers to make hotel reservations and bookings. The following table sets forth a breakdown of our room nights sold by type of distribution channel, for the years indicated:

Particulars	Nine months ended December 31,				Fiscals ended					
	2023		2022		2023		2022		2021	
	(room nights sold)	(% of total room nights sold)	(room nights sold)	(% of total room nights sold)	(room nights sold)	(% of total room nights sold)	(room nights sold)	(% of total room nights sold)	(room nights sold)	(% of total room nights sold)
Online Travel Agents	56,591	11.08	51,304	10.23	61,804	9.20	80,397	16.76	33,680	12.02
Booking Through Operator(1)	93,696	18.35	73,167	14.59	99,163	14.77	54,918	11.45	25,139	8.97
Permanent Allocations to Crew	40,747	7.98	26,795	5.34	36,440	5.43	25,016	5.22	36,461	13.02
Miscellaneous(2)	319,632	62.59	350,254	69.84	474,121	70.60	319,329	66.57	184,857	65.99
Total	**510,666**	**100.00**	**501,520**	**100.00**	**671,528**	**100.00**	**479,660**	**100.00**	**280,137**	**100.00**

Notes:

(1) Includes booking through brand website, contracts through operator's sales network and call centre.

(2) Includes booking done through incentive plans and agents.

In the event that such agents and intermediaries continue to gain market share, they may impact our profitability, undermine our direct booking channels and online web presence and may be able to increase commission rates and negotiate other favorable contract terms. Set out below are details of the commission and brokerage expenses which we incur, which majorly relate to the commissions paid to such online travel agents and intermediaries:

Particulars	Nine months ended December 31,				Fiscals ended					
	2023		2022		2023		2022		2021	
	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses
Commission and brokerage expenses	567.75	9.51%	519.04	10.59%	710.31	10.51%	439.65	10.74%	164.52	2.43%

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.

Further, negative reviews and feedback on online travel portals may cause guests to choose the services of our competitors, or impacting our bookings from these channels, which in turn may adversely affect our business and results of operations.

20. This Placement Document contains information from third party industry sources, including the report commissioned from Horwath Report. Prospective investors are advised not to place undue reliance on such information.

This Placement Document 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 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. Moreover, these industry sources contain certain industry and market data, based on certain assumptions. Accordingly, prospective investors should read the industry-related disclosure in this Placement Document 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 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 Placement Document. 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 Placement Document, when making their investment decisions. For details, see "***Industry Overview***" on page 128.

21. 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, have more financial resources, or have access to a diversified portfolio and global loyalty programs. Even though the hospitality industry faces several barriers to entry and other challenges including the availability of land at suitable locations and costs, regulatory approvals and licenses, policy changes, availability of equity capital and manpower shortages (*Source: Horwath Report*), we compete with large multinational and Indian hotel companies, in each of the regions in which we operate. Competitive factors at each hotel destination include room rates, quality of accommodation, name recognition, service levels and convenience of location, and to a lesser extent, the quality and scope of other amenities and services. We cannot assure you that hotels owned or managed by new or existing competitors will not lower rates or offer a wider variety of services or amenities or significantly expand or improve facilities in a market or location in which we operate, or that we will be able to compete effectively in such conditions. While we have not faced any material adverse impact of the opening of a new hotel in the vicinity of any one of our hotels in the nine months ended December 31, 2023 and Fiscals 2023, 2022 and 2021, such occurrences may increase competition which would impact our occupancy levels and consequently our revenues. We may also face increased competition from budget hotels, internet-based homestays and hostel aggregators and alternative accommodation options such as luxury homestays and bed and breakfast.

In addition, our competitors may significantly increase their advertising budget and offer more discounts or incentives to promote their hotels, which may require us to increase advertising and marketing expenses and change pricing and promotional strategies. While we have not experienced any material instances of such increased advertising and marketing expenses and changes in pricing strategies in the nine months ended

December 31, 2023 and Fiscals 2023, 2022 and 2021, such occurrences in the future may have an adverse effect on our results of operations and cash flows. 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, cash flows and results of operations will not be adversely affected by increased competition.

22. 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 travelers. For details on our diversification and expansion strategies in different geographies across India in collaboration with various entities through license agreements, see "- ***We have pursued a strategy of expansion of our hotels and properties and have also entered into license agreements to design, develop and operate hotels and commercial projects in India.***". 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.

From time to time, we may evaluate potential acquisition of hotels and 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. 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.

23. 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.

24. We have in the past, due to the COVID-19 pandemic drawn down credit lines under emergency schemes offered by the Government of India.

The onset of the COVID-19 pandemic adversely affected our financial and operational performance, and had led to significant declines in our Average Occupancy and our Average Room Rate across our total portfolio of hotels during the Fiscal year 2021 as compared to prior periods. For further details, see "***Risk Factors - The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could affect our business, financial condition, cash flows and results of operations.***" on page 66. As a result, as of December 31, 2023, we had drawn down an aggregate amount of ₹ 1,785.90 million at interest rates ranging from 8.84% to 9.00% (with a weighted average interest rate of 8.92%), under credit lines from our lenders pursuant to the Emergency Credit Line Guarantee Scheme ("**ECLGS**") offered by the Government of India.

25. 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 March 4, 2024. The license agreement is valid for a period of 5 years from July 1, 2023. We cannot assure you 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 details, see "***Our Business – Immovable Properties***" on page 176.

26. 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, non-participation of a necessary party to this transaction, errors or contradictions between the records maintained by different relevant authorities, inability to obtain approvals in relation to land transfer, 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. For example, there are certain title related issues with respect to a small parcel of land, part of a larger parcel of land on which one of our hotels in the western region is located, due to non-participation of a necessary party (*as per title records*) to a transaction and an inability to obtain applicable approvals for sale of land parcel. Any acquisition of the land made by us is subject to risks and potential liabilities arising from the 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 of the land on which our hotel Four Points by Sheraton Navi Mumbai, Vashi is situated is subject to ongoing litigation. For details, see "***- 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.***" and "***Legal Proceedings – Litigation involving our Company – Litigation against our Company – Actions by statutory or regulatory authorities involving our Company***" on pages 52 and 236, respectively. Also, such disputes, whether resolved in our favour or not, may divert management's attention, harm our reputation or otherwise disrupt our business.

27. Changes in travellers' preferences due to increased use of telepresence equipment, cost of travel, spending habits, and other factors may adversely affect the demand for hotel rooms, thereby adversely impacting our business, results of operations, financial condition, and cash flows.

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 travelling to a centralized meeting location, such as our hotels. There was a significant increase in use of teleconference and video-conference technology during the COVID-19 pandemic. 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 international business, leisure customers and domestic tourism and preferences of our guests due to evolving cost of travel, spending habits and consumption patterns may lead to a change in the perceived attractiveness of our hotels, services, the locations at which our hotels are situated. Such changes may impact the demand for our hotel rooms from domestic tourists and guests at our leisure hotels, and our business may be adversely affected. We derive a significant portion of our revenue from large corporate key accounts.

Consequently, any reduction in growth or a slow-down in the business of such large corporate customers or an increase in trend of virtual meetings and conferences, could result in a reduction of their requirement for our services. Similarly, changes in business spending and preferences of our business and 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 and services. The loss of such customers or a reduction in their demand for our services could adversely affect our business, results of operations, financial condition, and cash flows. Currently, a majority of our hotels are located at important business and financial hubs of India, however in the future such business hubs may shift, within a city or interstate, and as a result our hotel locations may not be as attractive to business travellers and corporate customers, resulting in reduction of demand for our services which may have an adverse effect on our business, results of operations, financial condition, and cash flows.

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

Our information technology systems are a critical part of our business, and sophisticated technology and systems are used for property management, revenue management, brand assurance and compliance, procurement, reservation systems, operation of our customer data and guest amenities. These systems, including our website and database, may be susceptible and vulnerable to damage or interruption from:

- events beyond our control, such as war, terrorist attacks, and force majeure events, including earthquakes, tornados, hurricanes, fires or floods or break-ins;
- power losses, computer systems failures, internet and telecommunications or data network failures, obsolete technology, service provider negligence, improper operation by or supervision of employees and physical and electronic losses of data, amongst others; and
- computer viruses, bugs, cyber-attacks, computer hacking seeking to disrupt operations or misappropriate information and other breaches of security.

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. For example, our hospitality partner recently reported security breaches in its guest reservation database. 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. 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 while we have not faced any failure or deficiency on the part of such vendors during the nine months ended December 31, 2023, Fiscals 2023, 2022 and 2021, any such failure or deficiency in the future may adversely affect our business and reputation.

29. Some of our Promoters have pledged their shareholding in our Company 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 Placement Document, 47,023,720 Equity Shares constituting 22.89% of the paid-up Equity Share capital of our Company held by Capstan Trading LLP, Raghukool Estate Developement LLP, Touchstone

Properties and Hotels Private Limited, Anbee Construction LLP and Cape Trading LLP, certain of our Promoters, are pledged in favour of HDFC Bank to secure borrowings availed by such Promoters and related parties. Any default by one or more of such Promoters or related parties, 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, which may adversely affect our business and prospects.

30. In the event we 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, FSSAI registrations, shops and establishments registrations, star classifications and reclassifications for hotels, licenses to sell liquor and environmental approvals and clearances. These approvals, licenses, registrations and permits are subject to several conditions which are required to be complied with throughout the period of the license and are primarily valid for a specific period.

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. The details in relation to the material approvals for which applications filed by our Company are currently pending before relevant authorities are set forth below:

The Westin Hyderabad HITEC City

Sr. No.	Description	Registration / Renewal	Authority	Date of application
1.	Five Star Hotel Deluxe category	Application submitted for renewal	Ministry of Tourism	November 8, 2023

Bengaluru Marriott Hotel Whitefield

Sr. No.	Description	Registration / Renewal	Authority	Date of application
1.	Five Star Hotel Deluxe category	Application submitted for renewal	Ministry of Tourism	December 28, 2023

The Dukes Retreat, Lonavala

Sr. No.	Description	Registration / Renewal	Authority	Date of application
1.	Three- star classification certificate	Application submitted for renewal	Ministry of Tourism	November 24, 2023

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.

31. 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.

32. We are subject to extensive government regulation with respect to safety, health, environment, 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. We may be affected by various factors such as market conditions, modifications of engineering or design specifications, stipulations in the consents and approvals we receive and any inability to obtain required consents and approvals. For details, see "***- In the event we 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.***" on page 62. Further, the relevant authorities may also initiate penal actions against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to adhere to the regulatory or licensing conditions, or obtain approvals in a timely manner or at all. We have received certain notices from Municipal Corporation Greater Mumbai, Food Safety and Standards Authority of India, Pollution Control Boards of Karnataka and Mumbai in relation to certain non-compliances by our Company with environmental, health and safety regulations. While we have responded to the notices and have taken remedial action at certain instances, we cannot assure you that we will not be involved in litigation or other proceedings in the future, in relation to safety, health, real estate, excise and environmental matters, which may result in additional liability for us. For instance, the FSSAI license for our hotel, Westin Hyderabad Mindspace Hotel was suspended on September 14, 2021 on account of failure to conduct "third party food safety audit". Subsequently, the FSSAI authorities through their notice dated September 30, 2021 has revoked the suspension and restored this license.

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.

33. We are subject to risks relating to owning real estate assets.

Our principal assets are our hotels and accordingly, we are subject to risks that generally relate to real estate assets. Regulations and interest rates can make it more expensive and time-consuming to develop real property or expand, modify or renovate hotels. 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 beneficial 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. 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.

34. 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 purpose and provision of sale and services, use and occupation of licensed premises, purchase of property, plant and equipment, and purchase of material. All such related party transactions have been conducted on an arm's length basis in ordinary course of business and are not prejudicial to the interest of our Company. Set out below are details of our related party transactions for the nine months ended December 31, 2023, December 31, 2022 and Fiscals 2023, 2022 and 2021:

Particulars	Nine months ended December 31,				Fiscals ended					
	2023		2022		2023		2022		2021	
	Amount (₹ million)	% of total revenue	Amount (₹ million)	% of total revenue	Amount (₹ million)	% of total revenue	Amount (₹ million)	% of total revenue	Amount (₹ million)	% of total revenue
Arithmetic aggregated absolute total of our related party transactions	1,085.08	10.72	274.10	3.29	1,112.69	9.45	677.83	12.80	194.88	6.15

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 43. 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.

35. 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.

The following table sets forth details on our Company's insurance coverage and total insurance claims made for the years indicated:

Particulars	Nine months ended December 31,		Fiscals ended		
	2023	2022	2023	2022	2021
Total insurance coverage *(₹ in million)*	50,377	48,636	49,236	40,363	40,363
Total insurance claims made *(₹ in million)*	6.4	Nil	Nil	Nil	4
Total insurance claims made as a percentage of total insurance	0.01%	NA	NA	NA	0.00%

Particulars	Nine months ended December 31,		Fiscals ended		
	2023	2022	2023	2022	2021
coverage *(%)*					

Further, due to the current significant amount of our insurance coverage, we incur high insurance premium costs. Details of the insurance premium costs incurred by us are set out below:

Particulars	Nine months ended December 31,		Fiscals ended		
	2023	2022	2023	2022	2021
Insurance premium costs (₹ million)	38.02	32.55	42.31	39.86	42.50
Insurance premium cost as a % of revenue from operations	0.38%	0.41%	0.37%	0.78%	1.41%

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.

36. 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 projects under development, presented in this Placement Document, is based on management estimates and has not been independently appraised. For example, the construction for the CIGNUS Powai Tower I is almost complete, and we await receipt of a competition certificate. Further the expected period of completion for Hyatt Regency Navi Mumbai Airoli and the proposed hotel under the brand 'Taj' at New Delhi is Fiscal 2027 and Fiscal 2026 respectively. For details, see "***Our Business - Our projects under development***" on page 171. However, 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 not to place undue reliance on these numbers in their evaluation of our business, prospects and results of operation.

37. We have certain contingent liabilities that have been disclosed in our Unaudited Condensed Consolidated Interim Financial Statements, which if they materialize, may adversely affect our business, results of operations, financial condition and cash flows.

As of December 31, 2023, our contingent liabilities as per Ind AS 37 that have been disclosed in our Unaudited Condensed Consolidated Interim Financial Statements, were as follows:

(₹ in million)

Nature of Contingent Liabilities	As at December 31, 2023
Disputed service tax demands	94.65
Disputed income tax demands	175.45
Disputed VAT demands	13.08
Disputed provident funds demands	7.82
Labour Dispute	12.21
Power Facilitation Agreement	36.17
Performance Guarantees given to Department of Tourism of Kerala	50.00
EPCG obligation	5.11
SFIS/SEIS Scheme	17.95

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flows, financial condition and results of operations. For further details, see "***Financial Information***" on page 245.

38. Grants of stock options under our employee stock option plans may result in a charge to our profit and loss statement and, to that extent, reduce our profitability.

Under the ESOP 2018, ESOP 2022 and ESOP 2023 (collectively, "**ESOP Schemes**") we have granted 200,000 stock options, 1,217,831 stock options and 303,738 stock options, respectively, to eligible employees (as defined in the respective ESOP Schemes). Under Ind AS, the grant of employee stock options results in a charge to our profit and loss statement over the period of vesting, based on the difference between the fair value of our Equity Shares determined at the date of grant and the exercise price. Future expenses in relation to our ESOP grants under the ESOP Scheme will result in an adverse effect on our results of operations for this period. For details of the ESOP Schemes implemented by our Company, see "***Capital Structure - Employee Stock Option Plan***" on page 89.

39. 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 also received the registrations for our logo under various classes. For details, see "***Our Business – Our Intellectual Property***" on page 173. We have in the recent past received a notice of opposition in relation to registration of a class 43 trademark "THE DUKES RETREAT" 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.

40. The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could affect our business, financial condition, cash flows and results of operations.

The hospitality industry in India has been severely affected by the global outbreak of the COVID-19 pandemic since early 2020 due to reduced traveler traffic and government-mandated restrictions on movement. The global impact of the COVID-19 pandemic rapidly evolved and public health officials and government authorities responded by taking measures, including in India where our hotels are based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting domestic and overseas travel, issuing 'stay-at home' orders and restricting the types of businesses that may continue to operate, among many others. In response to new strains and subsequent waves of COVID-19 pandemic, the Government of India and state governments periodically re-imposed lockdowns, with limited and progressive relaxations.

The COVID-19 pandemic adversely affected our financial and operating performance and certain aspects of our business operations in the following ways, among others:

- domestic and overseas travel restrictions, including airport closures, may result in lower demand for rooms at our hotels and adversely affect our Average Occupancy and ARRs;
- increased cost of operations of our hotels to ensure higher standards of disinfection and cleanliness as well as disinfection costs;
- reduced revenue from our food and beverage operations due to changing consumer behavior towards dining out and greater usage of food delivery services;
- limitation of size of gatherings and events may result in lower demand for MICE facilities at our hotels;
- the use of our premises for COVID-19 measures; and

- increased risks emanating from process changes being implemented, such as technology, oversight and productivity challenges due to an increase in number of individuals working from home.

For further details, see "- ***We were not in compliance with certain covenants under certain of our financing agreements in the past, and in case of any breach of covenants in the future, such non-compliance, if not waived, could adversely affect our business, results of operations and financial condition.**" and "**- Our indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business.***" on pages 46 and 47, respectively.

There remains significant uncertainty regarding the full extent of the magnitude and duration of the COVID-19 pandemic, including potential new waves and variants in the future, as well as possible future actions by the Government of India, which makes it impossible for us to predict with certainty the impact that the COVID-19 pandemic will have on our business, financial condition, cash flows and results of operations in the future.

41. Certain of our affiliates 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 affiliates, are authorised under their respective memorandums of association to carry on the business of owning, operating or managing hotels and resorts. We cannot assure you that our affiliates, 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. See also "***– We have in the past entered into related party transactions which may potentially involve conflicts of interest.***" on page 64.

Further, a conflict of interest may occur between our business and the business of certain of our Promoters and affiliates which could have an adverse effect on our operations. For example, certain of our Promoters and affiliates own a resort in Madh Island, Mumbai and a minority equity interest in the hotel, JW Marriott Mumbai Juhu, which competes 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.

42. We rely on various contractors or third parties in developing our hotel, commercial, 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 in terms of quality, our reputation and financial condition could be adversely affected.

43. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of dispute 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 external unions at our hotel properties, namely, JW Marriott Mumbai Sahar, The Westin Mumbai Powai Lake in Mumbai and Novotel Pune Nagar Road in Pune 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.

44. *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 December 31, 2023, we utilized 883 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.

45. *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. Further, we rely on large-scale air-conditioning plants to maintain cooling standards, operations and services to our guests and any interruption in the functioning of such air conditioning plants could cause serious reputation and operational risks at our hotels. While we have not faced any such disruption which led to a material adverse effect on our business and operations in the nine months ended December 31, 2023 and Fiscals 2023, 2022 and 2021, any disruption in the future could adversely affect our business operations. 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.

46. *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.*

While our Company has not declared dividends on its Equity Shares in the recent past, our Company has declared and paid dividends on its Preferences Shares. For details of dividend paid by our Company in the past, for details see “***Dividends***” on page 92. 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 depend on a number of factors, including but not limited to, our Company’s profits after tax during a financial year, cash flow position of our Company, working capital and capital expenditure requirements, future cash requirements for business expansions, organic and/ or inorganic growth, likelihood of crystallization of contingent liabilities, if any, past dividend trends, and other factors considered relevant by our Board. 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.

47. *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***” on page 87, 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 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.

48. Our funding requirements and proposed deployment of the proceeds from this Issue are based on management estimates and have not been independently appraised.

We intend to use the Net Proceeds for the purposes described in "***Use of Proceeds***" on page 78. As on the date of this Placement Document, our funding requirements, deployment of funds and the intended use of the Net Proceeds are based on our internal management estimates, prevailing market conditions, operating plans and the growth strategies of our Company and other commercial factors and other agreements entered into by our Company, which are subject to change in the future and have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors, such as our financial and market conditions, business and strategy, competition and other external factors such as change in business environment and interest of exchange rate fluctuations, which may not be within the control of our management and obtaining necessary approvals/ consents, as applicable, in accordance with applicable law. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

Investors will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, CRISIL has been appointed as the monitoring agency for monitoring the utilization of the Net Proceeds in accordance with the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. Further, the application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section "***Risk Factors***", may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

External Risk Factors

49. Recent global economic conditions have been challenging and continue to affect the Indian market which may have an adverse effect on our business and operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Further deterioration in the global economy as a result of global pandemics or epidemics, or fear of spread of contagious diseases, military tensions or acts of terrorism or war or otherwise, or the perception that such deterioration could occur, may continue to adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could adversely affect our business, financial condition, cash flows and results of operations and reduce the price of our Equity Shares. Any financial disruption could materially and adversely affect our business, results of operations, and the price of our Equity Shares.

50. If inflation were to rise in India, we might not be able to increase the prices of our products and services at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or offset any increases in costs with increase in prices of our products and services. In such case, our business, results of operations, financial condition and cash flows may be adversely affected. Further, the Government of India has previously initiated economic measures to combat high inflation rates but it is unclear whether these measures will remain in effect. We cannot assure that Indian inflation levels will not worsen in the future.

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

The war in Ukraine has contributed to rising rates of inflation, including in India. In response to the rising rates of inflation, various central banks, including the RBI has increased interest rates, resulting in increased cost of credit. Further deterioration in the global economy because of the Russia-Ukraine conflict, any significant escalation of an existing or new pandemic or otherwise, or the perception that such deterioration or escalation could occur, may continue to adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. We are dependent on domestic, regional and global economic and market conditions particularly North America and Europe, where most of our revenue from operations is generated.

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 solutions 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, 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 and financial condition. 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.

52. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we sell our products and services could have a negative effect on us. 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 price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Any future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

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

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations. The GoI has notified the Finance Act, 2024 ("**Finance Act**"), which has introduced various amendments to the Income Tax Act. We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and 66 regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

The Finance Act, proposes various amendments to taxation laws in India. Any such and future amendments may affect certain benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us.

Furthermore, 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 or may require us to apply for additional approvals.

We may incur increased costs relating to compliance with such new requirements, which may also require 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 affect the viability of our current business or restrict our ability to grow our business in the future. Similarly, the Finance Act, 2020, had notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and exemption from dividend distribution tax ("**DDT**"), in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020. We cannot predict whether any new tax laws or regulations impacting our operations will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

Additionally, the Government has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, 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 business or restrict our ability to grow our business in the future. 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, financial condition 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. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

54. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Lead Manager or any of their directors and executive officers in India respectively, except by way of a law suit in India.

Our Company is a public limited company incorporated under the laws of India. Most of our Directors, Key Management Personnel and members of Senior Management named herein are residents of India and all of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process on our Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India. In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The manner of recognition and enforcement of foreign judgments in India is dependent on whether the country in which the foreign judgment has been pronounced is a reciprocating territory or not. For details on recognition and enforcement of foreign judgments in India, please see "***Enforcement of Civil Liabilities***" on page 19. A party seeking to enforce a foreign judgment in India may be required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

Further, a party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

55. Anti-takeover provisions under Indian law could prevent or deter an entity from acquiring our Company.

The SEBI Takeover Regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control of our Company. These provisions may discourage a third party from attempting to take control over our Company, even if change in control would result in the purchase of the Equity Shares at a premium to the market price or would otherwise be beneficial to Shareholders. For further details, see "***The Securities Market of India – SEBI Takeover Regulations***" on page 222.

56. An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than across a recognised Indian stock exchange for a period of one year from the date of the issue of the Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares in this Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

57. After this Issue, the price of the Equity Shares may be volatile.

The Issue Price has been determined by our Company in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares on the Stock Exchanges may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us;
- our Company's profitability and performance;
- announcement of significant claims or proceedings against us;

- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- the performance of our Company's competitors;
- adverse media reports about our Company;
- a comparatively less active or illiquid market for the Equity Shares;
- changes in the estimates of our Company's future performance, including financial estimates or recommendations by research analysts or investors;
- significant developments in India's fiscal regulations;
- new laws and regulations that directly or indirectly affect our business; and
- any other political or economic factors.

We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue. As a result, investors may experience a decrease in the value of Equity Shares.

58. An investor's ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document.

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction. As such, an investor's ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Placement Document. For details, see "***Selling Restrictions***" on page 211. Furthermore, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For details, see "***Transfer Restrictions***" on page 218. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

59. Investors to the Issue are not allowed to withdraw or revise their Bids downwards after the Issue Closing Date.

In terms of Regulation 179 (1) of the SEBI ICDR Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven (7) days and up to ten (10) days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of our Company, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

60. 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.

61. 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 shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by shareholders with significant shareholding or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. There can be no assurance that we will not issue Equity Shares or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

MARKET PRICE INFORMATION

As on the date of this Placement Document, 205,474,008 Equity Shares have been issued, subscribed and are fully paid up. The face value of our Equity Shares is ₹10 per equity share. The Equity Shares are listed and are available for trading on BSE and NSE.

On April 1, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 900.15 and ₹ 901.40 per Equity Share, respectively. The tables below set out, for the periods indicated, the high, low and average closing prices and the trading turnover on NSE and BSE for our Equity Shares.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for the Fiscals 2021, 2022 and 2023:

NSE

Fiscal	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total Volume of Equity Shares traded in the fiscal (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in million)
Fiscal 2021	204.80	08-Dec-20	14,72,245	304.39	100.40	29-May-20	6,25,143	63.99	153.46	7,54,14,060	11,894.58
Fiscal 2022	315.40	29-Mar-22	7,77,855	242.49	133.80	19-Apr-21	4,10,896	53.70	210.57	14,43,77,258	33,648.76
Fiscal 2023	404.55	19-Oct-22	4,74,257	190.33	278.10	25-Apr-22	1,06,353	29.76	336.39	5,95,12,547	19,970.24

(Source: www.nseindia.com)

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

BSE

Fiscal	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total Volume of Equity Shares traded in the fiscals (in number)	Total Turnover of Equity Shares traded in the Fiscals (₹ in million)
Fiscal 2021	204.55	08-Dec-20	1,86,357	38.49	100.70	29-May-20	20,303	2.15	153.70	1,50,30,102	2,390.23
Fiscal 2022	314.15	29-Mar-22	58,486	18.18	134.40	16-Apr-21	30,123	4.16	210.53	1,55,24,378	3,432.24
Fiscal 2023	404.75	19-Oct-22	22,074	8.87	277.45	25-Apr-22	23,219	6.48	336.36	53,83,019	1,773.16

(Source: www.bseindia.com)

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

B. The following tables set out the reported high and low closing prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months preceding this Placement Document:

NSE

Month	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										volume	Turnover (₹ in million)
Oct-2023	609.05	06-Oct-23	6,69,974	407.60	547.65	31-Oct-23	97,568	53.82	581.41	46,18,474	2,696.04
Nov-2023	602.35	16-Nov-23	2,80,968	169.05	558.45	01-Nov-23	2,58,192	144.55	586.11	28,70,339	1,676.92
Dec-2023	696.45	29-Dec-23	17,30,148	1,214.02	569.40	05-Dec-23	3,31,126	188.20	632.02	1,15,51,454	7,345.87
Jan-2024	777.10	31-Jan-24	3,56,266	276.43	677.80	02-Jan-24	2,60,946	178.86	726.05	71,75,683	5,284.81
Feb-2024	862.80	23-Feb-24	1,84,680	157.74	761.15	01-Feb-24	1,03,464	79.43	822.93	65,73,577	5,464.73
March-2024	883.30	28-Mar-24	30,35,993	2,790.57	716.35	14-March-24	3,88,067	274.64	786.70	1,36,97,539	1,117.97

(Source: www.nseindia.com)

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each month presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

BSE

Month	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										volume	Turnover (₹ in million)
Oct-2023	608.55	12-Oct-23	2,810	1.71	550.25	30-Oct-23	3,274	1.82	581.45	2,01,973	117.58
Nov-2023	602.20	20-Nov-23	8,235	4.93	558.60	01-Nov-23	9,243	5.18	586.09	1,30,042	76.12
Dec-2023	695.80	29-Dec-23	23,676	16.56	569.40	05-Dec-23	8,300	4.72	632.18	4,57,282	292.40
Jan-2024	777.45	31-Jan-24	16,404	12.72	677.05	02-Jan-24	14,884	10.20	726.54	3,78,904	278.55
Feb-2024	863.05	23-Feb-24	16,129	13.79	760.30	01-Feb-24	10,795	8.26	823.16	3,00,768	249.00
March-2024	883.40	28-Mar-24	79,872	73.04	715.75	14-Mar-24	45,963	32.28	786.21	6,73,327	550.51

(Source: www.bseindia.com*)*

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each month presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

C. The following table sets forth the market price of our Equity Shares on NSE and BSE on January 25, 2024, the first working day following the approval of our Board for the Issue:

NSE						BSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in million)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in million)
765.00	794.85	755.05	761.90	801,418	617.44	769.85	794.20	756.00	761.70	31,718	24.51

(Source: www.nseindia.com and www.bseindia.com)

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ 10,000.00 million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions, and the estimated expenses of the Issue of approximately ₹ 198.00 million, are approximately ₹ 9,802.00 million (the "**Net Proceeds**").

Objects of the Issue

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds to finance the following:

1. Repayment /pre-payment, in full or in part, of certain outstanding borrowings availed by our Company;

2. General corporate purposes,

(collectively, referred to as the "**Objects**").

Requirement of Fund

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(*in ₹ million*)

S. No.	Particulars	Amount
1.	Repayment /pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	9,000.00
2.	General corporate purposes*	802.00
	Total	9,802.00

** The amount to be utilised for general corporate purposes will not exceed 25% of the Net Proceeds.*

The main objects and objects incidental and ancillary to the main objects of the memorandum of association of our Company enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(*in ₹ million*)

Sr. No.	Particulars	Amount to be funded from Net Proceeds	Estimated amount to be deployed from the Net Proceeds in Fiscal 2025
1.	Repayment /pre-payment, in full or in part, of certain outstanding borrowings availed by our Company	9,000.00	9,000.00
2.	General corporate purposes*	802.00	802.00
	Total Net Proceeds	9,802.00	9,802.00

** The amount to be utilised for general corporate purposes will not exceed 25% of the Net Proceeds.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our internal management estimates, prevailing market conditions, operating plans and the growth strategies of our Company and other commercial factors and other agreements entered into by our Company, which are subject to change in the future. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. For details, see "***Risk Factors - Our funding requirements and proposed deployment of the proceeds from this Issue are based on management estimates and have not been independently appraised***." on page 69.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management and obtaining necessary approvals/ consents, as applicable, in accordance with applicable law. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the planned expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law. Further, our Company may also utilise any portion of or the entire Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above. Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be utilised (in part or full) in subsequent periods, as determined by us, in accordance with applicable law.

In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Details of Objects

1. Repayment /pre-payment, in full or in part, of certain outstanding borrowings availed by our Company.

We avail fund-based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions. The borrowing arrangements entered into by us include, *inter alia,* term loans and working capital facilities and non-convertible debentures. We propose to utilise a portion of the Net Proceeds aggregating to ₹ 9,000.00 million for repayment and / or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company. We may avail further loans and / or draw down further funds under existing or new borrowing arrangements, from time to time.

Further, the outstanding amounts under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Accordingly, we may utilise the Net Proceeds for part prepayment of any such facilities.

To the extent required, our Company has obtained necessary consents from the lenders of these borrowings as per the requirements under the borrowing arrangements.

We believe that such repayment and/or pre-payment of certain loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness. Further, it will reduce our debt-servicing costs and improve our debt equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the since our debt-equity ratio will improve, it will enable us to raise further resources at competitive rates in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

Certain of the financing facilities availed by us, provide for the levy of prepayment penalty. In the event that there are any prepayment penalties required to be paid under the terms of relevant financing agreements, such prepayment penalties shall be paid by our Company out of the internal accruals of our Company. We have and will also take such provisions into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds.

The borrowings to be prepaid and/or repaid, will be selected based on a range of various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to repay and/or pre-pay the borrowings and time taken to fulfil, or obtain waivers for the fulfilment of, such conditions, (iii) levy of any prepayment penalties and the quantum thereof, (iv) provisions of any laws, rules and regulations governing such borrowings, and (v) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

Details of utilization

The details of certain outstanding borrowings availed by our Company, proposed for repayment or pre-payment, in full or in part, from the Net Proceeds are set forth below:

S. No.	Name of the lender	Nature of the borrowing	Sanctioned amount (in ₹ million)	Amount outstanding as at December 31, 2023[#] (in ₹ million)	Interest rate (p.a.) as on December 31, 2023 (%)	Tenor/ Repayment Schedule	Prepayment Penalty	Purpose
1.	HDFC Bank Limited	Term Loan	2,300	1,829	8.60	9.5 years	1%	• Re-imbursement of capital expenditure incurred by the Company in the 12 months prior to sanction; • Financing renovation and rebranding expenses of the Renaissance Hotel (including reimbursement of such expenses incurred on ongoing basis); • Financing construction expenses on new projects of the Company (including reimbursement of such expenses on ongoing basis)
		Overdraft	169	23	8.30	9.5 years	1%	• Re-imbursement of capital expenditure incurred by the Company in the 12 months prior to sanction; • Financing renovation and rebranding expenses of the Renaissance Hotel (including reimbursement of such expenses incurred on ongoing basis); • Financing construction expenses on new projects of the Company (including reimbursement of such expenses on ongoing basis)
		Term loan	1,350	1,181	9.00	72 months	Nil	• To augment working capital requirement to enable business unit to meet operating liabilities and restart/ increase operations
2.	Housing Development Finance Corporation Limited	Term loan	6,000	3,300	9.30	120 months	2%	• For the construction of a commercial project situated at village Passpoli, Taluka Kurla, Mumbai and reimbursement of the cost incurred
		Term loan	2,000	2,000	8.80	Tenor: 120 months Repayment: 96 months	2%	• Re-financing of the loan availed for JW Marriott Mumbai Sahar Hotel; • General corporate purpose and working capital requirement
3.	Axis Bank Limited	Term Loan	4,200	2,777	8.95	10 years	1%	• To refinance existing loan on Westin Hyderabad; • Reimbursement of capex incurred on various projects undertaken by the borrower in last in the last 12 months; • Future capex of the borrower;

S. No.	Name of the lender	Nature of the borrowing	Sanctioned amount (in ₹ million)	Amount outstanding as at December 31, 2023[#] (in ₹ million)	Interest rate (p.a.) as on December 31, 2023 (%)	Tenor/ Repayment Schedule	Prepayment Penalty	Purpose
								• creation of DSRA and transaction related expenses.
		Overdraft	300	84	8.95	10 years	1%	• For routine cashflow mismatch
4.	International Finance Corporation	Unlisted, secured, redeemable, non-convertible debentures	3,750	2,000	9.14	5% of the amount issued on each of the eight Interest payment dates starting on July 15, 2024, and ending on January 15, 2028. Thereafter, 7.5% of the amount issued on each of the eight Interest payment dates starting on July 15, 2028, and ending on January 15, 2032.	2%	• the completion of the Marriott Commercial Complex; • refurbishment of 300 rooms in Renaissance Powai Hotel, Mumbai; • the conversion of the retail use spaces in The Orb, Sahar, Mumbai to commercial use spaces; and • general corporate purposes including general hospitality and maintenance capital expenditure.
5.	Standard Chartered Bank	Term loan	645	605	8.84	6 years	Nil	• Working capital requirements
		Overdraft	500	44	9.31	1 year	SCB's discretion	• Working capital requirements

S. No.	Name of the lender	Nature of the borrowing	Sanctioned amount (in ₹ million)	Amount outstanding as at December 31, 2023# (in ₹ million)	Interest rate (p.a.) as on December 31, 2023 (%)	Tenor/ Repayment Schedule	Prepayment Penalty	Purpose
6.	DBS Bank Limited	Term Loan	3,050	2,319	7.45	7 years	0.50%	• General corporate purposes
		Overdraft	200	2	9.50	1 day revolving	0.50%	General corporate purposes
		Term Loan	1,778	1,175	7.45	3.5 years	0.50%	General corporate purposes including working capital/ capex for projects/ reimbursement of capex
7.	Bajaj Finance	Term Loan	500	400	7.45	7 years	0.50%	General Corporate Purposes
8.	ICICI Bank	Term Loan	2,500	2,250	9.55	10 years	1%	• Refinancing of existing debt up to 250 crores (originally taken for the purpose of capex); • Fresh capex/maintenance capex expenses up to 50 crores; • Reimbursement of capex/maintenance capex expenses up to 50 crores; • Expenses in relation to this facility.
		Term Loan	1,750	291	9.55	10 years	1%	• Repayment of existing loans availed by Borrower; • Long term working capital requirement; • Expenses in relation to the Facility;

S. No.	Name of the lender	Nature of the borrowing	Sanctioned amount (in ₹ million)	Amount outstanding as at December 31, 2023# (in ₹ million)	Interest rate (p.a.) as on December 31, 2023 (%)	Tenor/ Repayment Schedule	Prepayment Penalty	Purpose
		Overdraft	150	67	9.45	10 years	1%	• Repayment of existing loans availed by Borrower; • Long term working capital requirement; • Expenses in relation to the Facility
9.	Hongkong and Shanghai Banking Corporation Limited	Term loan	1,150	854	8.95	10 years	HSBC's Discretion*	• Capital expenditure undertaken by the borrower expect expenses related to land, equity or any other expenditure disallowed under the regulations issued by the RBI
		Overdraft	20	19	9.30	On demand	HSBC's discretion*	-
10.	Federal Bank Limited	Term Loan	3,000	2,976	8.30	1 year	Nil	• Drop down LoC from HDFC Limited sanctioned for the JW Marriott Hotel at Mumbai Airport. • Repayment of SCB's term loans against Inorbit Mall and Westin Powai • Balance to be used for funding construction capex for properties (except land acquisition and having no funding from any lender)

**No prepayment penalty will be applicable on interest rate reset date.*

 # Outstanding amount does not include the accrued interest thereon.

Note: The borrowings, as mentioned above, were utilized for the purpose for which they were obtained, as certified by Nayak and Rane, Chartered Accountants, by way of their certificate dated April 2, 2024.

2. General Corporate Purpose

The Net Proceeds will first be utilized towards the Objects as set out above and in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes, and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Net Proceeds, aggregating to ₹ 802.00 million, in compliance with applicable laws. Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, funding growth opportunities, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, meeting exigencies and expenses, and other expenses, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization 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 Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated March 22, 2024, as the size of our Issue exceeds ₹1,000 million. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the Net Proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Net Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt.

Furthermore, in accordance with Regulation 32(1) 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 actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, 2013 prescribed Objects as disclosed above and other applicable laws. Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy liquid instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws. In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and final listing and trading approvals are received from each of the Stock Exchanges and the corresponding return of Allotment is filed with the RoC. Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time. Neither of our Promoters, members of the Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Since the Issue is only made to Eligible QIBs, our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel or members of the Senior Management (including 'key managerial personnel' under the Companies Act, 2013) are not eligible to subscribe in the Issue.

CAPITALIZATION STATEMENT

The following table sets forth the capitalization of our Company, on a consolidated basis, as of December 31, 2023 on a consolidated basis which is derived from the Unaudited Condensed Consolidated Interim Financial Statements and adjusted to give effect to the receipt of the Gross Proceeds of the Issue.

This table should be read in conjunction with "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and other financial information contained in the "***Financial Information***" on pages 44, 93 and 245, respectively.

(in ₹ million, except ratios)

Particulars	Pre-Issue (as of December 31, 2023)	Amount after considering the Issue (i.e., Post Issue)#
Non-Current Borrowings (including current maturity)	28,148.00	28,148.00
Current Borrowings	279.19	279.19
Total Borrowings (A)	28,427.19	28,427.19
Equity Share Capital	2,053.95	2,180.21*
Other Equity	15,590.12	25,463.86*
Total Equity (B)	17,644.07	27,644.07*
Total Capitalisation (A+B)	46,071.26	56,071.26
Ratio: Non-Current Borrowings/Total Equity (B)	1.59	1.02

** Adjusted only for the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue. Subject to finalisation of the Allotment, it reflects changes in the Equity Share capital of ₹ 126.26 million and securities premium in other equity of ₹ 9,873.74 million on account of proceeds from the Issue. The adjustments do not include any adjustment for Issue related expenses and for any transactions or movements in such line items of Unaudited Condensed Consolidated Interim Financial Statements subsequent to December 31, 2023.*

 # The figures pertaining to borrowings under the "Amount after considering the Issue (i.e., Post Issue)" column are as at December 31, 2023 and derived from the Unaudited Condensed Consolidated Interim Financial Statements and has not been updated for any movements subsequent to December 31, 2023.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Placement Document, is set forth below.

	Particulars	Aggregate nominal value *(in ₹)*
A)	**AUTHORIZED SHARE CAPITAL**	
	382,100,000 Equity Shares	3,821,000,000
	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
	Total	**5,981,000,000**
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	205,474,008 Equity Shares	2,054,740,080
	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
	Total	**4,214,740,080**
C)	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	12,626,263 Equity Shares aggregating to ₹ 10,000.00 million (1)	126,262,630
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	218,100,271 Equity Shares	2,181,002,710
	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
E)	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as on the date of this Placement Document)	10,399.89 million
	After the Issue (2)	20,273.62 million

(1) *This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on January 24, 2024. Subsequently, our Shareholders' have authorised and approved the Issue through a special resolution passed by way of a postal ballot on March 10, 2024.*

(2) *The securities premium account after the Issue is calculated on the basis of Gross Proceeds.*

Equity Share capital history of our Company

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
December 16, 1985*	4	100	100	Cash	Subscription to the MoA
September 18, 1995	736	100	100	Cash	Further issue
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.					
March 31, 1998	14,992,600	10	10	Cash	Further issue
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
January 29, 1999	15,000,000	10	20	Cash	Further issue
August 22, 2000	785,000	10	28	Cash	Further issue
August 29, 2000	3,571,429	10	28	Cash	Further issue
August 30, 2002	1,785,824	10	36.70	Cash	Conversion of fully convertible debentures into Equity Shares
March 22, 2005	10,000,000	10	50	Cash	Further issue
March 28, 2006	7,000,000	10	50	Cash	Further issue

Date of allotment	No. of equity shares	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment
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.
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 Equity Shares allotted to the shareholders of Genext for every one equity share held by them in Genext.
February 5, 2019	33,928,571	10	280	Cash	Allotment pursuant to initial public offering
September 5, 2022	1,000	10	320	Cash	Pursuant to employee stock option plans
Issue of Equity Shares in the last one year					
September 4, 2023	133,000	10	320	Cash	Pursuant to employee stock option plan
	236,840	10	292	Cash	Pursuant to employee stock option plan
January 19, 2024	46,983	10	292	Cash	Pursuant to employee stock option plan
January 29, 2024	32,321	10	292	Cash	Pursuant to employee stock option plan
Total	**205,474,008**				

** Our Company was incorporated on January 6, 1986*

(b) History of preference share capital of our Company

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

Date of allotment	Number of NCRPS	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for/ Nature of allotment
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.
Total	**1,600**				

ii. 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
June 26, 2018	20,000*	100,000	100,000	Cash	In order to meet the costs, expenses and liabilities pertaining to the project at Koramangala, 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 project at Koramangala.
Total	**20,000**				

* *10,000 Series A Zero Coupon NCRPS and 10,000 Series B Zero Coupon NCRPS*

Employee Stock Option Plan

Our Company has instituted the following employee stock option plans:

(a) Chalet Hotels Limited - Employee Stock Option Plan 2018

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 ESOP 2018 was subsequently amended vide a Shareholders' resolution dated June 20, 2022. The ESOP 2018 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. As on the date of this Placement Document, details of options pursuant to ESOP 2018 are as follows:

Particulars	Number of stock options
Total number of stock options	200,000
Options granted	200,000
Options vested	200,000
Options exercised	134,000
Options lapsed / forfeited / cancelled	66,000
Total options outstanding	Nil

(b) CHL Employee Stock Option Plan 2022

Our Company, pursuant to our Board and Shareholders' resolution dated May 10, 2022 and June 20, 2022, respectively, has formulated an employee stock option plan namely 'CHL Employee Stock Option Plan 2022' ("**ESOP 2022"**). The ESOP 2022 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. As on the date of this Placement Document, details of options pursuant to ESOP 2022 are as follows:

Particulars	Number of stock options
Total number of stock options	1,217,831
Options granted	1,217,831

Particulars	Number of stock options
Options vested	401,884
Options exercised	316,144
Options lapsed / forfeited / cancelled	Nil
Total options outstanding	901,687

(c) CHL Employee Stock Option Plan 2023

Our Company, pursuant to our Board and Shareholders' resolution dated July 3, 2023 and August 10, 2023, respectively, has formulated an employee stock option plan namely 'CHL Employee Stock Option Plan 2023' ("**ESOP 2023"**). The ESOP 2023 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. As on the date of this Placement Document, details of options pursuant to ESOP 2023 are as follows:

Particulars	Number of stock options
Total number of stock options	1,000,000
Options granted	303,738
Options vested	Nil
Options exercised	Nil
Options lapsed / forfeited / cancelled	Nil
Total options outstanding	303,738

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. For details of the names of the proposed Allottees, and the percentage of post-Issue capital that may be held by them, please see "***Details of Proposed Allottees***" on page 248.

Pre-Issue and post-Issue shareholding pattern

The following table provides the pre-Issue shareholding pattern as of March 22, 2024 and the post-Issue shareholding pattern:

Sr. No.	Category	Pre-Issue*		Post-Issue$**@	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
A.	**Promoters / Promoter Group holding**				
1.	Indian				
	Individual / Hindu Undivided Family	23,269,777	11.32	23,269,777	10.67
	Body Corporates	118,829,744	57.83	118,829,744	54.48
	Sub-Total	**142,099,521**	**69.16**	**142,099,521**	**65.15**
2.	Foreign				
	Individual	5,163,159	2.51	5,163,159	2.37
	Sub-Total (A)	**147,262,680**	**71.67**	**147,262,680**	**67.52**
B.	**Public holding**				
1.	Institutional investors				
	Mutual Funds/ AIFs/ Insurance Companies/ NBFCs/ Other financial institutions	40,053,040	19.49	46,712,469	21.42
	Foreign Portfolio Investors	8,600,795	4.19	14,914,766	6.84
	Sub – Total	**48,653,835**	**23.68**	**61,627,235**	**28.26**
2.	Non- Institutional investors				
	Bodies corporate	2,824,716	1.37	2,826,349	1.30
	Resident Individuals	6,018,338	2.93	5,814,128	2.67
	Directors and their relatives (excluding independent directors and nominee directors)	1,000	0.00	1,000	0.00
	Non-resident Indians (NRIs)	252,871	0.12	255,114	0.12
	Foreign Companies and Foreign Nationals	0	0.00	0	0.00
	Central Government	0	0.00	0	0.00

Sr. No.	Category	Pre-Issue*		Post-Issue$**@	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
	Others (Clearing Members, HUF, Trusts, Firms)	460,568	0.22	313,765	0.14
	Sub-Total	**9,557,493**	**4.65**	**9,210,356**	**4.22**
	Sub - Total (B)	**58,211,328**	**28.33**	**70,837,591**	**32.48**
	Grand Total (A+B)	**205,474,008**	**100.00**	**218,100,271**	**100.00**

** Based on the beneficiary position statement of our Company as on March 22, 2024.*
$ Based on the beneficiary position statement of our Company as on March 30, 2024.
*** The column for the post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category as of March 30, 2024, adjusted for the Allocation in the Issue, and reflects the shareholding of all other categories of shareholders as of March 30, 2024.*
@ The figures for the respective line items under post-Issue column are derived after considering the impact of proposed issue of Equity Shares and does not include any other transactions or movements for such financial statements line items after December 31, 2023.

Other confirmations

a. Except 1,205,425 outstanding options, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

b. The Promoters, the Directors, the members of the Senior Management and the Key Managerial Personnel of our Company do not intend to participate in the Issue.

c. There will be no change of control of our Company pursuant to the Issue.

d. Except as stated above, our Company has not made any allotment of Equity Shares or Preference Shares, including for consideration other than cash, in the one year immediately preceding the date of filing of this Placement Document.

e. Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on recognised stock exchanges in India.

f. Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice of the postal ballot of our Shareholders, i.e. January 24, 2024, for approving the Issue.

DIVIDENDS

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including Companies Act, 2013 together with the applicable rules issued thereunder. Our Board may also, from time to time, declare interim dividends. For further information, see "***Description of the Equity Shares***" on page 225.

The dividend distribution policy of our Company was approved and adopted by our Board on June 12, 2018. We may retain all our future earnings, if any, for use in the operations and expansion of our business. The dividend, if any, will depend on a number of factors, including but not limited to, our Company's profits after tax during a financial year, cash flow position of our Company, working capital and capital expenditure requirements, future cash requirements for business expansion, organic and/ or inorganic growth, likelihood of crystallization of contingent liabilities, if any, past dividend trends and other factors considered relevant by our Board. In addition, the dividend, if any, will also depend on a number of external factors including but not limited to business cycles, industry outlook for the future, economic environment, capital markets, prevalent global conditions and changes in the government policies and regulatory provisions and guidelines.

Further, our shareholders may not expect dividend in certain circumstances including but not limited to proposed expansion plans, renovations and up-gradations requiring higher capital allocation, decision to undertake any acquisitions, amalgamations, merger, joint ventures, new launches etc. which requires significant capital outflow, proposal for buy-back of securities and other factors which may be considered relevant by the Board. For details in relation to risks involved in this regard, see "***Risk Factors - Our ability to pay dividends in the future will depend upon our earnings, financial condition, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***" on page 68.

We have not declared and paid any dividends (including interim dividend, if any) on the Equity Shares during the nine months period ended December 31, 2023 and December 31, 2022, and in Fiscals 2023, 2022 and 2021 and from January 1, 2024 till the date of this Placement Document.

The dividends (including interim dividend, if any) declared and paid by our Company on the Preferences Shares during the nine months period ended December 31, 2023 and December 31, 2022, and in Fiscals 2023, 2022 and 2021 and from January 1, 2024 till the date of this Placement Document are as follows:

Preference Shares - Non-cumulative Redeemable Preference Shares

Particulars	**January 1, 2024 till the date of this Placement Document**	**Nine months period ended December 31, 2023**	**Nine months period ended December 31, 2022**	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2021**
No. of NCRPS at year/ period ended (issued and subscribed)	1,600	1,600	1,600	1,600	1,600	1,600
Face value per share (in ₹)	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Aggregate Dividend (in ₹)	Nil	Nil	Nil	1,600.00	Nil	Nil
Dividend per share (in ₹)	Nil	Nil	Nil	1.00	Nil	Nil
Rate of dividend (%)	0.001	0.001	0.001	0.001	0.001	0.001
Mode of Payment	N.A.	N.A.	N.A.	Through bank transfer	N.A.	N.A.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared, and record date thereof occurs after Allotment.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition is based on the Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements (collectively, the "**Financial Information**"). This discussion should be read in conjunction with the section titled "**Selected Financial Information**", and the Financial Information included elsewhere in this Placement Document. This discussion contains forward-looking statements, that involve risks and uncertainties and reflects our current views with respect to future events and financial performance. We caution investors that our business and financial performance is subject to substantive risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under the sections titled "**Forward-Looking Statements**" and "**Risk Factors**" on pages 17 and 44, respectively, and elsewhere in this Placement Document.*

*We prepared our Financial Information in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**"). Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar. Unless otherwise indicated or the context otherwise requires, the financial information included in this Placement Document for (i) the nine months ended December 31, 2023 and December 31, 2022 have been derived from our Unaudited Condensed Consolidated Interim Financial Statements, and (ii) Fiscals 2023, 2022 and 2021 have been derived from our Audited Consolidated Financial Statements.*

Unless otherwise indicated, the industry and market data used in this section is derived from a report titled "Industry Report – Upper Tier Hotels, India" dated March 23, 2024 prepared by Horwath HTL India and commissioned by us in connection with the Issue. The data included herein includes excerpts from the Horwath Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue) of the Horwath Report, that has been left out or changed in any manner. Unless otherwise indicated, operational, industry and other related information derived from the Horwath Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Our financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise stated, references in this section to "we", "our" or "us" are to our Company, on a consolidated basis.

OVERVIEW

We are an owner, developer, asset manager and operator of high-end hotels and mixed-use assets in key metro cities and leisure locations in India. As on the date of this Placement Document, our hotel platform comprises ten operating hotels, including a hotel with a one service apartment building, present across Mumbai Metropolitan Region, Hyderabad, Bengaluru, National Capital Region, Pune and Lonavala, representing 3,052 keys. Our hotels are branded with globally recognized hospitality brands and are in the luxury, upper upscale and upscale hotel segments (*Source: Horwath Report*). Our hotel platform encompasses strategic locations, efficient design and development, appropriate positioning and segmentation together with branding and operational tie-ups with leading hospitality companies. We use our extensive experience to actively manage the hotel assets to drive performance and deliver efficient results. In addition, we have developed hotel-led mixed-use spaces by adding complementary commercial spaces, in close proximity to certain of our hotels, and are also in the process of expanding our commercial assets portfolio. Further, we also own a residential project, Raheja Vivarea, Koramangala, Bengaluru.

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 (*Source: 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 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. Further, we have also acquired certain assets in drivable leisure locations near metro cities, with high potential for social events, leisure travellers and MICE. These acquisitions have been identified with potential upsides, including inventory additions, product upgradations, brand re-positioning and other asset management initiatives.

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. Our hotels are currently branded with global brands such as JW Marriott, Westin, Marriott, Marriott Executive Apartments, Courtyard by Marriott and Four Points by Sheraton which are held by Marriott Hotels India Private Limited and its affiliates (collectively "**Marriott**") and Novotel, which is held by Accor S.A. and its affiliates (collectively, "**Accor**"). Further, we are in the process of setting up hotels under the brands 'Taj' held by The Indian Hotels Company Limited ("**IHCL**") and 'Hyatt Regency™' under a franchise agreement with Hyatt India Consultancy Private Limited and its affiliates (collectively, "**Hyatt**"). 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 resort at Lonavala is operated by us and our hotel at Vashi, Navi Mumbai, is operated by us under a license agreement with Marriott, and eight of our hotels, including our service apartment building, are operated pursuant to hotel operation and related agreements with Marriott and Accor.

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, quarterly expense review meetings and provide regular inputs on revenue enhancement, cost management initiatives and development potential. We are also conscientious towards environmental initiatives, and focus on reducing our carbon footprint, electricity consumption, water and food waste. For further details, see "***Our Business – Environmental, social and governance***" on page 173. 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, including leading EBITDA margins on the basis of the hospitality segments of select listed companies (*Source: Horwath Report*). For further details, see "***Industry Overview***" on page 128.

We operate as the hospitality arm of one of India's leading real estate development group, K Raheja Corp 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, including the assets held by Mindspace Business Parks REIT, resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and opportunities. K Raheja Corp has a pan India presence with over six decades of experience, spanning over four operational malls, residential spaces over cities in India, over 240 operational retail outlets across India and more than 54 Msf leasable area. As on March 1, 2024, the listed entities forming part of the K Raheja Corp, including our Company, Mindspace Business Parks REIT and Shoppers Stop Limited have a market capitalisation of US$5.38 billion (assuming the exchange rate of US$1 as ₹ 83). In addition to the hotels owned and operated by our Company, K Raheja Corp has one additional hotel namely, The Resort at Madh Marve, Mumbai consisting of 94 keys. We further leverage the experience and relationships of the K Raheja Companies with construction companies, architects and designers, to develop, refurbish and maintain hotels at optimal cost and quality.

Our Promoters include Ravi C. Raheja and Neel C. Raheja, who have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning. We have a strong management team with significant industry experience. Our Managing Director and Chief Executive Officer, Sanjay Sethi has over 35 years of experience in the hospitality industry, our Chief Financial Officer, Milind Wadekar, has close to three decades of experience in roles of finance, accounts and tax, our Chief Growth & Strategy Officer, Shwetank Singh has 25 years of experience in strategy, asset management and business development, and our Chief Operating Officer, Rajneesh Malhotra has three decades of experience in hospitality. Our Key Management Personnel and members of 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.

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. Our total income was ₹ 10,126.31 million and ₹ 8,321.71 million for the nine months ended December 31, 2023 and December 31, 2022, respectively and

₹ 11,779.54 million, ₹ 5,297.39 million and ₹ 3,167.25 million for the Fiscals 2023, 2022 and 2021 respectively, and our total income grew at a CAGR of 2.63% between Fiscals 2019 and 2023. Our total comprehensive income was ₹ 1,953.44 million and ₹ 1,466.81 million and our Adjusted EBITDA was ₹ 4,153.70 million and ₹ 3,420.33 million, for the nine months ended December 31, 2023 and December 31, 2022. Our total comprehensive income/ (expense) was ₹ 1,828.26 million, ₹ (813.19) million and ₹ (1,391.00) million and our Adjusted EBITDA was ₹ 5,023.04 million, ₹ 1,204.09 million and ₹ 293.90 million, for Fiscals 2023, 2022 and 2021. Our Adjusted EBITDA grew at a CAGR of 6.49%, between Fiscals 2019 and 2023, which is a supplemental measure of our performance and liquidity.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial condition are affected by a number of important factors including:

Relationship with Hotel Operators and Leading Hospitality Brands

We utilize the brands of our hotel operators and brand licensor to operate and market the majority of our hotels. Currently, eight of our operating hotels, including our service apartment building, are operated pursuant to hotel operation and related agreements with Marriott and Accor. Our hotels are generally obliged to pay periodic management fees, royalty fees, fees for technical services and reimbursements for advertising, marketing, promotion, training, 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 the hotel operators ranged from 8.13% to 12.94% of each of our hotel's total operating revenue, for the nine months ended December 31, 2023, December 31, 2022 and Fiscals 2023, 2022 and 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, typically post expiry of our existing arrangements. Our business, financial condition and results of operations will be dependent on our ability to execute such agreements on favourable terms. See "***Our Business – Description of Our Business – Our Hotel Business – Hotels managed by third party hotel operators***" and "***Risk Factors – Internal Risk Factors - We derive substantial revenue from our hotels managed by Marriott and Accor, which collectively contributed ₹ 9,689.69 million or 85.87%, to our total revenue from operations in Fiscal 2023. 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 165 and 44, respectively.

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 and loyalty programs 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 share of 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 58.

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 – Internal Risk Factors – Our business is subject to seasonal and cyclical variations that could result in fluctuations in our results of operations***." on page 51.

The impact of any natural disaster, pandemics, epidemics and manmade disasters

The occurrence of natural disasters such as pandemic and epidemic diseases and manmade disasters (such as wars, terrorist attacks, political violence and social unrest) could adversely affect our results of operations or financial conditions. The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020 and a pandemic on March 11, 2020. Responding to the potentially serious threat, governments in India and the world took a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' from March 2020. While there was a gradual lifting of restrictions post June 2020 within regulated environments, a second wave of the COVID-19 pandemic coupled with newer mutations of the virus severely impacted our business operations. In late 2021, the Omicron variant of COVID-19 led to another surge in infections. In response, local governments started enforcing various restrictions, such as curfew and closure of establishments to prevent crowding. Since the beginning of 2021, availability of vaccines and penetration of vaccination within the population began to take precedence in deciding the level of economic activity. Our business was severely impacted since the initial lockdown in March 2020. We witnessed a substantial drop in revenues due to record low occupancies and significant reduction of dining and events at hotels due to the lockdowns imposed and regulation on social gatherings. With the unlocking of restrictions, all of our hotels have now been re-opened and business has improved across all hotels. See "***Risk Factors – Internal Risk Factors – The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could affect our business, financial condition, cash flows and results of operations***" on page 66.

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 56.

Cost of land, third party contractors and construction materials

Our development pipeline for hotels consists of 870 rooms across four hotels, and our development pipeline for commercial projects consists of leasable area of approximately 2.00 million square feet across two projects. 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 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.

KEY INDICATORS OF OPERATING PERFORMANCE

We use a variety of financial and other information in monitoring the financial condition and operating performance of our business. Our management also uses other information that may not be financial in nature, including statistical information and comparative data that are commonly used within the hospitality industry to evaluate a hotel's financial and operating performance. The table below sets forth certain key operating performance parameters for our hotels:

Particulars	Nine months ended December 31,		Fiscal ended March 31,		
	2023	2022	2023	2022	2021
ADR(1) (₹)	10,297.79	8,444.42	9,168.61	4,576.35	4,039.65
Average Occupancy (2)	71.44%	71.40%	72.04%	51.45%	30.05%
RevPAR(3) (₹)	7,357.11	6,029.16	6,604.71	2,354.72	1,213.95
Total Operating Revenue (₹ million)(4)	9,102.72	7,186.87	10,284.69	4,058.32	2,017.95
Total Operating Expenses (₹ million)(5)	4,596.50	3,856.48	5,238.35	3,046.56	2,020.14
Staff per Room Ratio as on last day of the year (6)	0.93	0.91	0.93	0.84	0.74

(1) ADR represents hotel room revenue from room rentals at our hotels divided by total number of room nights sold (including room nights 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 revenue from hotel including room revenue, food and beverage revenue and other income from hotel operations.

(5) Operating expenses comprises expenses towards food and beverage consumed, operating supplies, fuel, power and light, employee benefit cost, repairs and maintenance, business promotion expenses 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.

SIGNIFICANT ACCOUNTING POLICIES

Our material accounting policies as of and for the nine months ended December 31, 2023 and December 31, 2022 and our significant accounting policies as of and for the Fiscals 2023, 2022 and 2021 are described in the section entitled "***Financial Information***" on page 245. There has been no change in the material accounting policies during the nine months ended December 31, 2023 and December 31, 2022 and in the significant accounting policies for each of the financial year ended March 31, 2023, 2022 and 2021.

The preparation of our financial statements requires our management to make certain estimates and assumptions that require subjective and complex judgements. These judgements affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities on the date of the preparation of the consolidated balance sheet 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.

Basis of preparation and presentation

Basis of measurement

The Audited Consolidated Financial Statements has been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer – accounting policy regarding financials instruments);

- net defined benefit (asset) / liability – plan (assets) / liability 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.

Significant accounting policies

A. Business combination

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

Common control

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

No common control

We use the "acquisition method" of accounting to account for our business combinations. The consideration transferred by us to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by us as at the acquisition date *i.e.*, date on which we obtain control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition date.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Such goodwill is tested annually for impairment. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is termed as bargain purchase.

In case of a bargain purchase, before recognizing a gain in respect thereof, we determine whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase thereafter, we reassess whether we have correctly identified all the assets acquired and liabilities assumed and recognises any additional assets or liabilities that are so identified, any gain thereafter is recognised in other comprehensive income ("**OCI**") and accumulated in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, we recognise the gain, after reassessing and reviewing, directly in equity as capital reserve.

B. Revenue recognition

Revenue from operations

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 is recognised at a point in time when significant risks and rewards are transferred to the customer *i.e.*, when the control of the residential flat is transferred to the customer.

Cost of construction/development includes all costs directly related to the project and other expenditure as identified by the management which are reasonably allocable to the project.

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

Hospitality business

Revenue is measured based on the consideration specified in a contract with a customer. We recognise revenue when we transfer control over a good or service to a customer. Revenue from sales of goods or rendering of services is net of indirect taxes, returns and variable consideration on account of discounts and schemes offered by us as part of the contract.

Rooms, food and beverage and banquet services: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

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.

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.

Initial direct costs incurred by lessors in negotiating and arranging an operating lease is accounted as separate asset and will be recognised as an expense over the lease term on the same basis as the lease income.

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.

C. Other Income

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 audited consolidated statement of profit or loss.

D. Foreign currency

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis within other gains / (losses). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of transactions. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

E. 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. Also, the liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and provided for as incurred in the year in which services are rendered by employees.

Post-employment benefits

Defined contribution plans

The defined contribution plans *i.e.*, provident fund (administered through regional provident fund office) and employee state insurance corporation are post-employment benefit plans under which we pay fixed contributions and have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the audited statement of profit and loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Our net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

- Gratuity Fund

We follow unfunded gratuity except for two of our hotel divisions (namely, Westin, Hyderabad and Novotel Nagar Road Pune) and for one of our Subsidiaries viz. The Dukes Retreat Private Limited where fund is maintained with Life Insurance Corporation of India. 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.

We determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the audited statement of profit and loss.

When benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the audited statement of profit and loss. We recognize gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Terminal Benefits:

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

Employee stock option expense

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

F. Income-tax

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

i. Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the audited consolidated statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and 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. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets and therefore the tax charge in the statement of profit and loss.

We periodically evaluate positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if, we:

a) have a legally enforceable right to set off the recognised amounts; and

b) intend 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 we are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI are recognised in equity or OCI and not in the consolidated statement of profit and loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which we expect, at the reporting date, to recover or settle the carrying amount of our 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.

Minimum alternative tax ("**MAT**") credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is convincing evidence that our Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that our Company will pay normal income tax during the specified period.

A new Section 115BAA was inserted in the Income-tax Act, 1961, by the Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance, 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section.

G. Inventories

Hospitality

Stocks of stores, food and beverages are carried at the lower of cost and net realizable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is arrived at by the weighted average cost method.

Stocks of stores and spares and operating supplies (viz. crockery, cutlery, glassware and linen) once issued to the operating departments are considered as consumed and expensed to the consolidated statement of profit and loss. Unserviceable/damaged/discarded stocks and shortages are charged to the consolidated statement of profit and loss.

Real Estate Development (Residential Flats)

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

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

H. Property, plant and equipment

i. Recognition and measurement

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

Properties in the course of construction for production, supply or administration purposes are carried at cost, less any impairment loss recognised. Cost includes professional fees and, for qualifying assets borrowing costs capitalised in accordance with our accounting policy. Such properties are classified to the appropriate categories of property, plant and 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 us.

iii. Depreciation

Depreciation is charged to the consolidated statement of profit and loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except, in whose case the life of the assets had been re-assessed as under based on technical evaluation, 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.

Asset type	Useful life		
	March 2023	March 2022	Schedule II
Buildings (Interior and accessories)	14 years	14 years	NA
Plant and machinery	5–15 years	5–15 years	15 years
Electrical installations	10-14 years	14 years	10 years
Office equipments	2–4 years	2–5 years	5 years
Vehicles	5 years	5 years	6 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 view, represents the useful life of such assets. Buildings 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 capitalisation.

Freehold land is measured at fair value as per Ind AS 113 with the resultant impact being accounted for in the reserves. The fair value of 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 assets' useful lives and residual values are reviewed at the balance sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

Impairment losses recognized in prior years are reversed when there is an indicator that the impairment losses recognized no longer exist or have decreased. Such reversals are recognized as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in previous years.

I. Intangible assets

Recognition and measurement

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

Subsequent expenditure

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

Amortisation

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

Intangible assets are amortised on straight-line method over estimated useful life of 4 years, which in management's view represents the economic useful life of these assets. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate prospectively. The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

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

J. Goodwill

In case of merger, 'Goodwill' represents the excess of the cost to our Company of its investment in the subsidiary over its share of equity, at the respective dates on which the investments are made.

In case of acquisition, Goodwill comprises the portion of the purchase price for an acquisition that exceeds our share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition. Goodwill on business combination is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the consolidated statement of profit and loss, to the extent the amount was previously charged to the consolidated statement of profit and loss. In case of revalued assets, such reversal is not recognised.

K. Investment property and investment property under construction

(a) Recognition and measurement

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

On transition to Ind AS, we elected to continue with the carrying value of all of our investment property recognised as at April 1, 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 us and the same is as prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, where the life of these assets differs from Schedule II.

Any gain or loss on disposal of an investment property is recognised in consolidated statement of profit and loss. The fair values of investment property are disclosed in the notes. Fair values are determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Asset type	Useful Life		
	March 2021	March 2020	Schedule II
Buildings (Interior and accessories)	14 years	14 years	NA
Plant and Machinery – DG set, HVAC system, elevators and firefighting system	15 years	15 years	15 years
– Others	14 years	14 years	
Electrical installations	14 years	14 years	10 years
Office equipments	2-4 years	4 years	5 years

Investment properties are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell.

L. Investments

We review our carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than our carrying amount, the impairment loss is accounted for.

M. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that we incur in connection with the borrowing of funds. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing costs that are not directly attributable to a qualifying asset are recognised in the consolidated statement of profit and loss using the effective interest method.

N. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("**CODM**"). The board of directors of our Company, which has been identified as being the CODM, generally assesses our financial performance and position and makes strategic decisions.

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 our chief operating decision maker. Refer note 45 for segment information presented.

O. Financial Instruments

1. Financial assets

(a) Recognition and initial measurement

Financial assets are recognised when, and only when, our Company becomes a party to the contractual provisions of the financial instrument. We determine the classification of our financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and subsequent measurement

We classify our financial assets into a) financial assets measured at amortised cost, and b) financial assets measured at fair value through profit or loss (FVTPL). We determine the classification of our financial assets at the time of initial recognition or, where applicable, at the time of reclassification.

(i) Financial assets measured at amortised costs

A financial asset is classified at amortised costs if it is held within a business model whose objective is to a) hold financial asset in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortisation of such interests forms part of finance income in the consolidated statement of profit and loss. Any impairment loss arising from these assets are recognised in the consolidated statement of profit and loss.

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

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

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

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

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

(b) Derecognition

We derecognise 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 us is recognised as a separate asset and associated liability for any amounts it may have to pay.

(c) Impairment of financial assets

In accordance with Ind-AS 109, we apply 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 – We follow '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. We determine the classification of our 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 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 financial liabilities at fair value through profit or loss includes derivative financial instruments.

(b) Financial guarantee contracts

We, 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. We have regarded all our financial guarantee contracts as insurance contracts. At the end of each reporting period, we perform a liability adequacy test, (*i.e.*, we assess the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognised in consolidated statement of profit and loss.

(c) ***Derecognition***

We derecognise financial liabilities when our contractual obligations are discharged or cancelled or have expired.

3. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, we have legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. Derivative financial instruments

We use 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 consolidated statement of profit and loss immediately at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. We do not designate the derivative instrument as a hedging instrument.

P. 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.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within our control.

Claims against us where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Contingent assets where it is probable that future economic benefits will flow to us are not recognised but disclosed in the consolidated financial statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Q. Leases

At the inception of a contract, we assess whether a contract is or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset, we assess whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- We have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- We have the right to direct the use of the asset. We have this right when we have the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

a. As a lessor

At the inception of the lease, we classify each of our leases as either an operating lease or a finance lease. Payments received under operating leases are recognized in the consolidated statement of profit and loss on a straight-line basis over the lease term. We are not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. We accounted for our leases in accordance with Ind AS 116 from the date of initial application.

b. As a lessee

We had adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019. Accordingly, the comparative periods have not been restated in that financial year. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

We recognise right-of-use asset representing our right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straightline method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

We measure the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, we use incremental borrowing rate. For leases with reasonably similar characteristics, we, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where we are reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. We recognise the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, we recognise any remaining amount of the re-measurement in statement of profit and loss.

We elected not to apply the requirements of Ind AS 116 leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

R. Litigation

From time to time, we are subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

S. Cash and cash equivalents

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

T. Cash flow statement

Cash flows are reported using indirect method, whereby net loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from our regular revenue generating (operating activities), investing and financing activities of are segregated.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, cash at bank and other deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

U. Discontinued Operations

Discontinued operations are reported when a component comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of our group operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale.

In the consolidated statement of profit and loss, income/ (loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative consolidated statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in the notes.

V. Government Grants

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

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

W. Exceptional items

We disclose certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of our underlying operating performance and provides consistency with our internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in our financial performance.

X. Earnings before interest and depreciation and amortisation ("adjusted EBITDA")

We present adjusted EBITDA in the consolidated statement of profit and loss; this is not specifically required by Ind AS 1. The terms adjusted EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of our 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, we have 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 consolidated 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.

A. ***Recent pronouncements*** – New standards/ amendments notified but not yet effective:

Ministry of Corporate Affairs ("**MCA**") notified new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. We do not expect this amendment to have any significant impact in our financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs

15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. We are evaluating the impact, if any, in our financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. We do not expect this amendment to have any significant impact in our financial statements.

We do not expect the effect of this on our financial statements to be material, based on preliminary evaluation.

SEGMENTAL INFORMATION

Our operations are broadly divided into the following financial segments:

- *Hospitality* comprises the income earned through hotel operations;
- *Real estate* comprises income from sale of residential flats; and
- *Rental* comprises the income earned through leasing commercial properties.

The following table sets out our segment-wise revenue and results for the periods indicated:

(*₹ in million*)

Particulars	Hospitality (Hotels)	Real Estate	Rental/ Annuity business	Discontinued operations*	Unallocated	Total
For the nine months ended December 31, 2023						
Total Revenue	9,102.72	-	887.16	-	136.43	**10,126.31**
Segment profit / (loss) before tax (1)	3,081.71	(86.29)	514.75	-	-	**3,510.17**
Total unallocated expenses	-	-	-	-	1,437.89	**1,437.89**
Total unallocated income	-	-	-	-	369.01	**369.01**
Profit before taxation	-	-	-	-	-	**1,703.27**
Profit after taxation	-	-	-	-	-	**1,957.41**
For the nine months ended December 31, 2022						
Total Revenue	7,186.87	-	719.06	-	415.78	**8,321.71**
Segment profit / (loss) before tax (2)	2,132.62	498.33	423.27	-	-	**3,054.22**
Total unallocated expenses	-	-	-	-	1,139.43	**1,139.43**
Total unallocated income	-	-	-	-	(98.91)	**(98.91)**
Profit before taxation	-	-	-	-	-	**2,013.70**
Profit after taxation	-	-	-	-	-	**1,466.59**
For the financial year ended March 31, 2023						
Total Revenue	10,280.91	-	999.99	-	498.64	**11,779.54**
Segment profit / (loss) before tax (3)	3,382.61	273.11	633.96	-	-	**4,289.68**
Total unallocated expenses	-	-	-	-	1,544.74	**1,544.74**
Total unallocated income	-	-	-	-	(16.65)	**(16.65)**
Profit before taxation	-	-	-	-	-	**2,728.29**
Profit after taxation	-	-	-	-	-	**1,832.90**
For the year ended March 31, 2022						
Total Revenue	4,099.74	-	1,016.75	33.25	-	**5,149.74**
Segment profit / (loss) before tax (4)	(306.65)	(283.13)	644.08	(65.37)	-	**(11.06)**
Total unallocated expenses	-	-	-	-	1,444.13	**1,444.13**

Particulars	Hospitality (Hotels)	Real Estate	Rental/ Annuity business	Discontinued operations*	Unallocated	Total
Total unallocated income	-	-	-	-	(79.03)	**(79.03)**
Loss before taxation	-	-	-	-	-	**(1,534.22)**
Loss after taxation	-	-	-	-	-	**(814.69)**
For the year ended March 31, 2021						
Total Revenue	2,021.28	-	925.92	0.71	-	**2,947.91**
Segment profit / (loss) before tax [5]	(1,170.37)	(160.99)	553.57	(40.62)	-	**(818.41)**
Total unallocated expenses	-	-	-	-	1,519.78	**1,519.78**
Total unallocated income	-	-	-	-	144.64	**144.64**
Profit/ (loss) before taxation	-	-	-	-	-	**(2,482.83)**
Loss after taxation	-	-	-	-	-	**(1,391.28)**

* *Pursuant to discontinuation of retail operations at Sahar, Mumbai and Bengaluru by our Company in Fiscals 2021 and 2022, respectively.*
(1) *Includes real estate development cost and other expenses.*
(2) *Pursuant to reversal of provision for interest netted off against real estate development cost and other expenses.*
(3) *Pursuant to reversal of provision for interest netted off against real estate development cost and other expenses.*
(4) *Includes real estate development cost and other expenses.*
(5) *Includes real estate development cost and other expenses.*

PRINCIPAL COMPONENTS OF 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, and (iii) other services revenue from spa, laundry, car hire and concierge services; and (b) rental operations which primarily comprise lease rent received from our properties and revenue from maintenance and other services.

Other Income. Other income primarily (a) comprises export benefits and entitlements, (b) interest income from instruments measured at an amortised cost, (c) net profit on sale of investments, d) net profit on sale of plant, property and equipment and e) 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, complementary or not, (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 items such as crockery, cutlery, glassware, silverware and linen.

Employee benefits expense. Employee benefits expense comprise salaries, wages and bonus, contributions to provident and other funds, staff accommodation, other staff welfare expenses, and employee stock option expenses.

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, repair and maintenance, rates and taxes paid, business promotion expenses, commission, royalty, management and incentive 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.

Summary of Results of Operations

The following table sets forth select financial data from our consolidated statement of profit and loss for the nine months ended December 31, 2023 and December 31, 2022, the components of which are also expressed as a percentage of total income for such years:

Particulars	**For the nine months ended December 31 (*Unaudited*)**			
	2023		**2022**	
	₹ in million	**% of total income**	**₹ in million**	**% of total income**
Income				
Revenue from operations	9,989.88	98.65	7,905.93	95.00
Other income	136.43	1.35	415.78	5.00
Total income	**10,126.31**	**100.00**	**8,321.71**	**100.00**
Expenses				
Real estate development cost	63.79	0.63	63.79	0.77
Food and beverages consumed	767.41	7.58	743.02	8.93
Operating supplies consumed	293.80	2.90	289.13	3.47
Employee benefits expense	1,429.70	14.12	1,098.28	13.20
Other expenses	3,417.91	33.75	2,707.16	32.53
Total expenses	**5,972.61**	**58.98**	**4,901.38**	**58.90**
Depreciation and amortization	1,012.54	10.00	874.67	10.51
Finance costs	1,437.89	14.20	1,139.43	13.69
Tax expense	(254.14)	(2.51)	547.11	6.57
Profit for the period	**1,957.41**	**19.33**	**1,466.59**	**17.62**

Nine months ended December 31, 2023 compared to nine months ended December 31, 2022

Income

Our total income increased by 21.69% to ₹ 10,126.31 million for the nine months ended December 31, 2023 from ₹ 8,321.71 million for the nine months ended December 31, 2022, primarily 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 26.36% to ₹ 9,989.88 million for the nine months ended December 31, 2023 from ₹ 7,905.93 million for the nine months ended December 31, 2022, primarily due to:

- an increase in hospitality revenue from room income by 32.58% to ₹ 5,614.41 million for the nine months ended December 31, 2023 from ₹ 4,234.60 million for the nine months ended December 31, 2022 due to recognition of room revenue from The Dukes Retreat and Westin Hyderabad HITEC City and improvement in operating revenues from the existing keys in line with an increase in ADR for our hotels from ₹ 8,444 in nine months ended December 31, 2022 to ₹ 10,298 in the nine months ended December 31, 2023, together with an increase in the total number of keys from 2,554 as of the nine months ended December 31, 2022 to 2,890 as of the nine months ended December 31, 2023;

- an increase in hospitality revenue from sale of food, beverages and smokes by 15.74% to ₹ 2,823.48 million for the nine months ended December 31, 2023 from ₹ 2,439.45 million for the nine months ended December 31, 2022 primarily due to higher occupancies, higher number of MICE activities, addition of new assets, including The Dukes Retreat and Westin Hyderabad HITEC City and the new outlet at The Westin Mumbai Powai Lake;

- an increase in other hospitality revenue by 29.64% to ₹ 664.83 million for the nine months ended

December 31, 2023 from ₹ 512.82 million for the nine months ended December 31, 2022 primarily due to higher ADR and occupancies, higher revenue from sale of food, beverages and smokes and addition of new assets, including The Dukes Retreat and Westin Hyderabad HITEC City; and

- an increase in revenue from rental operations by 23.38% to ₹ 887.16 million for the nine months ended December 31, 2023 from ₹ 719.06 million for the nine months ended December 31, 2022 due to additional leasing of floors at CIGNUS Whitefield Bangalore Tower I.

Other income. Our other income decreased by 67.19% to ₹ 136.43 million for the nine months ended December 31, 2023 from ₹ 415.78 million for the nine months ended December 31, 2022, primarily due to (i) a reduced interest income received from instruments measured at amortization cost by 72.97% to ₹ 80.69 million for the nine months ended December 31, 2023 from ₹ 298.53 million for the nine months ended December 31, 2022, (ii) a decrease in export benefits and entitlements by 73.28% to ₹ 8.02 million for the nine months ended December 31, 2023 from ₹ 30.02 million for the nine months ended December 31, 2022; and (iii) a decrease in interest on income tax refund by 99.64% to ₹ 0.11 million for the nine months ended December 31, 2023 from ₹ 30.61 million for the nine months ended December 31, 2022.

Expenses

Our total expenses increased by 21.86% to ₹ 5,972.61 million for the nine months ended December 31, 2023 from ₹ 4,901.38 million for the nine months ended December 31, 2022, primarily due to an increase in employee benefits expense that increased by 30.18% to ₹ 1,429.70 million for the nine months ended December 31, 2023 from ₹ 1,098.28 million for the nine months ended December 31, 2022 and other expenses that increased by 26.25% to ₹ 3,417.91 million for the nine months ended December 31, 2023 from ₹ 2,707.16 million for the nine months ended December 31, 2022.

Real estate development costs. Real estate development costs did not change between the nine months ended December 31, 2023 and the nine months ended December 31, 2022.

Food and beverages consumed. Food and beverages consumed increased by 3.28% to ₹ 767.41 million for the nine months ended December 31, 2023 from ₹ 743.02 million for the nine months ended December 31, 2022.

Operating supplies consumed. Operating supplies consumed increased by 1.62% to ₹ 293.80 million for the nine months ended December 31, 2023 from ₹ 289.13 million for the nine months ended December 31, 2022.

Employee benefits expense. Employee benefits expense increased by 30.18% to ₹ 1,429.70 million for the nine months ended December 31, 2023 from ₹ 1,098.28 million for the nine months ended December 31, 2022, primarily due to an increase in salaries, manpower, wages and bonus paid to employees to ₹ 1,131.56 million for the nine months ended December 31, 2023 from ₹ 886.53 million for the nine months ended December 31, 2022 and an increase in staff welfare expenses to ₹ 160.09 million for the nine months ended December 31, 2023 from ₹ 110.54 million for the nine months ended December 31, 2023. Our number of permanent employees was 2,078 employees as of December 31, 2023 and 1,723 employees as of December 31, 2022.

Other expenses. Our other expenses increased by 26.25% to ₹ 3,417.91 million for the nine months ended December 31, 2023 from ₹ 2,707.16 million for the nine months ended December 31, 2022, primarily as a result of:

- an increase in expenditure on power and fuel by 11.33% to ₹ 549.72 million for the nine months ended December 31, 2023 from ₹ 493.77 million for the nine months ended December 31, 2022 due to increased operations and addition of new hotels, including The Dukes Retreat and Westin Hyderabad HITEC City, which is in line with an increased number of guests staying at our hotels;

- an increase in expenditure on repairs and maintenance (plant and machinery) by 22.41% to ₹ 219.28 million for the nine months ended December 31, 2023 from ₹ 179.14 million for the nine months ended December 31, 2022 primarily for our hotel operations;

- an increase in rates and taxes by 65.37% to ₹ 365.12 million for the nine months ended December 31, 2023 from ₹ 220.79 million for the nine months ended December 31, 2022 due to one-time payment of goods and services tax amounting to ₹ 107.54 million on ineligible input tax credit during the nine months ended December 31, 2023;

- an increase in business and promotion expenses by 43.66% to ₹ 350.42 million for the nine months ended

December 31, 2023 from ₹ 243.92 million for the nine months ended December 31, 2022, primarily on account of increase in business operations; and

- an increase in royalty and management fees by 31.75% to ₹ 455.23 million for the nine months ended December 31, 2023 from ₹ 345.53 million for the nine months ended December 31, 2022, primarily on account of increase in business operations.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 15.76% to ₹ 1,012.54 million for the nine months ended December 31, 2023 from ₹ 874.67 million for the nine months ended December 31, 2022, primarily due to addition of new hotels, including The Dukes Retreat and Westin Hyderabad HITEC City.

Finance costs. Our finance costs increased by 26.19% to ₹ 1,437.89 million for the nine months ended December 31, 2023 from ₹ 1,139.43 million for the nine months ended December 31, 2022, primarily due to an increase in interest expenses to ₹ 1,437.89 million for the nine months ended December 31, 2023 from ₹ 1,139.43 million for the nine months ended December 31, 2022 due to an increase in weighted indebtedness.

Tax expenses. We had tax benefit of ₹ 254.14 million for the nine months ended December 31, 2023 as compared to tax expenses of ₹ 547.11 million for the nine months ended December 31, 2022, due to the recognition of deferred tax credit of ₹ 584.21 million on the brought forward business losses (including unabsorbed depreciation) of the merged erstwhile subsidiary for the nine months ended December 31, 2023.

Profit for the period. As a result of the foregoing, our profit for the period increased by 33.47% to ₹ 1,957.41 million for the nine months ended December 31, 2023 from ₹ 1,466.59 million for the nine months ended December 31, 2022.

The following table sets forth select financial data from our consolidated statement of profit and loss for the periods indicated:

Particulars	**For the financial year ended March 31 (*Audited*)**					
	2023		**2022**		**2021**	
	₹ in million	**% of total income**	**₹ in million**	**% of total income**	**₹ in million**	**% of total income**
Income						
Revenue from operations	11,284.67	95.80	5,078.07	95.86	2,943.87	92.95
Other income	494.87	4.20	219.32	4.14	223.38	7.05
Total income	**11,779.54**	**100.00**	**5,297.39**	**100.00**	**3,167.25**	**100.00**
Expenses						
Real estate development cost	85.06	0.72	221.66	4.18	95.06	3.00
Changes in inventories of finished good and construction work in progress	-	-	(12.80)	(0.24)	-	-
Food and beverages consumed	999.19	8.48	538.63	10.17	242.87	7.67
Operating supplies consumed	392.66	3.33	243.76	4.60	123.35	3.89
Employee benefits expense	1,510.96	12.83	999.76	18.87	906.57	28.62
Other expenses	3,768.63	31.99	2,102.29	39.69	1,505.50	47.53
Total expenses	**6,756.50**	**57.36**	**4,093.30**	**77.27**	**2,873.35**	**90.72**
Depreciation and amortization	1,173.09	9.96	1,184.23	22.35	1,174.62	37.09
Finance costs	1,544.74	13.11	1,444.13	27.26	1,519.78	47.98
Tax expense	895.39	7.60	(719.53)	(13.58)	(1,091.55)	(34.46)
Profit for the year (from continuing operations)	**1,832.90**	**15.56**	**(814.69)**	**(15.38)**	**(1,391.28)**	**(43.93)**

Financial Year 2023 compared to Financial Year 2022

Income

Our total income increased by 122.36% to ₹ 11,779.54 million for the financial year 2023 from ₹ 5,297.39 million for the financial year 2022, due to an increase in revenue from operations and other income.

Revenue from Operations. Our revenue from operations increased by 122.22% to ₹ 11,284.67 million for the financial year 2023 from ₹ 5,078.07 million for the financial year 2022, primarily due to:

- an increase in hospitality revenue from room income by 180.49% to ₹ 6,157.02 million for the financial year 2023 from ₹ 2,195.09 million for the financial year 2022 due to an improvement in operating revenues from the existing keys in line with an increase in ADR for our hotels from ₹ 4,576 for the financial year 2022 to ₹ 9,169 for the financial year 2023;

- an increase in hospitality revenue from sale of food, beverages and smokes by 116.29% to ₹ 3,385.90 million for the financial year 2023 from ₹ 1,565.44 million for the financial year 2022 primarily due to general growth in our business, post recovery of business operations from COVID-19;

- an increase in other hospitality revenue by 149.09% to ₹ 741.77 million for the financial year 2023 from ₹ 297.79 million for the financial year 2022 primarily due to general growth in our business, post recovery of business operations from COVID-19; and

- a decrease in revenue from retail and commercial operations by 1.94% to ₹ 999.98 million for the financial year 2023 from ₹ 1,019.75 million for the financial year 2022 due to lower rental recovery.

Other income. Our other income increased by 125.64% to ₹ 494.87 million for the financial year 2023 from ₹ 219.32 million for the financial year 2022, primarily due to (i) an increase in the interest income received from instruments measured at amortised cost by 453.65% to ₹ 316.30 million for the financial year 2023 from ₹ 57.13 million for the financial year 2022; (ii) an increase in interest on income tax refund by 14.56% to ₹ 30.76 million for the financial year 2023 from ₹ 26.85 million for the financial year 2022; and (iii) an increase in miscellaneous income by 43.73% to ₹ 100.81 million for the financial year 2023 from ₹ 70.14 million for the financial year 2022.

Expenses

Our total expenses increased by 65.06% to ₹ 6,756.50 million for the financial year 2023 from ₹ 4,093.30 million for the financial year 2022, 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.

Real estate development costs. Real estate development costs decreased by 61.63% to ₹ 85.06 million for the financial year 2023 from ₹ 221.66 million for the financial year 2022.

Food and beverages consumed. Food and beverages consumed increased by 85.51% to ₹ 999.19 million for the financial year 2023 from ₹ 538.63 million for the financial year 2022.

Operating supplies consumed. Operating supplies consumed increased by 61.08% to ₹ 392.66 million for the financial year 2023 from ₹ 243.76 million for the financial year 2022, primarily due to higher occupancies, post recovery of business operations from COVID-19, since purchase of operating supplies had been deferred during the pandemic.

Employee benefits expense. Employee benefits expense increased by 51.13% to ₹ 1,510.96 million for the financial year 2023 from ₹ 999.76 million for the financial year 2022, primarily due to (i) an increase in salaries, wages and bonus paid to employees to ₹ 1,214.81 million for the financial year 2023 from ₹ 840.53 million for the financial year 2022; and (ii) an increase in employee stock option expenses to ₹ 78.98 million for the financial year 2023 from ₹ 1.02 million for the financial year 2022. Our number of permanent employees was 1,857 employees as of March 31, 2023 and 1,419 employees as of March 31, 2022.

Other expenses. Our other expenses increased by 79.26% to ₹ 3,768.63 million for the financial year 2023 from ₹ 2,102.29 million for the financial year 2022, primarily as a result of:

- an increase in expenditure on travelling and conveyance expenses by 243.72% to ₹ 25.47 million for the financial year 2023 from ₹ 7.41 million for the financial year 2022;

- an increase in expenditure on power and fuel by 39.85% to ₹ 647.34 million for the financial year 2023 from ₹ 462.88 million for the financial year 2022 due to increase in business operations, which is in line with an increased number of guests staying at our hotels;

- an increase in repairs and maintenance for buildings by 326.09% to ₹ 171.67 million for the financial year 2023 from ₹ 40.29 million for the financial year 2022 due to acceleration of repair work undertaken at few of our hotels and commercial building which had been deferred during the COVID-19 pandemic;

- an increase in repairs and maintenance for plant and machinery by 52.52% to ₹ 239.25 million for the financial year 2023 from ₹ 156.86 million for the financial year 2022 due to repairs undertaken post recovery of business operations from the COVID-19 pandemic;

- an increase in business and promotion expenses by 210.60% to ₹ 359.05 million for the financial year 2023 from ₹ 115.60 million for the financial year 2022, primarily on account of increase in business operations;

- an increase in royalty and management fees by 260.16% to ₹ 510.56 million for the financial year 2023 from ₹ 141.76 million for the financial year 2022, primarily on account of increase in business operations; and

- an increase in fees payable for buyout labour and manpower contracts by 126.89% to ₹ 334.34 million for the financial year 2023 from ₹ 147.36 million for the financial year 2022, primarily on account of increase in commercial projects.

Depreciation and amortisation expense. Our depreciation and amortisation expense decreased by 0.94% to ₹ 1,173.09 million for the financial year 2023 from ₹ 1,184.23 million for the financial year 2022.

Finance costs. Our finance costs increased by 6.97% to ₹ 1,544.74 million for the financial year 2023 from ₹ 1,444.13 million for the financial year 2022, primarily due to an increase in interest expenses to ₹ 1,538.43 million for the financial year 2023 from ₹ 1,424.34 million for the financial year 2022 due to increase in borrowings.

Tax expenses. We had a tax expense of ₹ 895.39 million during the financial year 2023, as compared to tax benefit of ₹ 719.53 million for the financial year 2022 due to inclusion of (i) current tax of ₹ 178.65 million for the financial year 2023; and (ii) deferred tax expense of ₹ 895.15 million for the financial year 2023.

Profit for the year (from continuing operations). As a result of the foregoing, our profit for the year (from continuing operations) was ₹ 1,832.90 million for the financial year 2023, as compared to a loss of ₹ 749.32 million for the financial year 2022.

Financial Year 2022 compared to Financial Year 2021

Income

Our total income increased by 67.26% to ₹ 5,297.39 million for the financial year 2022 from ₹ 3,167.25 million for the financial year 2021, due to an increase in revenue from operations and other income.

Revenue from Operations. Our revenue from operations increased by 72.50% to ₹ 5,078.07 million for the financial year 2022 from ₹ 2,943.87 million for the financial year 2021, primarily due to:

- an increase in hospitality revenue from room income by 93.97% to ₹ 2,195.09 million for the financial year 2022 from ₹ 1,131.66 million for the financial year 2021 due to an improvement in operating revenues from the existing keys in line with an increase in ADR and occupancy levels for our hotels from ₹ 4,038.52 million and 30.05%, respectively, for the financial year 2021 to ₹ 4,576.35 million and 52.25%, respectively, for the financial year 2022;

- an increase in hospitality revenue from sale of food, beverages and smokes by 128.94% to ₹ 1,565.44 million for the financial year 2022 from ₹ 683.77 million for the financial year 2021 primarily due to partial recovery of our business operations, which was negatively impacted by the onset of COVID-19 in the financial year 2021;

- an increase in other hospitality revenue by 47.04% to ₹ 297.79 million for the financial year 2022 from ₹ 202.52 million for the financial year 2021 primarily due to recovery of our business operations, which was negatively impacted by the onset of COVID-19 in the financial year 2021; and

- an increase in revenue from rental operations by 10.13% to ₹ 1,019.75 million for the financial year 2022 from ₹ 925.92 million for the financial year 2021 due to additional leasing in the financial year 2022.

Other income. Our other income decreased by 2.08% to ₹ 219.32 million for the financial year 2022 from ₹ 223.38 million for the financial year 2021, primarily due to (i) a decrease in the interest income received from instruments measured at amortised cost by 12.28% to ₹ 57.13 million for the financial year 2022 from ₹ 65.13 million for the financial year 2021; and (ii) a decrease in interest on income tax refund by 68.59% to ₹ 26.85 million for the financial year 2022 from ₹ 85.47 million for the financial year 2021.

Expenses

Our total expenses increased by 42.46% to ₹ 4,093.30 million for the financial year 2022 from ₹ 2,873.35 million for the financial year 2021, due to an increase in real estate development costs, food and beverages consumed, operating supplies consumed, employee benefits expense and other expenses, primarily on account of increase in business operations.

Real estate development costs. Real estate development costs increased by 133.18% to ₹ 221.66 million for the financial year 2022 from ₹ 95.06 million for the financial year 2021.

Food and beverages consumed. Food and beverages consumed increased by 121.78% to ₹ 538.63 million for the financial year 2022 from ₹ 242.87 million for the financial year 2021.

Operating supplies consumed. Operating supplies consumed increased by 97.62% to ₹ 243.76 million for the financial year 2022 from ₹ 123.35 million for the financial year 2021, primarily due to increase in hotel and business operations.

Employee benefits expense. Employee benefits expense increased by 10.28% to ₹ 999.76 million for the financial year 2022 from ₹ 906.57 million for the financial year 2021, primarily due to (i) an increase in salaries, wages and bonus paid to employees to ₹ 840.53 million for the financial year 2022 from ₹ 797.82 million for the financial year 2021; and (ii) an increase in staff welfare expenses to ₹ 108.81 million for the financial year 2022 from ₹ 62.27 million for the financial year 2021. Our number of permanent employees was 1,419 employees as of March 31, 2022 and 1,846 employees as of March 31, 2021.

Other expenses. Our other expenses increased by 39.64% to ₹ 2,102.29 million for the financial year 2022 from ₹ 1,505.50 million for the financial year 2021, primarily as a result of:

- an increase in expenditure on power and fuel by 35.55% to ₹ 462.88 million for the financial year 2022 from ₹ 341.49 million for the financial year 2021 due to increase in business operations, which is in line with an increased number of guests staying at our hotels;

- an increase in rates and taxes by 32.83% to ₹ 275.38 million for the financial year 2022 from ₹ 207.32 million for the financial year 2021 due to receipt of property tax relief in the financial year 2021, which was not extended in financial year 2022;

- an increase in business and promotion expenses by 57.07% to ₹ 115.60 million for the financial year 2022 from ₹ 73.60 million for the financial year 2021 due to increase in hotel and business operations;

- an increase in royalty and management fees by 124.87% to ₹ 141.76 million for the financial year 2022 from ₹ 63.04 million for the financial year 2021 due to increase in hospitality revenue; and

- an increase in fees payable labour and manpower contracts by 224.87% to ₹ 147.36 million for the financial year 2022 from ₹ 45.36 million for the financial year 2021, primarily on account of increase in commercial projects.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 0.82% to ₹ 1,184.23 million for the financial year 2022 from ₹ 1,174.62 million for the financial year 2021, primarily due to increase in capital expenditure.

Finance costs. Our finance costs decreased by 4.98% to ₹ 1,444.13 million for the financial year 2022 from ₹ 1,519.78 million for the financial year 2021, primarily due to a decrease in other borrowing costs to ₹ 1.30 million for the financial year 2022 from ₹ 52.04 million for the financial year 2021 due to repayment of borrowings.

Tax expenses. Our tax benefits decreased by 34.08% to ₹ 719.53 million during the financial year 2022 from ₹ 1,091.55 million for the financial year 2021 due to a reduction of (i) current tax to ₹ 37.76 million during the financial year 2022 from ₹ 63.34 million for the financial year 2021; and (ii) deferred tax credit to ₹ 681.77 million during the financial year 2022 from ₹ 1,028.21 million for the financial year 2021.

Loss for the year (from continuing operations). Our loss for the period decreased by 44.52% to ₹ 749.32 million for the financial year 2022 from ₹ 1,350.66 million for the financial year 2021.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

(₹ in million)

	For the nine months ended December 31		Financial Year		
	2023	2022	2023	2022	2021
Net cash generated from Operating Activities	3,515.02	2,801.44	4,768.84	622.20	601.71
Net cash generated from/ (used) in Investing Activities	(2,684.35)	(2,107.25)	(5,924.03)	(3,960.98)	(499.22)
Net cash generated from/ (used) in Financing Activities	(976.20)	(1,274.81)	1,260.45	4,109.46	(340.89)
Net increase/ (decrease) in Cash and Cash Equivalents	(145.53)	(580.62)	105.26	770.69	(238.40)

Operating Activities

Net cash generated from operating activities was ₹ 3,515.02 million for the nine months ended December 31, 2023. Our operating profit before working capital changes was ₹ 4,139.47 million for the nine months ended December 31, 2023, primarily as a result of adjustments for depreciation and amortization expenses of ₹ 1,012.54 million and finance cost of ₹ 1,437.89 million.

Net cash generated from operating activities was ₹ 2,801.44 million for the nine months ended December 31, 2022. Our operating profit before working capital changes was ₹ 3,155.70 million for the nine months ended December 31, 2022, primarily as a result of adjustments for depreciation and amortization expenses on plant, property and equipment of ₹ 874.67 million and finance cost of ₹ 1,139.43 million.

Net cash generated from operating activities was ₹ 4,768.84 million for the financial year 2023. Our operating profit before working capital changes was ₹ 4,772.69 million for the financial year 2023 primarily as a result of finance costs of ₹ 1,544.74 million and adjustments for depreciation and amortisation expenses of ₹ 1,173.09 million.

Net cash generated from operating activities was ₹ 622.20 million for the financial year 2022. Our operating profit before working capital changes was ₹ 1,036.69 million for the financial year 2022 primarily as a result of finance costs of ₹ 1,444.13 million and adjustments for depreciation and amortisation expenses of ₹ 1,184.23 million.

Net cash generated from operating activities was ₹ 601.71 million for the financial year 2021. Our operating profit before working capital changes was ₹ 222.69 million for the financial year 2021 primarily as a result of finance costs of ₹ 1,519.78 million and adjustments for depreciation and amortisation costs of ₹ 1,174.62 million.

Investing Activities

Net cash used in investing activities was ₹ 2,684.35 million for the nine months ended December 31, 2023, primarily towards purchase of property, plant and equipment of ₹ 1,056.24 million and purchase of investments of ₹ 2,005.07 million.

Net cash used in investing activities was ₹ 2,107.25 million for the nine months ended December 31, 2022, primarily towards purchase of investments (including investment property and investment property under construction) of ₹ 2,638.81 million and purchase of property, plant and equipment of ₹ 695.06 million.

Net cash used in investing activities was ₹ 5,924.03 million for the financial year 2023, primarily towards purchase of property, plant and equipment of ₹ 1,748.17 million and purchase of investments of ₹ 4,125.34 million.

Net cash used in investing activities was ₹ 3,960.98 million for the financial year 2022, primarily towards purchase of property, plant and equipment of ₹ 415.92 million and purchase of investments of ₹ 3,019.00 million.

Net cash used in investing activities was ₹ 499.22 million for the financial year 2021, primarily towards purchase of property, plant and equipment of ₹ 482.86 million and purchase of investments of ₹ 950.19 million.

Financing Activities

Net cash used in financing activities was ₹ 976.20 million for the nine months ended December 31, 2023, primarily comprising repayment of long-term borrowings of ₹ 2,433.96 million and net outflow towards interest and finance charges paid of ₹ 1,214.12 million, which was offset by proceeds from long-term borrowings of ₹ 1,982.29 million.

Net cash used in financing activities was ₹ 1,274.81 million for the nine months ended December 31, 2022, primarily comprising repayment of long-term borrowings of ₹ 4,919.94 million and net outflow towards interest and finance charges paid of ₹ 1,200.56 million, which was offset by proceeds from long-term borrowings of ₹ 4,320.00 million.

Net cash generated from financing activities was ₹ 1,260.45 million for the financial year 2023, primarily comprising proceeds from long-term borrowings of ₹ 9,976.13 million, which was offset by repayment of long-term borrowings of ₹ 7,951.35 million and net outflow towards interest and finance charges paid of ₹ 1,376.98 million.

Net cash generated from financing activities was ₹ 4,109.46 million for the financial year 2022, primarily comprising proceeds from long-term borrowings of ₹ 7,233.66 million, which was offset by repayment of long-term borrowings of ₹ 2,280.99 million and net outflow towards interest and finance charges paid of ₹ 1,301.77 million.

Net cash used in financing activities was ₹ 340.89 million for the financial year 2021, primarily comprising repayment of long-term borrowings of ₹ 2,892.83 million and net outflow towards interest and finance charges paid of ₹ 1,421.61 million, offset by proceeds from long-term borrowings of ₹ 3,970.00 million.

RECONCILIATION OF NON-GAAP MEASURES

Reconciliation of restated profit/(loss) for the year/ period to EBITDA

Particulars	**For the nine months ended December 31 (*Unaudited*)**		**For the financial year ended March 31 (*Audited*)**		
	2023	**2022**	**2023**	**2022**	**2021**
	₹ in million	**₹ in million**	**₹ in million**	**₹ in million**	**₹ in million**
Profit /(loss) for the period/ year (A)	1,957.41	1,466.59	1,832.90	(814.69)	(1,391.28)
Depreciation and amortisation expenses (B)	1,012.54	874.67	1,173.09	1,184.23	1,174.62
Finance costs (C)	1,437.89	1,139.43	1,544.74	1,444.13	1,519.78
Tax expense/(benefit) (D)	(254.14)	547.11	895.39	(719.53)	(1,091.55)
EBITDA* **(E = A + B + C + D)**	4,153.70	4,027.80	5,446.12	1,094.14	211.57
Loss from Discontinued operations before tax (F)	-	-	-	65.37	40.62
Exceptional items (gain)/loss **(G)**	-	(607.47)	(423.08)	44.58	41.71
Adjusted EBDITA(1) (2) (H = F + G)	4,153.70	3,420.33	5,023.04	1,204.09	293.90

**EBITDA = Profit /(loss) for the period/ year + Finance costs + Tax expense/(benefit) + Depreciation and amortisation expense*

(1) Adjusted EBITDA = Profit /(loss) for the period/ year + Finance costs + Tax expense/(benefit) + Depreciation and amortisation expense + Exceptional items (gain)/loss + Loss from discontinued operations before tax.

*(2) Adjusted EBITDA is also referred to as EBITDA adjusted for exceptional items and loss from discontinued operations, in "**Selected Financial Information – Summary of consolidated statement of profit and loss for the nine months ended December 31, 2023 and December 31, 2022 and the Fiscal year ended March 31, 2023, March 31, 2022 and March 31, 2021**" on page 39.*

Reconciliation of debt equity ratio (in times)

Particulars	**For the nine months ended December 31 (*Unaudited*)**		**For the financial year ended March 31 (Audited)**		
	2023 ₹ in million	**2022 ₹ in million**	**2023 ₹ in million**	**2022 ₹ in million**	**2021 ₹ in million**
Non-current financial liabilities - long term borrowings	22,472.71	22,193.60	22,077.12	21,428.13	17,603.82

Current financial liabilities - short term borrowings	5,954.48	3,477.25	5,861.59	3,911.69	843.99
Current maturity of long term borrowings[(1)]	-	-	-	-	2,135.43
Total borrowings	28,427.19	25,670.85	27,938.71	25,339.82	20,583.24
Total Equity	17,640.12	15,006.43	15,415.33	13,409.92	14,157.40
Debt Equity Ratio	1.61	1.71	1.81	1.89	1.45

[(1)] *In the Financial Year 2021, the current maturity of long term borrowings was disclosed under the head 'Current - other financial liabilities'.*

CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Indebtedness

As of December 31, 2023, we had outstanding total borrowings of ₹ 28,427.19 million and are set out below based on our Unaudited Condensed Consolidated Interim Financial Statements:

(₹ in million)

Particulars	As at December 31, 2023
Non-current borrowings	22,472.71
Current borrowings	5,954.48
Total borrowings	**28,427.19**

Contingent Liabilities and Commitments

The following table sets forth certain information relating to our contingent liabilities not acknowledged as debts as at December 31, 2023, as per Ind AS 37, based on our Unaudited Condensed Consolidated Interim Financial Statements:

(₹ in million)

Particulars	As at December 31, 2023
Disputed service tax demands	94.65
Disputed income tax demands	175.45
Disputed VAT demands	13.08
Disputed provident funds demands	7.82
Labour disputes	12.21
Power facilitation agreement	36.17
Performance guarantees given to Department of Tourism of Kerala	50.00
EPCG obligation	5.11
SFIS/SEIS Scheme	17.95
Total	**412.44**

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.

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.

We do not have any significant credit exposure in relation to revenue generated from the hospitality business. For our other segments, we have established a credit policy under which each new customer is analyzed 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.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our 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 our 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.

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 "***- Significant Factors Affecting our Results of Operations***" and the uncertainties described in "***Risk Factors***" on page 44. To our knowledge, except as discussed in this Placement Document, 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.

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. The winter months are preferred for travel in India, for leisure, MICE events, for leadership level business travel and high end destination weddings (*Source: Horwath Report*). Further, inbound travel in the summer and monsoon periods is slower, mainly comprising routine business travel, upscale and mid-sector leisure, and more selective travel for destination weddings and MICE (*Source: 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. 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 51.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in this Placement Document, there are no known factors that might affect the future relationship between costs and revenues.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

CAPITAL EXPENDITURE

For the nine months ended December 31, 2023, we incurred a capital expenditure of ₹ 3,061.31 million, primarily towards (i) capital expenditure of ₹ 1,056.24 million in relation to property plant and equipment, right to use and capital work in progress; and (ii) capital expenditure of ₹ 2,005.07 million in relation to investment property and investment property under construction.

For the nine months ended December 31, 2022, we incurred a capital expenditure of ₹ 3,333.87 million, primarily towards (i) capital expenditure of ₹ 695.06 million in relation to property plant and equipment, right to use and capital work in progress; and (ii) capital expenditure of ₹ 2,638.81 million in relation to investment property and investment property under construction.

For the financial year 2023, we incurred a capital expenditure of ₹ 5,873.51 million, primarily towards (i) capital expenditure of ₹ 1,748.17 million in relation to property plant and equipment, right to use and capital work in progress; and (ii) capital expenditure of ₹ 4,125.34 million in relation to investment property and investment property under construction.

For the financial year 2022, we incurred a capital expenditure of ₹ 3,434.92 million, primarily towards (i) capital expenditure of ₹ 415.92 million in relation to property plant and equipment, right to use and capital work in progress; and (ii) capital expenditure of ₹ 3,019.00 million in relation to investment property and investment property under construction.

For the financial year 2021, we incurred a capital expenditure of ₹ 1,433.05 million, primarily towards (i) capital expenditure of ₹ 482.86 million in relation to property plant and equipment, right to use and capital work in progress; and (ii) capital expenditure of ₹ 950.19 million in relation to investment property and investment property under construction.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as disclosed in this section and in "***Our Business***" on page 158, 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 AFTER DECEMBER 31, 2023

In the opinion of our Board, no circumstances have arisen since the date of the last financial statements as disclosed in this Placement Document which materially and adversely affect or are likely to affect our trading and profitability, the value of our assets or our ability to pay our liabilities within the next 12 months.

RESERVATIONS, QUALIFICATIONS, OR ADVERSE REMARKS OF OUR AUDITORS IN THE LAST FIVE FISCALS IMMEDIATELY PRECEDING THE YEAR OF THIS PLACEMENT DOCUMENT

Except as set out below, there are no reservations, qualifications or adverse remarks of our Statutory Auditors in their respective reports on our audited financial statements for the last five Fiscals preceding the date of this Placement Document:

Fiscal/ Period	Reservation/ qualification and adverse remarks/ Emphasis of matter	Impact on the financial statements and financial position of our Company	Corrective steps take and/or proposed to be taken by our Company
Fiscal 2023	***Emphasis of Matter*** a. We draw attention to Note 39(I)(c) to the revised consolidated financial statements regarding the ongoing litigation in respect of leasehold rights to proportionate undivided interest in land and building at Vashi (Navi Mumbai) purchased from K Raheja Corp Private Limited, on which the Holding Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K Raheja Corp Private Limited has been challenged under two public interest litigation. On 21 November 2014, the Honourable High Court at Bombay ordered K Raheja Corp Private Limited to restore the land to its original condition (which would interalia require the buildings thereon to be demolished) and hand over the vacant possession thereof to CIDCO within six months of the date of judgement. K Raheja Corp Private Limited has filed a special leave petition against the abovementioned order in the Honourable Supreme Court of India. The Hon'ble Supreme Court of India on 21 January 2015 has passed Status Quo Order and the matter is currently pending with it.	Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the revised consolidated financial statements as at March 31, 2023 to the carrying value of the leasehold rights (reflected as prepayments) aggregating to ₹ 48.54 million (March 31, 2022 – ₹ 49.74 million) and the hotel assets thereon (reflected as property, plant and equipment) aggregating to ₹ 346.24 million as at March 31, 2023 (March 31, 2022: ₹ 372.12 million).	NA

Fiscal/ Period	Reservation/ qualification and adverse remarks/ Emphasis of matter	Impact on the financial statements and financial position of our Company	Corrective steps take and/or proposed to be taken by our Company
	The agreement for purchase of leasehold rights between the Holding Company and K Raheja Corp Private Limited was subject to the outcome of the litigation and the management does not except any potential material loss to be borne by the Group. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the revised consolidated financial statements as at 31 March 2023 to the carrying value of the leasehold rights (reflected as prepayments) aggregating to Rs 48.54 million (31 March 2022 49.74 million) and the hotel assets thereon (reflected as property, plant and equipment) aggregating to Rs 346.24 million as at 31 March 2023 (31 March 2022: Rs 372.12 million). b. We draw attention to Note 1 and Note 51 of the revised consolidated financial statements which states that the consolidated financial statements approved by the Board of Directors on 09 May 2023 are revised basis the approval of the Scheme of amalgamation (“the Scheme”) of the Holding Company and its two wholly owned subsidiaries (Belaire Hotels Private Limited and Seapearl Hotels Private Limited) by the National Company Law Tribunal (NCLT) vide its order dated 19 May 2023 with appointed date 1 April 2020. A certified copy of the order sanctioning the Scheme has been filed by the Group with the Registrar of the Companies. Maharashtra on 19 June 2023. As per the requirements of Appendix C to Ind AS 103 “Business Combinations”, the merger has been given effect to as if it had occurred from the beginning of the preceding period in these revised consolidated financial statements. We had issued an auditor’s report dated 09 May 2023 on the consolidated financial statements to the members of the Holding Company. In accordance with the provisions of Standard on Auditing 560 (Revised) ‘Subsequent Events’ issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the consolidated financial statements, have been carried out solely on impact of the Scheme and no additional procedures have been carried out for any other events occurring after 09 May 2023 (being the date of our earlier audit report on the earlier consolidated financial statements). Our earlier audit report dated 09 May 2023 on the earlier consolidated financial statements is superseded by this revised report on these revised consolidated financial statements. *Our opinion is not modified in respect of these matters.*		
Fiscal 2022	***Emphasis of Matter*** a) We draw attention to Note 38 (c) of the consolidated financial statements, in respect of the entire building comprising of the hotel and	Pending the outcome of proceedings and a final closure of the matter, no adjustments have been	NA

Fiscal/ Period	Reservation/ qualification and adverse remarks/ Emphasis of matter	Impact on the financial statements and financial position of our Company	Corrective steps take and/or proposed to be taken by our Company
	apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Holding Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the consolidated financial statements as at and for the year ended 31 March 2022. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2022 is Rs. 49.74 million (31 March 2021: Rs. 50.93 million) and carrying value of property, plant and equipment as at 31 March 2022 is Rs. 372.12 million (31 March 2021: Rs 400.77 million). *Our opinion is not modified in respect of this matter.*	made in the consolidated financial statements as at and for the year ended March 31, 2022. The balance of prepaid lease rental in relation to such leasehold land as of March 31, 2022 is ₹ 49.74 million (March 31, 2021: ₹ 50.93 million) and carrying value of property, plant and equipment as at March 31, 2022 is ₹ 372.12 million (March 31, 2021: ₹ 400.77 million).	
Fiscal 2021	***Emphasis of Matter*** a) We draw attention to Note 41 (c) of the consolidated financial statements, in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Holding Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the consolidated financial statements as at and for the year ended 31 March 2021 to the carrying value of the leasehold rights (reflected as prepayments) aggregating to Rs. 50.93 million (31 March 2020: Rs. 52.13 million) and the hotel assets thereon (reflected as property, plant and equipment) as at 31 March 2021 is Rs. 400.77 million (31 March 2020: Rs. 427.21 million) respectively. *Our opinion is not modified in respect of this matter.* b) We draw attention to Note 49 to the consolidated financial statements relating to remuneration paid / payable to the Managing Director & CEO of the Holding Company for the financial year ended 31 March 2021, being in excess of the limits prescribed under Section 197 of the Act, by Rs 47.49 million, of which the proportionate remuneration from 09 February	Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the consolidated financial statements as at and for the year ended March 31, 2021 to the carrying value of the leasehold rights (reflected as prepayments) aggregating to ₹ 50.93 million (March 31, 2020: ₹ 52.13 million) and the hotel assets thereon (reflected as property, plant and equipment) as at March 31, 2021 is ₹ 400.77 million (March 31, 2020: ₹ 427.21 million) respectively.	NA

Fiscal/ Period	Reservation/ qualification and adverse remarks/ Emphasis of matter	Impact on the financial statements and financial position of our Company	Corrective steps take and/or proposed to be taken by our Company
	2021 of Rs 6.63 million is subject to approval of the shareholders. *Our opinion is not modified in respect of this matter.*		
Fiscal 2020	***Emphasis of Matter*** a. We draw attention to Note 41(c) to these consolidated annual financial statements, in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Holding Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in these consolidated financial results as at 31 March 2020 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to Rs 479.33 million and Rs 489.98 million as at 31 March 2020 and 31 March 2019 respectively. *Our opinion is not modified in respect of this matter.*	Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in these consolidated financial results as at March 31, 2020 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to ₹ 479.33 million and ₹ 489.98 million as at March 31, 2020 and March 31, 2019 respectively.	NA
Fiscal 2019	***Emphasis of Matter*** We draw attention to Note 41 (c) to the Consolidated Ind AS Financial Statements, in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the consolidated Ind AS financial statements as at and for the year ended 31 March 2019 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to Rs 497.90 million and Rs 503.79 million as at 31 March 2019 and 31 March 2018 respectively. We draw attention to Note 48 to the Consolidated Ind AS Financial Statements, relating to remuneration paid to the Managing Director & CEO and Executive Director & CFO of the	Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the consolidated Ind AS financial statements as at and for the year ended March 31, 2019 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to ₹ 497.90 million and ₹ 503.79 million as at March 31, 2019 and March 31, 2018 respectively.	NA

Fiscal/ Period	Reservation/ qualification and adverse remarks/ Emphasis of matter	Impact on the financial statements and financial position of our Company	Corrective steps take and/or proposed to be taken by our Company
	Company for the financial year ended 31 March 2019, being in excess of the limit prescribed under Section 197 of the Companies Act 2013 by Rs 52.41 Million, which is subject to the approval of the shareholders. *Our opinion is not qualified in respect of these matter.*		

INDUSTRY OVERVIEW

The information contained in this section is taken from the report titled "Industry Report – Upper Tier Hotels, India" dated March 23, 2024 prepared by Horwath HTL India and commissioned by us in connection with the Issue. There are no parts, data or information (which may be relevant for the proposed Issue) of the Horwath Report, that has been left out or changed in any manner. Unless otherwise indicated, operational, industry and other related information derived from the Horwath Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview of Key Market Characteristics

Some key characteristics of India's hospitality industry, relevant for a better understanding of the market and more particularly the upper-tier and upscale segments, are briefly set out herein:

(1) India has 183,000 chain affiliated hotel rooms, across segments, as at December 31, 2023. Supply at independent hotels is widely fragmented and substantially of midscale and lower positioning.

(2) India's share of global tourism is limited, with Foreign Tourist Arrivals ("**FTA**") between 10.2 million and 10.6 million for Fiscals 2018-2020 *(Source: Ministry of Tourism, Govt of India)*. India had only 0.73% of global tourist arrivals for 2019 *(Source: Ministry of Tourism, Govt of India and UNWTO World Tourism Barometer, January 2020)*. On the other hand, the domestic travel industry in India has been robust and has grown materially with 2.3 billion visits in 2019 and a sharp post-Covid recovery to 1.7 billion visits in 2022 *(Source: Ministry of Tourism, Govt of India)*.

(3) Chain affiliated supply has evolved over the years although the aggregate inventory appears modest for a country of India's size and potential (a) about 159,000 rooms have been added between April 2001 and December 2023, including nearly 100,000 rooms in the last 10 years; (b) rooms supply has greater depth and better balance across different segments, having initially been more heavily weighted towards luxury and upper upscale hotels; (c) rooms supply is spreading outside the top 10 markets, with 58% of new supply since Fiscal 2019 being outside the key markets (top 10 markets); (d) hotel investment and ownership has widened and is now materially led by private sector developers and investors, and some institutional investors; the share of chain or chain-led ownership has declined from 71% as at Fiscal 2001 to 26% at end December 2023; (e) supply share of international chains have increased from 21% in Fiscal 2001 to 46% at end December 2023, although this share has remained at about 46-48% for the last nine years; (f) more structured resolution of debt stress cases, resulting in acquisition and consolidation transactions and opportunities that have been gainfully used by ownership groups to strategically widen their portfolio; and (g) guest preferences have evolved with greater appreciation of lifestyle and boutique hotel offerings, well-curated F&B experiences, leisure, recreation and entertainment.

(4) Per World Travel & Tourism Council estimates, the overall travel and tourism sector contributed ₹ 15.7 trillion to India's economy in 2022, with expected increase to ₹ 16.5 trillion for 2023 and ₹ 37 trillion over the next ten years. The sector is expected to employ 39 million persons by end of 2023. Hotel Association of India's "Vision 2047- Indian Hotel Industry - Challenges & The Road Ahead" report estimates the GDP contribution of the hotel sector at US$40 billion in 2022, with projected increase to US$68 billion by 2027 and US$ one trillion by 2047.

(5) Thus, the hotel sector materially contributes to India's economy by way of GDP, asset and credit growth, employment, FDI, foreign exchange earnings and tax revenues. The multiplier effect of developing a new hotel is significant.

(6) The need and demand for hotel rooms and services will benefit from and, in turn support, growth oriented macroeconomic policies, business development initiatives and investments across multiple sectors as India moves towards becoming the third largest global economy. Infrastructure and air/road access enhancements help create new markets and growth of business, leisure and MICE travel.

(7) Twelve states have granted industry status to hotels, enabling benefits such as industrial rates for energy, water, property tax incentives etc. Nation-wide grant of industry status for the hotel sector would be materially beneficial.

(8) The hotel sector has recovered very strongly from the deep challenges due to COVID-19 lockdowns, gaining demand, notably higher room rates, growth in F&B and banquet revenues. Weddings and social

demand, recovery of MICE demand with higher rates afforded, and increased number of sports and other events have boosted hotel revenues and profits. More fuller recovery and growth of inbound travel would be beneficial in the future.

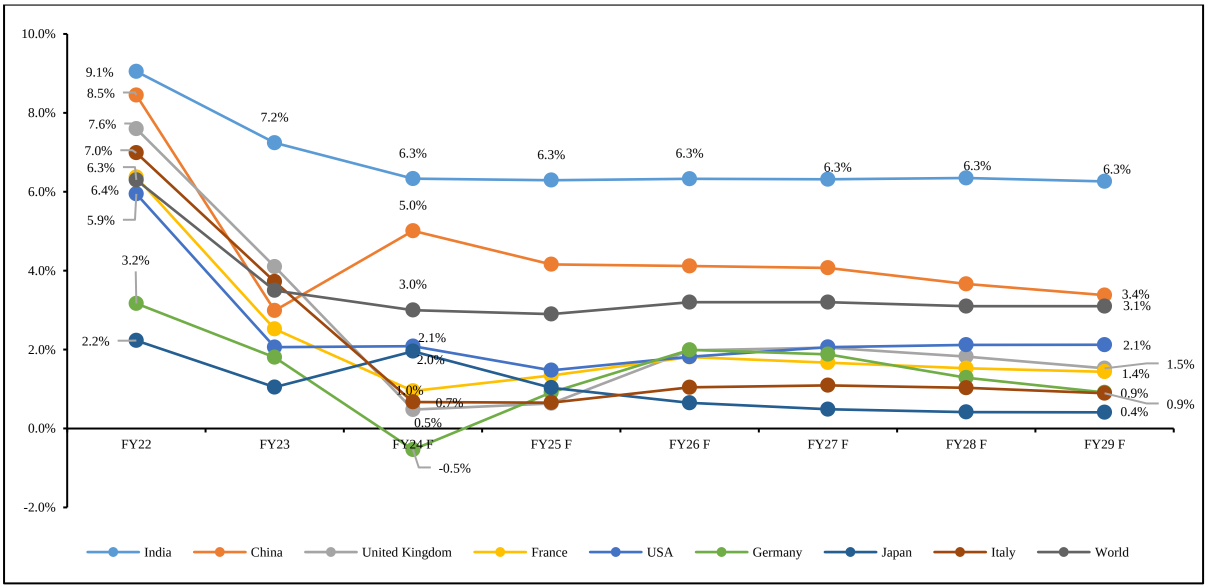
(9) Positive long-term elements for India's hotel sector include (a) robust domestic travel across several purposes - business, leisure, MICE, weddings and social events; (b) newer demand from various international and national events for sports and entertainment including various sports leagues, music, dance, drama and film festivals; demand will also be fostered by the new convention centres in Mumbai, Delhi and Jaipur, encouraging performing arts based events in other cities as well; (c) growing demand from international political and business delegations; (d) continued urbanisation and infrastructure growth creating new travel destinations and hotel micro-markets; and (e) changing demographics, with millennials and younger travellers seeking experiences and willing to spend on entertainment, recreation, wellness and lifestyle. Increased demand arising from the new convention centres will likely create additional MICE demand at upper tier hotels with large function and meeting spaces.

India – Macro Economic Overview

India GDP

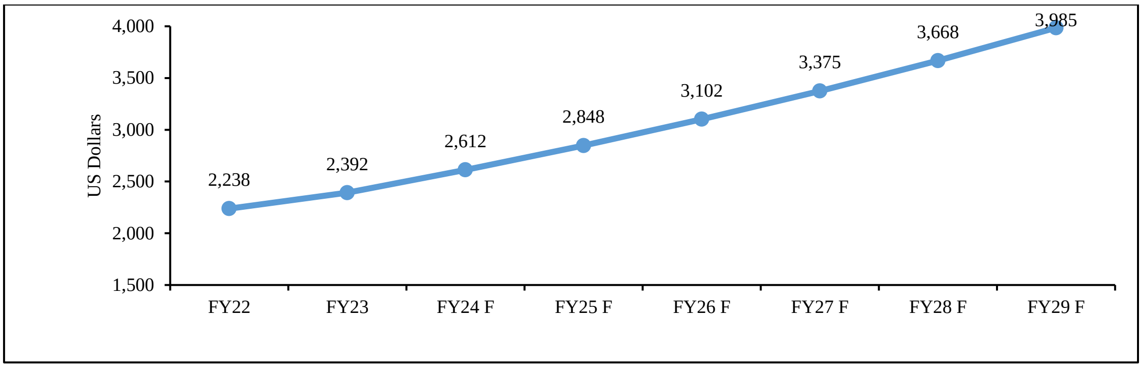
In Fiscal 2023, India was the fifth largest global economy with GDP at current prices of US$ 3.42 trillion *(Source: World Development Indicators Database, World Bank, 21 February 2024)*, with 7% GDP growth *(Source: National Statistics Office, Ministry of Statistics & Programme Implementation - MoSPI, Govt of India)*. India's economy grew by 9% in Fiscal 2022, against -5.8% decline caused by COVID-19 pandemic in Fiscal 2021. IMF's World Economic Outlook Report (October 2023) forecasts India's GDP growth at 6.3% per annum for Fiscal 2024-2029 and per capita GDP growth at 8.9% CAGR between Fiscal 2023-2029. IMF increased the GDP forecast for India from 5.9% in April 2023 to 6.1% in July 2023 and further to 6.3% in October 2023. In its announcement on October 6, 2023, RBI had projected Fiscal 2024 and Fiscal 2025 GDP growth at 6.5% each year; this forecast has been revised upwards to 7.3% and 7% respectively in RBI's announcement on February 22, 2024. India is considered among the lead global growth engines for the coming decade, as it works towards the US$ 5 trillion GDP mark.

India and top seven global economies GDP forecast



Source: World Economic Outlook, IMF, October 2023

India per capita GDP forecast



Source: World Economic Outlook, IMF, October 2023

Increased individual incomes, which can reasonably be expected to create additional discretionary spending, will be beneficial for hotels particularly hotels with strong F&B offerings.

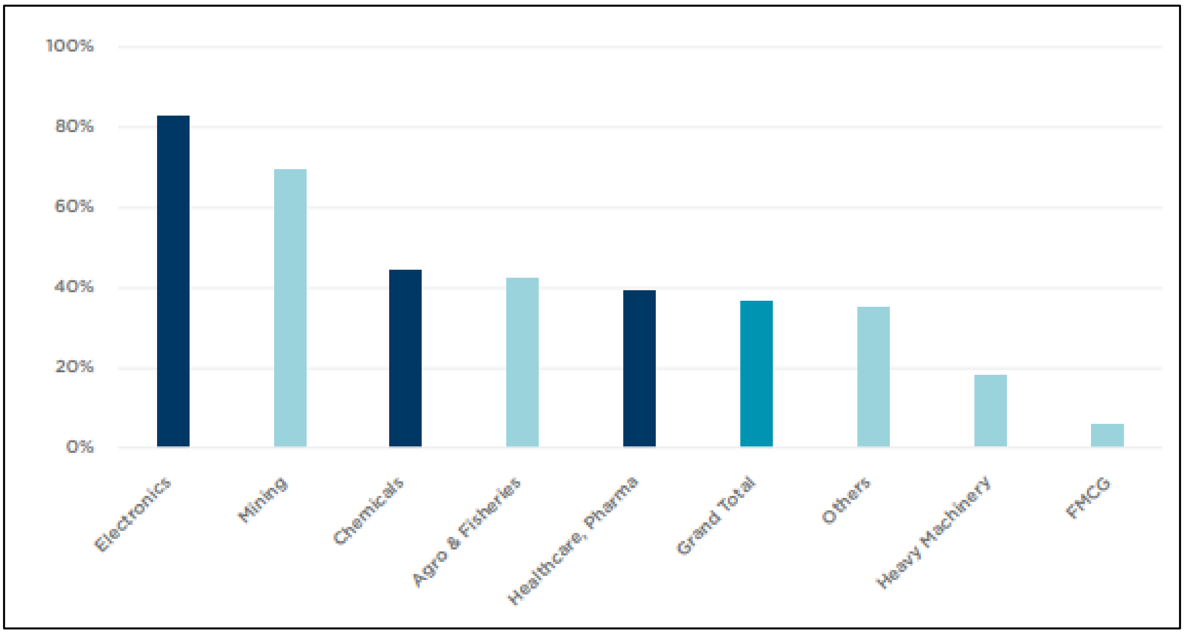
India – Manufacturing and Service Sectors

Manufacturing Sector

Manufacturing GVA has almost doubled between Fiscal 2012 and Fiscal 2024, more recently benefitting from initiatives such as 'Make In India' and the PLI programs.

PLI schemes was introduced by the Indian government to push domestic manufacturing and employment opportunities in 14 key sectors. Over 600 firms have been selected in the past two years, across the 14 sectors, to achieve a minimum production target of over ₹ 41 lakh crores. The success of the scheme is evident through increased exports in and post growth trends in several of the 14 key sectors.

Growth of exports in 2022 over 2019 across certain segments

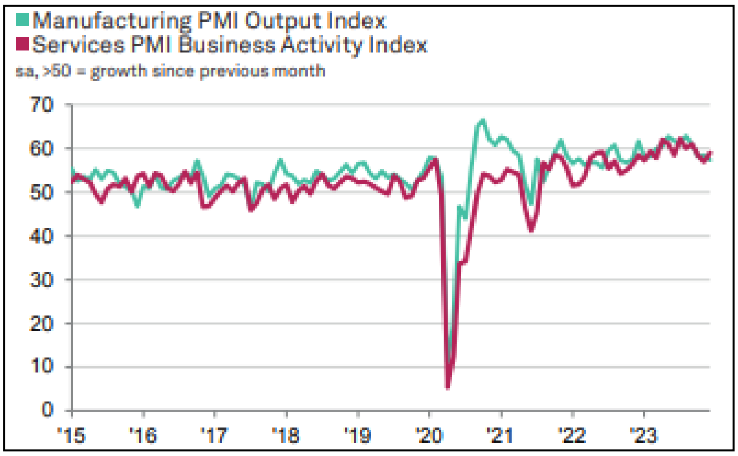


Source: Ministry of Commerce and Industries, Government of India

Services Sector

Services sector is among the fastest growing in the Indian economy. Between Fiscal 2016 and Fiscal 2020, the CAGR for trade, hotels, transport, communication and services related to broadcasting was 11%; and CAGR for financial, real estate and professional services was 11.7%. The PMI Services Business Activity Index for the same period, also indicated growth primarily due to a positive demand environment and gain of new business and output volumes.

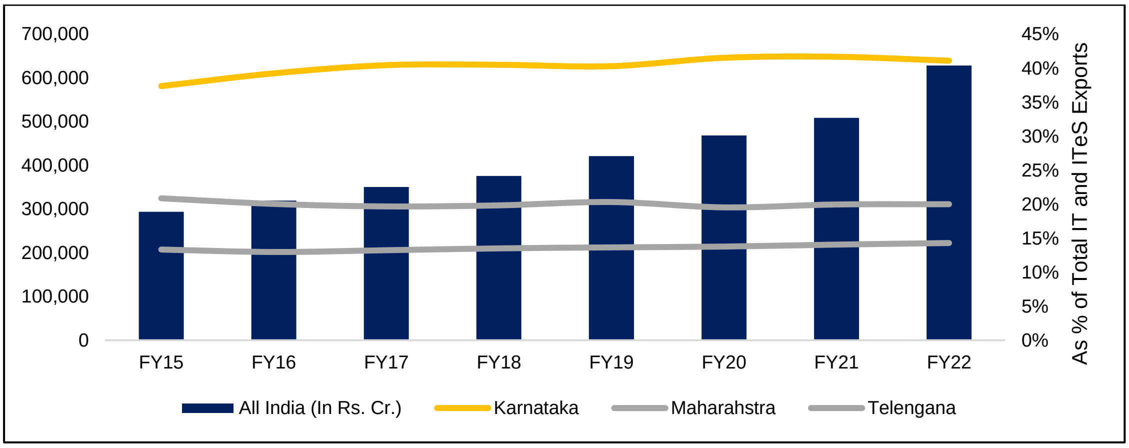
Services and manufacturing PMI – 2015 to 2023



Source: S&P Global PMI, MoSPI via S&P Global Market Intelligence

India is a software hub for exports. Maharashtra, Karnataka and Telangana contribute about three-fourth of India's It and ITeS exports, with operations primarily driven from Mumbai and Pune, Bengaluru, and Hyderabad respectively.

India and select states – It and ITeS Exports – Fiscals 2015 to 2022

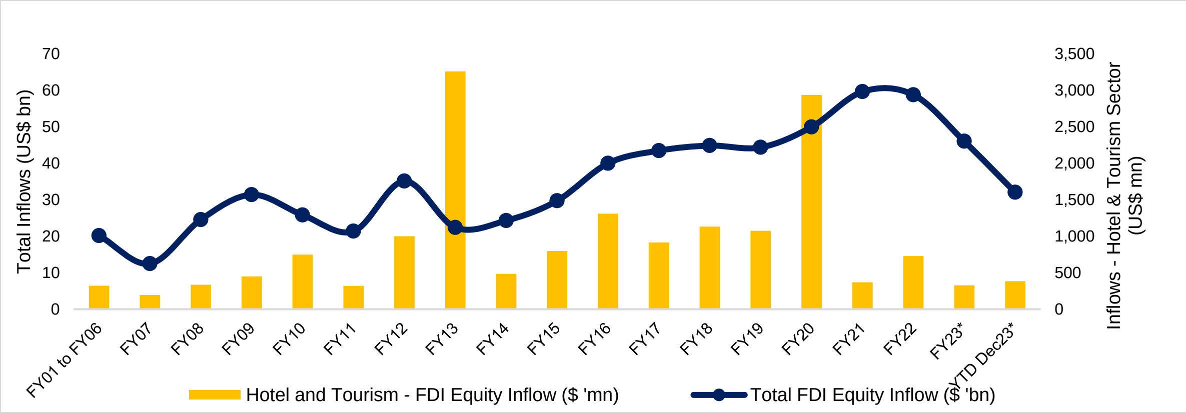


Source: STPI

Foreign Direct Investment

FDI equity inflow in the hotel and tourism sector has aggregated US$ 17 billion between April 2000 to December 2023, being only 2.6% of US$ 667 billion total FDI equity inflows into India during the same period. FDI equity inflows at the total level and in the hotel and tourism sector is summarised below:

FDI equity inflow – Total and hotel and tourism sector – Fiscal 2006 to YTD December 2023



*Source: Department of Industrial Policy and Promotion (DIPP); *Fiscal 2023-YTD December 2023 figures are provisional*

Although foreign exchange regulations permit 100% FDI in the hotel sector, actual inflow has been limited. In our view, this is mainly on account of (a) uncertainties and absence of expected return on investment due to project delays and other factors; (b) limitation of scale either by way of good portfolio of assets with an investment case or credible business partners with investment capability and appetite; and (c) limitation of exit routes. FDI can meaningfully contribute towards the equity funding needs of this capital-intensive sector with large funding needs.

Key Demographic Aspects

Increased Urbanisation

There is a clear and growing trend towards increased urbanisation. India's urban population increased from 27.8% in 2001 to 31.2% in 2011 and was projected to increase further to 34.4% by 2021. Urban population grew by 91 million between 2001-2011 and was projected to grow by 92 million between 2011-2021; corresponding rural population growth was 90 million and 60 million respectively. Census data for 2021 is not available. *(Source: Census of India 2011 and Population Projections for India and States 2011 – 2036, July 2020)*

Urbanisation creates the need for jobs and is, in turn, enabled by investments and job creation. This leads to investments in and development of multiple business sectors, including manufacturing, services and real estate. Business growth due to increased urban-led activity is evidenced by increase in air traffic, wider real estate activity, and increased hotel supply in several existing and newer markets in metro cites, primary and secondary cities and towns.

United Nations' World Urbanisation Prospects Report (The 2018 Revision): India has five megacities - Mumbai, Delhi National Capital Region (Delhi NCR), Bengaluru, Kolkata and Chennai – which are urban agglomerations with population more than 10 million. Ahmedabad and Hyderabad (presently with 7 to 9.5 million inhabitants) are expected to become megacities by 2030, while Pune with current population estimated at 7.2 million (materially higher from 5.1 million in 2011) is expected to grow into a metro city.

Population Projections for India and States 2011-2036 Report (July 2020) of Technical Group constituted by the National Commission on Population (NCP) under the Ministry of Health and Family Welfare: India's urban population is projected to increase from 377 million in 2011 (31.1% share) to 594 million in 2036 (39.1% share) by 2036, with the growth materially arising from existing and new urban areas. Tamil Nadu, Kerala, Maharashtra, Karnataka and Gujarat are expected to have more than 50% urban population by 2036. Cities/ urban agglomerations with population exceeding 1 million increased from 35 in 2001 to 53 in 2011. Cities and towns have expanded, often creating multiple micro-markets and business districts and opening new opportunities for hotels. (*Source: Census 2011*)

Middle Class Population: "The Rise of India's Middle Class" Report published in November 2022 by People Research on India's Consumer Economy (PRICE) estimates India's middle-class population at 432 million in Fiscal 2021, 715 million in Fiscal 2031 and 1,015 million by Fiscal 2047, moving ahead of US and China within this decade. The middle class spans a wide economic segment, with sections of the middle class slowly graduating to the upper class creating demand potential for different services (rooms, F&B, functions, entertainment) at upper tier hotels. Per the report (a) average annual household disposable income is set to rise to about ₹ 2 million (US$ 27,000) at 2020-2021 prices; and (b) India's population is projected at 1.66 billion by 2047, with the rich and middle-class population being approximately 28% and 61%, respectively. Such growth will provide strong demand drivers for upper tier hotels in India.

Young Population (15-29 years): Per Youth in India Report 2022, published by MoSPI

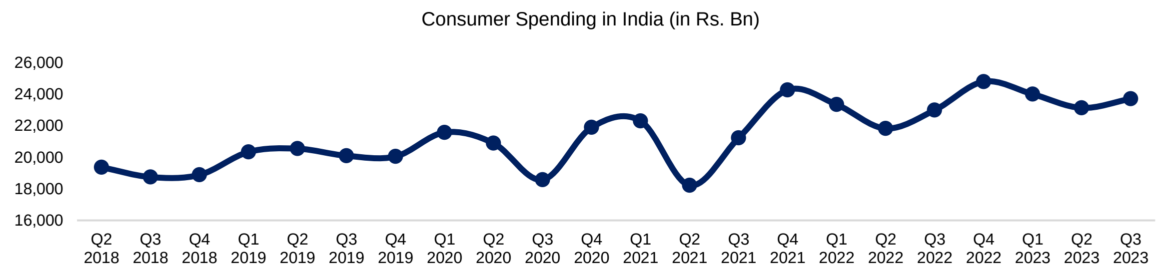
- The young population has increased from 223 million in 1991 to 333 million in 2011, 360 million in 2016, and 371 million in 2021 (27.2% of total population).

- India is experiencing a demographic window of opportunity - a "youth bulge" (growth in youth as a share of total population) in the working-age population, expected to last till 2055.

- The large working age population will require jobs, placing importance on employment creation – the hotel and tourism sector has substantial ability to create jobs, directly and as a multiplier effect, if the sector is sufficiently enabled. A large working population also carries enhanced discretionary spend propensity on lifestyle aspects, which could benefit the hotel sector.

Increased consumer spending: India has seen an increase in consumer spending in the last 5 years, gaining from factors such as a larger and younger workforce, increase in double income families, a trend towards consumerism and lesser savings, and willingness to take credit card and other unsecured debt for consumer spending. Consumer spending in India is estimated at ₹ 23.7 trillion for third quarter of 2023 reflecting a positive trend compared to ₹ 22.98 trillion for third quarter of 2022. Urban average monthly consumption expenditure per person has increased by ₹ 3,829 (146%) between Fiscal 2012 and Fiscal 2023 per the latest Household Consumption Expenditure Service of MoSPI. Increased spend patterns auger well for travel and F&B spends at hotels in India.

Consumer spending in India – Second quarter of 2018 to third quarter of 2023



Source: Trading Economics; MOSPI via Statista

Demand Overview and Characteristics

Key Demand Drivers

Demand for hotels arises for various purposes. The key demand drivers are briefly described herein:

(1) <u>Business travel</u> comprises inbound and domestic visitation for business related purposes, including travel on corporate account and by individual business travellers. Demand typically predominates between Monday and Thursday, slowing towards the weekend or public holidays; domestic business travellers at upscale and mid-priced hotels often stay through till Saturday. Business travel also slows during vacation periods. The services sector (IT, BFSI, and professional services) and manufacturing sector are significant drivers for business travel.

(2) <u>Leisure travel</u> is discretionary in nature and comprises long and short stay vacations, staycations at city hotels and for recreation and entertainment, leisure attached to a business trip or to a trip for weddings and meetings. Greater affordability, changing lifestyle attitudes and improved connectivity have encouraged staycations and weekend stays at hotels with good F&B, recreation and entertainment facilities.

(3) <u>MICE</u> comprises corporate, government, institution and association events (conventions, conferences, retreats, incentives and promotions, training programs, customer-facing events, staff events, etc.). Corporate and government demand is mainly during the working week or on Saturday; institution and association demand can be on weekends. MICE demand occurs through the year, barring main holiday

periods and the months from March through May. Cities with international convention centres are able to attract large international events.

(4) Weddings and social demand involve destination weddings, locally sourced residential and non-residential weddings, and other social/ celebratory events.

(5) Diplomatic travel comprises government leaders and representatives of other countries, often accompanied by large trade delegations, and diplomats using upper-tier hotels during the transition period on postings to India.

(6) Airline crew helps create a core of demand at hotels, albeit at significantly discounted pricing. Airlines also generate limited demand for layovers when flights are significantly delayed.

(7) Transit demand comprises persons on overnight transits during air or road travel to a domestic or international destination.

Each demand segment attracts domestic and inbound travel of varying measures, depending upon the hotel and destination character. Demand quantum, profile and rate paying capacity are also impacted by seasonality factors which may apply differently to business and leisure hotels.

MICE demand

MICE demand provides accommodation, F&B and other revenues arising from various business and social events such as weddings and social celebrations; corporate, institutional and government sponsored meetings, conferences and conventions; sports related events; performing arts based events; and other events. Several hotels recognise weddings revenue as a separate category from other MICE revenue. Varied segments may apply to different hotels and markets to provide increased room occupancy and other incomes from events held. New convention centres will create varied events demand and related rooms demand, and create potential for additional MICE demand at upper tier hotels that have sizeable function spaces.

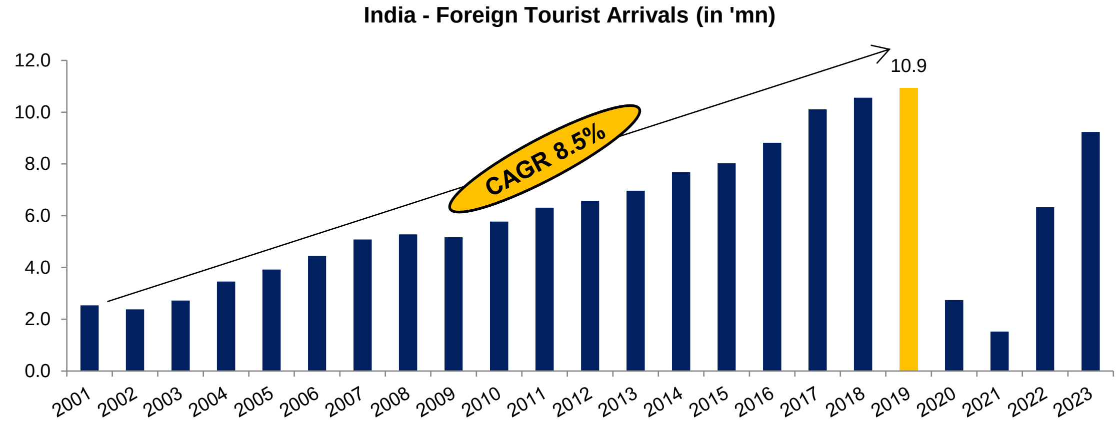
Weddings and MICE events have contributed to the growth of F&B revenues to 34% share and ₹ 33.4 billion in 2023 for certain listed companies. The G20 events from December 22 to September 23 took international visitors to multiple destinations and provided occupancy, rate and revenue boost to hotels. The success of those events creates the potential to host varied delegations with international standard offerings and service.

The trend for hosting weddings in city hotels or as destination weddings is expected to continue, in fact gaining momentum as the practice percolates to the mid-market segment. City hotels also benefit from destination wedding concepts. Similarly, the trend for greater importance to various celebratory occasions (anniversaries and landmarks) creates demand at city and leisure hotels and resorts. Sport based demand has gained momentum and will likely add more demand strength in the future – international, national, and league events across various sports including cricket, hockey, kabaddi, and football are creating sizeable demand, across various price segments. Newer leagues are starting up, including for women. Demand comprises team members, officials and support staff and visiting spectators, and includes demand for training in the lead up to the tournaments.

Foreign Tourist Arrivals ("FTA")

FTA was reported at 10.1 million, 10.6 million and 10.9 million for calendar years 2017, 2018 and 2019 respectively (*Source: Ministry of Tourism, Govt. of India*), crossing the 10 million mark for the first time in calendar year 2017. After the COVID-19 period decline, FTA for calendar year 2022 recovered well to 6.3 million, (notwithstanding that the normally very busy months of January and February 2022 were slow due to Omicron wave). Recovery has continued in calendar year 2023, with FTA of 9.2 million which is 84% of calendar year 2019 arrivals.

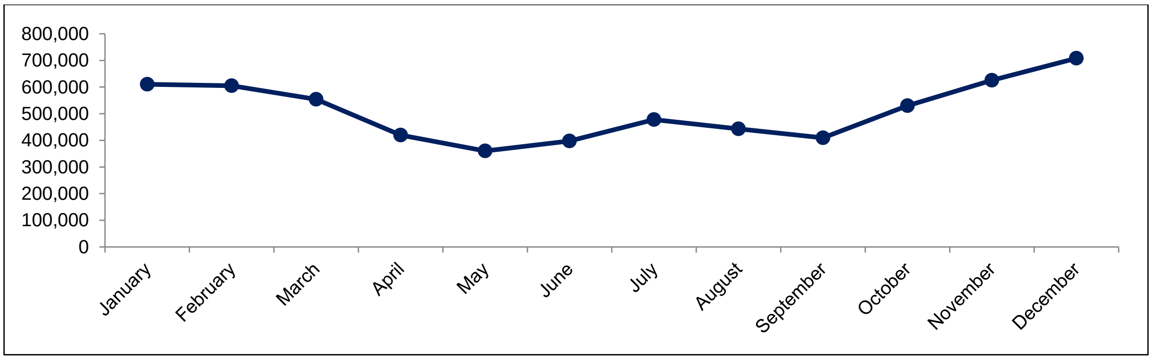
Foreign Tourist Arrivals (in million)



Source: Ministry of Tourism, Govt. of India

Cross-border travel is impacted by several factors including security, political and economic issues at the destination or source market. Thus, FTA declined in Fiscal 2009 due to the terror attacks in Mumbai on November 26, 2008, and global financial crisis. Travel from Russia and Europe was impacted at different times due to economy related issues. Business failure of major tour operators in Europe materially constrained short-term demand in charter destinations such as Goa. India's FTA numbers include arrivals from SAARC nations – these comprised 28.2% of total FTA for the years 2016-2021. (*Source: Ministry of Tourism, Govt. of India*) The winter months are clearly preferred for travel into India, for leisure and MICE events, for leadership level business travel and high end destination weddings. Inbound travel in the summer and monsoon periods is slower, mainly comprising routine business travel, upscale and mid-sector leisure, and more selective travel for destination weddings and MICE.

FTA seasonality (2001-2019)



Source: Ministry of Tourism, Govt. of India

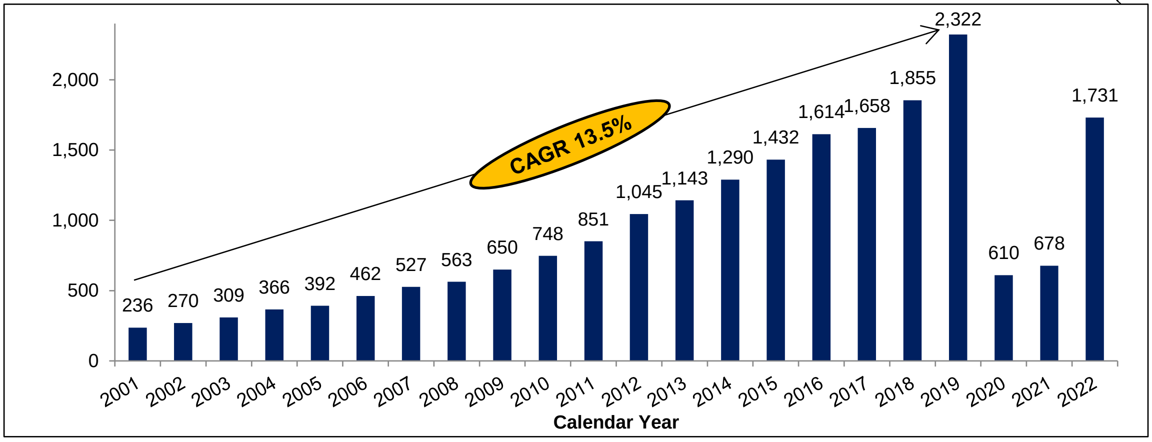
E-visa

Electronic Visa ("**E-visa**") scheme made available effective November 2014 has successfully enabled inbound visitors to come in with short lead-time. FTA using E-visas increased from 0.7 million in Fiscal 2016 to 2.86 million in Fiscal 2020.

Domestic Tourism

Domestic travel numbers have grown nearly 10 times, from 236.5 million visits in 2001 to 2.32 billion visits in 2019, reflecting 13.5% CAGR. Domestic travel numbers for 2022 at 1.7 billion reflects a strong recovery post COVID-19, at 75% of 2019 travel numbers.

India – Domestic tourists (million)



Source: Ministry of Tourism, Govt. of India estimates

Per estimates, about 2% of domestic visits result in hotel stays. This trend is gradually changing with the development of chain affiliated hotels, across varied price points, in second and third tier markets and pilgrim centres. Increase of hotel use during domestic visits, even for 0.5% of domestic visits, would provide 70% occupancy for about 50,000 new rooms.

In the COVID-19 pandemic period, domestic leisure, staycations, remote working from resorts, and weddings demand were the mainstay of demand revival for the hotel sector. Domestic travel is expected to maintain strong growth, particularly as a large middleclass population, young working population, and overall increased individual incomes drive more discretionary travel. The domestic sector has become a key demand generator, with leisure, recreation, weddings and MICE demand driving weekend and off-season occupancies and enabling hotels and resorts to achieve significantly higher occupancies and room rates than earlier years. Changes in stay patterns for domestic visits will also arise as nuclear families have smaller homes and stay for family events, or even for family visits, will need hotel accommodation to a greater degree than previously. Hotels – Domestic vs foreign guests

Composition (%)	Five Star Deluxe		Five Star		Four Star		All India Average	
	Fiscal 2019	Fiscal 2014	Fiscal 2019	Fiscal 2014	Fiscal 2019	Fiscal 2014	Fiscal 2019	Fiscal 2014
Domestic Guests	65.6%	51.9%	71.1%	63.3%	76.3%	68.4%	79.3%	75.6%
Foreign Guests	34.5%	48.1%	28.9%	36.7%	23.8%	31.4%	20.7%	24.4%

Source: India Hotel Survey 2018-19 published by Federation of Hotel and Restaurant Associations of India (FHRAI), Horwath HTL & STR; India Hotel Survey 2013-14 published by FHRAI & HVS

Five star and five star deluxe hotels have greater demand share from foreign guests while the four star and lower hotels attract a larger share of domestic visitors. The seeming decline in relative share for foreign guests is due to a combination of factors such as (a) substantial domestic travel growth, compared to inbound travel growth; (b) spread of hotels to second-tier and other markets which materially attract domestic travel; and (c) MICE and weddings related demand growth, predominantly from domestic guests.

Domestic spend value on Tourism

As per a report by Booking.com and McKinsey, Indians are projected to take 5 billion visits by 2030. With growing household earnings and a median age of 27.6 years (about 10 years younger than most countries) the spend on tourism is projected to rise to US$410 billion, up 170% from US$150 billion spent in 2019. New Delhi, Bengaluru, Mumbai, Pune and Hyderabad rank at 1, 2, 3, 5 and 6 among the top 10 visited destinations within India, by the domestic market. Per a report on Vision 2047 prepared by HAI, India needs to prepare for 15 billion domestic visits and FTA of 100 million annually by 2047.

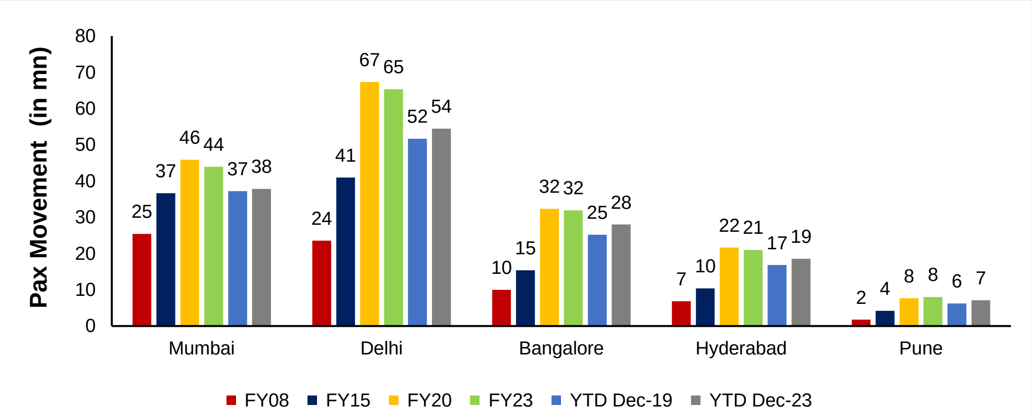
Access infrastructure

Better roads and airport infrastructure have enabled easier domestic and inbound travel, growth of established markets and development of newer markets including second and third-tier cities and towns. Highway and expressway linkages between metro cities, regional cities and destinations, development of new airports, airport expansions and upgrades, and opening of several regional airports through Ude Desh ka Aam Nagrik (UDAN) initiatives have each widened the business, leisure, destination weddings and MICE location options. The benefit is seen at key markets and numerous other destinations, such as Dehradun, Rishikesh, hill stations in Uttarakhand and Himachal Pradesh, Varanasi, Indore, Udaipur, Jodhpur, Jaisalmer, Pushkar, Coorg, Hampi, etc.

Air traffic

Growth in air travel for select markets is summarised below. Fiscal 2020 travel suffered a slowdown in inbound travel starting late January 20, and lockdown from March 25, 2020. However, complete recovery and growth over Fiscal 2020 is expected in Fiscal 2024.

Passenger movement in million for select markets



Source: Airports Authority of India (AAI)

Between Fiscals 2008 and 2020, passenger movement (domestic + international) at these select markets and on all-India basis grew at 8.3% and 9.5% CAGR, respectively.

Passenger movement in million

Year	Select markets	All India	Select market share
Fiscal 2008	68	115	58.7%
Fiscal 2015	108	191	56.5%
Fiscal 2019	182	348	52.2%
Fiscal 2020	175	343	51.0%
Fiscal 2023	170	332	50.8%
YTD December 2023	**146**	***279***	***52.3%***
CAGR (Fiscals 2008-2020)	***8.3%***	***9.5%***	
CAGR (Fiscals 2015-2023)	***5.9%***	***7.2%***	

Source: AAI

- On a calendar year basis, all India passenger movement (domestic and international) for calendar year19 was 349 million. Due to COVID-19 it declined to 143 million and 180 million respectively for calendar years 2020 and 2021 and recovered to 299 million for calendar year 2022. For calendar year 2023, the passenger movement was highest ever at 370 million.

- The select markets represent 52% of air travel in India as of YTD December 2023.

- New Delhi airport is the only airport in India with four runways and is slated for further growth with a fifth runway and additional terminal capacities to be developed. The airport handed 65 million passengers in Fiscal 2023 and 54 million passengers from April to December 2023.

- Mumbai airport is the second busiest airport in India with two terminals but constrained for further growth by runway capacity. The airport handled 43.9 million passengers in Fiscal 2023 and 38.9 million passengers from April to December 2023. A new airport is being developed at Navi Mumbai, expected to be operational by first quarter of 2025; this will add to the air travel capacity of the city and will not see any material decline in the operations at the existing international airport.

- Bengaluru airport has seen rapid traffic growth, and opened a second terminal in November 2022; the airport has 2 runways. The airport handled 28.8 million passengers in Fiscal 2019, 31.9 million passengers in Fiscal 2023 and 28 million passengers from April to December 2023, regaining its Fiscal 2020 levels in Fiscal 2023.

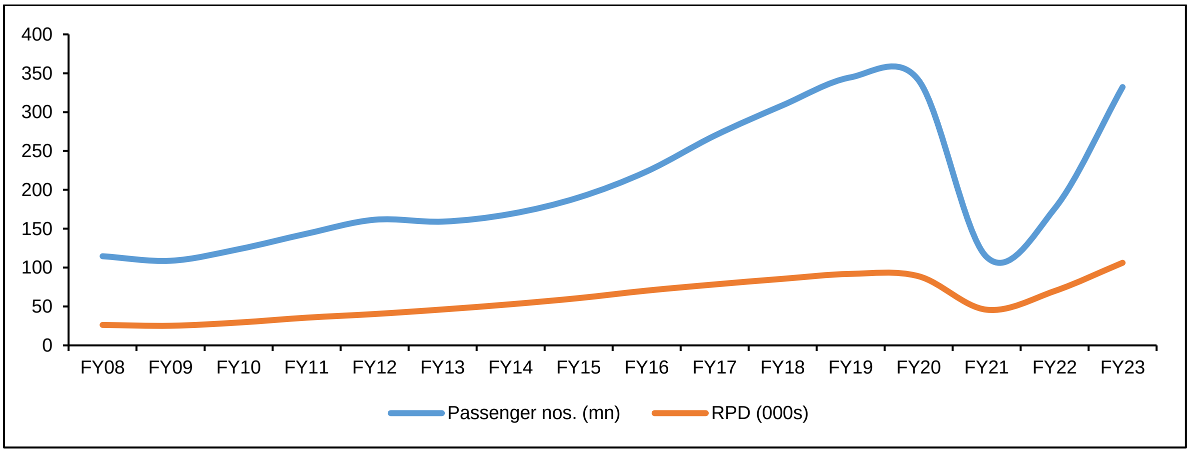
- Hyderabad airport was recently expanded. The existing terminal is expanded on the eastern side increasing the total capacity from 12 million to 34 million passengers per year. The airport handed 21 million passengers in Fiscal 2023 and 18.6 million passengers from April to December 2023.

- Pune airport is relatively smaller than demand. Its expansion was recently completed increasing the capacity from 7 million to 12 million passengers. The city gets substantial travel through the Expressway with Mumbai (this is being expanded) and expressway / highway connections with several major towns in the region which make Pune as a business and travel hub. The city will also benefit from the new airport at Navi Mumbai.

- As a destination, Goa is an excellent example of strong gain from air capacity increase by opening of a new airport at Mopa (more than 125 domestic flight arrivals per day).

Airline passenger movement vs Hotel rooms demand

The below chart compares airline passenger movement and hotel rooms demand since Fiscal 2008. Hotel rooms demand as a % to airline passenger movement, at 32% for FY23 was similar to Fiscal 2015, and higher than 27% for Fiscal 2019.



Source: AAI (Air Traffic Data) and Horwath HTL (Rooms per day)

Industry size – chain affiliated hotels

The overview of supply and demand herein focuses on the upper tier segment in which our Company has its hotels. Data is separately presented on all India basis, for key markets and for select markets. For this purpose, key markets comprise the six metro cities (Mumbai metropolitan area, Delhi NCR, Bengaluru, Chennai, Hyderabad and Kolkata), Ahmedabad, Pune, Jaipur and Goa – these are the top ten markets in India in terms of hotel room inventory.

Select markets are markets where our Company has an operating hotel - Mumbai metropolitan area, Delhi NCR, Bengaluru, Hyderabad, Pune and Lonavala. These hotels are:

- One luxury hotel – JW Marriott Sahar Mumbai,

- Five upper upscale hotels – Westin Powai Lake and Marriott Executive Apartments in Mumbai, Bengaluru Marriott Whitefield, and Westin HITEC City and Westin Mindspace in Hyderabad,

- Two upscale hotels – Four Point by Sheraton Navi Mumbai and Novotel Pune, and

- The Dukes Retreat, an independent resort (presently of upscale standards) in Lonavala that is operating for more than 40 years thereby becoming a landmark in the area. This was acquired by our Company in March 2023, will undergo renovation and is intended to be expanded by 70 keys by the second half of

Fiscal 2025. Upon renovation and expansion, the resort is intended to be positioned as an upper upscale resort.

- 158 room Courtyard by Marriott Aravalli an upscale resort in NCR that was acquired by our Company in March 2024.

Our hotels are located within or in proximity to major business districts in the respective select markets. All hotels, except the Lonavala resort, are managed by or affiliated with global hospitality chains under different brands.

In the Horwath Report, CAGR between a financial year (start year) and another financial year or December 31, 2023 (end year / date) is calculated from March 31 of the start year to March 31 of the end year or December 31, 2023, as the case maybe.

The analysis of hotel supply and demand principally deals with chain-affiliated hotels, *i.e.*, hotels that are either (i) owned and operated by hotel chains, (ii) operated by hotel chains on behalf of other owners or (iii) operated under franchise from hotel chains. For this purpose, all recognised international chains operating in India and domestic hotel chains that are generally considered as operating under common branding have been included; other domestic chains are considered if they have five or more hotels operating at least regionally in India. For clarity, groups with multiple hotels only within one state are not considered unless these are generally regarded as hotel chains by the market. Companies that primarily operate time-share facilities, one star hotels and hotels under aggregators (such as Oyo, Treebo and FabHotels) are excluded. Note that STR data from calendar year 2020 includes participating units of the aggregators; to the extent these units provided data for earlier periods, it is also included in the updated data available from STR for earlier periods.

Classifications: The hotels are segmented into the luxury and upper upscale ("**Lux-UpperUp**") segment, upscale segment, upper midscale segment ("**Up-Mid**"), midscale segment and economy segment. These segments are based on intended positioning of the hotels and the room rate structures. Over and above the rooms, the hotels also offer additional facilities such as restaurants, bars, and function facilities for meetings and events. Each segment will include entry-level hotels in that segment besides hotels that are more fully of segment standards. These are the industry terms used for classifying, categorising and segmenting hotels and are explained below.

- Luxury and upper upscale segment typically comprise top tier hotels; in India, these are generally classified as 5 star, deluxe and luxury hotels. Several brands classify themselves as luxury hotel brands, based on certain criteria (*e.g.*, room size) without having the service standards and consistent guest profile typically associated with true luxury hotels.

- Upscale segment comprises hotels which are more moderately positioned and priced, generally with smaller room sizes than the top tier hotels. In India, upscale hotels are generally classified as 4 or 5 star hotels (typically carrying entry level 5 star quality).

- Upper midscale segment comprises full service or select service hotels, typically with lesser public areas and facilities and smaller room sizes, which are more moderately positioned and priced than upscale hotels. In India, these would generally be classified as 4 star and sometimes 3 star hotels.

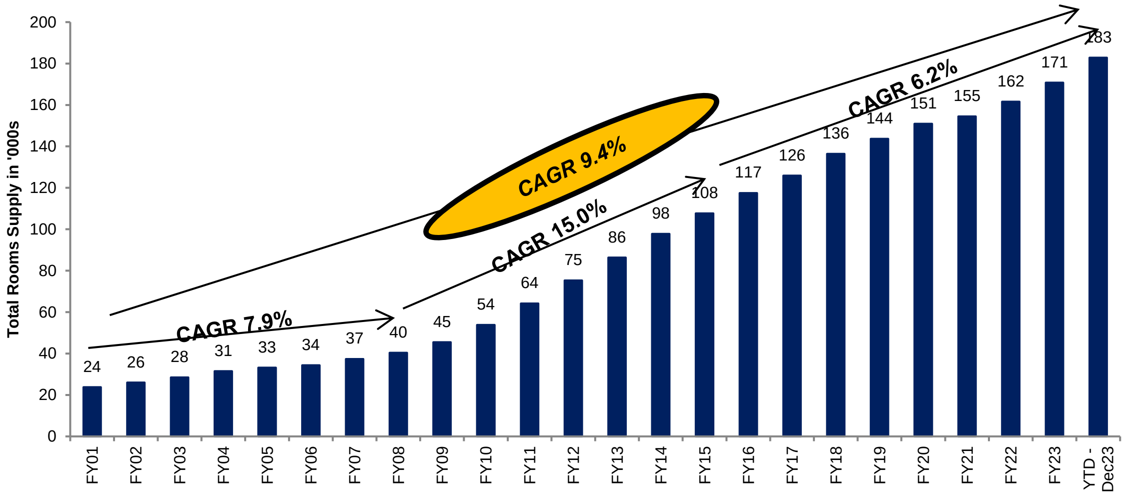
- Midscale segment typically are 3 star hotels with distinctly moderate room sizes, quality and pricing, and a lower standard of services; domestic brand midscale hotels often offer more services than select service international branded midscale hotels.

- Economy segment are typically 2 star hotels providing functional accommodation and limited services, being focussed on price consciousness.

Segmental classifications are essentially based on the intended positioning and overall rate structure of respective hotel brands; actual standards of individual properties may vary, but adjustment is not made on subjective basis. If a chain has modified the positioning of a brand, such change would be reflected in current and previous period data.

The Horwath Report generally does not cover independent hotels, except to the extent that some independent hotels may have participated in collection of any reported data. Other independent hotels have been excluded due to – (a) lack of sufficiently co-ordinated, reliable and consistent data for independent hotels; (b) increasingly challenged competitiveness of several independent hotels against growing presence of chain-affiliated hotels, (c) longer-term constraints on independent hotel growth as hotel chains grow into second-tier markets and smaller towns; (d) general reluctance of banks to finance large projects unless these have access to suitable chain marketing and management systems.

All India Chain affiliated hotel room supply and hotel room supply in the Luxury, Upper Upscale and Upscale segments

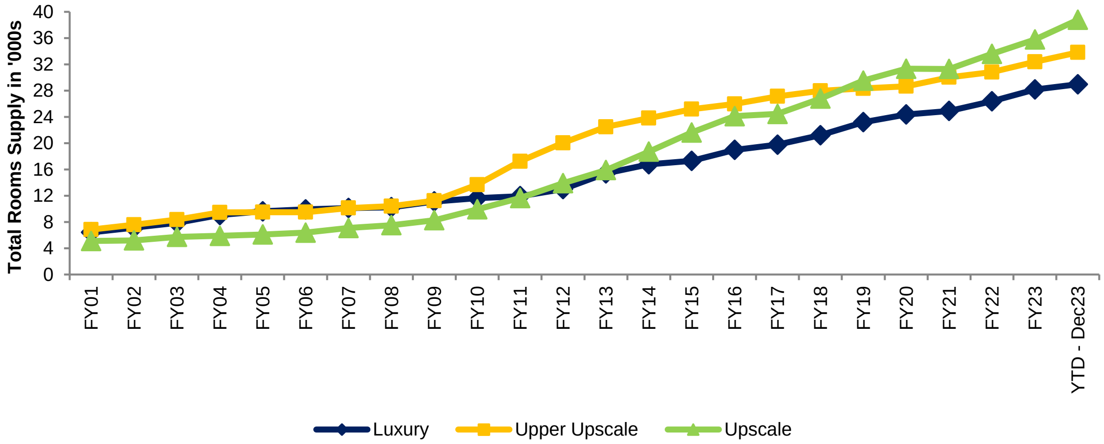


Source: Horwath HTL

Major supply growth occurred between Fiscals 2008-2015, fuelled by strong business conditions from Fiscal 2005 through initial months of Fiscal 2009 when occupancies and ADR were strong in most markets. On the other hand, declining demand and economic activity from Fiscal 2010 through Fiscal 2014 was not supportive of new development commitments, leading to slower supply growth for Fiscals 2016-2023; this was exacerbated by the COVID-19 pandemic. Yet, overall CAGR of 9.4% over 22 years reflects material supply addition, although off a small supply base as at Fiscal 2001.

About 62,000 rooms were added in the years Fiscals 2010-2015 and about 20,000 rooms between Fiscal 2021-2023; the latter was lesser than earlier projections but actually represents reasonable growth in view of the severe restrictions and challenges from COVID-19 pandemic. 12,000 rooms have been added between April and December 2023.

All India chain affiliated rooms supply – Luxury, Upper Upscale and Upscale Segment



Source: Horwath HTL

Segmental supply has evolved significantly since Fiscal 2001, and continues to do so, as reflected below:

Segmental composition (Inventory in thousands)

Category	Fiscal 2001	Fiscal 2008	Fiscal 2015	YTD December 2023	Fiscal 2027	CAGR Fiscals 2001-2008	CAGR Fiscal 2008-2015	CAGR Fiscal 2015-YTD December 2023	CAGR Fiscal YTD December 2023-2027
Luxury	6	10	17	29	34	6.9%	7.8%	6.1%	5.4%
Upper upscale	7	10	25	34	43	6.2%	13.5%	3.4%	7.4%
Upscale	5	8	22	39	52	5.7%	16.3%	6.9%	9.3%
Upper midscale	4	7	20	33	44	9.7%	16.1%	6%	9.4%
Midscale-economy	2	5	24	48	68	17.1%	24.2%	8.5%	11.3%
Total	**24**	**40**	**108**	**183**	**241**	7.9%	15.0%	6.2%	8.9%
% of total									
Luxury	27.0%	25.4%	16.1%	15.8%	14.2%				
Upper upscale	28.8%	25.8%	23.4%	18.5%	17.7%				
Upscale	21.5%	18.6%	20.1%	21.2%	21.5%				
Upper midscale	15.5%	17.4%	18.5%	18.1%	18.4%				
Midscale-economy	7.2%	12.9%	21.9%	26.3%	28.2%				

Source: Horwath HTL

Supply composition has evolved towards greater segmental balance, with lesser concentration of the Luxury segment in particular and the Upper-upscale segment, and increased supply share and footprint for upscale, upper midscale and midscale and economy ("**M-E**") segments. A similar trend is broadly expected for the next 3-5 years, as more inventory is added in the Upscale and M-E segments than in the Lux-UpperUp segment; this is an inevitable and expected outcome of supply creation across markets and particularly in tier 2 and tier 3 markets.

In absolute numbers, the Luxury, Upper-Up and Upscale segments added about 23,000 rooms, 27,000 rooms and 34,000 rooms respectively between Fiscals 2001-YTD December 2023. Inventory decline in some years is mainly due to brand re-classification). The Upper upscale segment ceded its lead position beginning Fiscal 2019, as the widening supply outside the key markets is creating strong growth momentum for the upscale and upper midscale segments.

Lux-UpperUp hotels remain extremely relevant to the hotel sector, as reflected by its materially larger contribution to rooms revenue, due to its superior pricing and quality. This relevance, particularly in major metro cities, and the slower growth rate by way of new supply due to entry barriers will be beneficial to existing hotels and pipeline hotels that get completed.

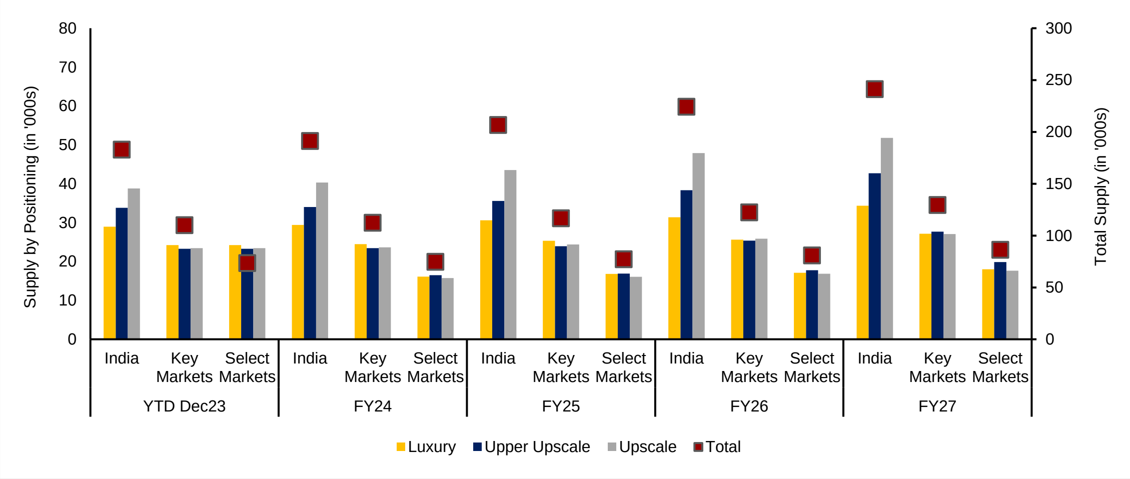
Segmental revenue share

Positioning	Supply Share	Revenue Share
Lux-UpperUp	34%	55%
Up-UpMid	39%	34%
M-E	26%	11%

Source: Horwath HTL

Supply growth includes from conversion of hotels, with 6,000 rooms (net) added to chain affiliated supply between Fiscal 2015 and YTD December 2023 - about 28,000 rooms at independent hotels were converted into chain affiliated hotels; while about 22,000 chain-affiliated rooms were de-flagged. Per current data, 58,000 rooms are expected to be added between January 2024 and March 2027 and a further 10,000 rooms between April-Dec 2027. Given the past track record of materialised supply being at a slower rate, actual inventory growth may be smaller. It is also possible that growth may happen somewhat speedily if more conversions occur as these need a slower lead time to fruition.

Expected supply (Inventory in thousands)



Source: Horwath HTL

22% of new supply between 1 Jan 24 and 31 March 27 will occur in the select markets; 33% will occur in key markets (including relevant select markets) and 67% will occur outside the key markets. With the wider spread of new supply across multiple markets outside the key markets, the supply will likely satisfy latent demand or generate new demand; the impact of supply creation on occupancies in select markets will likely be limited, if any.

About 24% of new supply will be in the Lux-UpperUp segment, 22% and 19% in the Upscale and Upper-Midscale segments respectively and 34% in the Midscale-Economy segment. Sizeable supply expansion outside the key markets and segmental spread of supply reflects increasing market maturity and potential for wider demand growth.

Supply Spread

The key markets have nearly 60% of rooms supply as at YTD December 23; declining from 69% supply share at end Fiscal 2015. Hotel rooms supply across market categories is summarised below:

Supply distribution

Market Category	Room Count (in thousands)				% Share			
	Fiscal 2001	Fiscal 2015	YTD December 2023	Fiscal 2027	Fiscal 2001	Fiscal 2015	YTD December 2023	Fiscal 2027
3 main metros	9.5	41.2	58.1	69.7	40.0%	38.3%	31.8%	28.9%
3 other metros	3.4	15.4	22.9	25.2	14.3%	14.3%	12.5%	10.4%
Other key markets	2.9	18.2	29.0	34.6	12.2%	16.9%	15.9%	14.3%
Other markets	7.9	32.9	72.8	111.7	33.4%	30.5%	39.8%	46.3%
Total	**23.8**	**107.7**	**182.8**	**241.2**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Select markets	**10.8**	**52.9**	**73.5**	**86.3**	**45.4%**	**49.2%**	**40.2%**	**35.8%**

Source: Horwath HTL; Note: Other Key Markets are Pune, Ahmedabad, Jaipur and Goa

Supply at the three main metros is nearly 2.5 times the other metros; other key markets have larger inventory than the other metros. Among all key markets, supply growth over the next four years will mainly be at the three major metros, Delhi NCR, Mumbai and Bengaluru – 4,400, 4,200 and 3,100 rooms respectively and other key markets.

Supply spread to other markets is an important evolution of the industry with 65,000 rooms added between Fiscal 2001 and YTD September 2023 and another 39,000 expected to be added by Fiscal 2027. The key markets led supply creation between Fiscals 2001-2015; in the last eight years, increased urbanisation and improved air / road infrastructure have encouraged supply creation in other markets enabling between 40% to 68% supply share for the other markets during this period. Hotels in other markets tend to be smaller and concentrated at the mid-priced and upscale levels. Sizeable supply expansion outside the key markets and segmental spread of supply reflects increasing market maturity and potential for wider demand growth. At the same time, the changing supply composition causes market wide rates to be at lower levels due to a larger share of mid-priced hotels. All of our hotels, (other than the recently acquired Dukes Retreat) are in five of the key markets.

Room supply by market and segment

Room Count ('000)	Luxury			Upper Upscale			Upsacle		
	FY01	YTD - Dec23	FY27	FY01	YTD - Dec23	FY27	FY01	YTD - Dec23	FY27
Top 3 Metros	3	14	16	3	13	15	2	12	14
Other Key Markets	2	10	12	2	11	12	0	11	13
Other Markets	1	5	7	1	11	15	3	15	25
Total	**6**	**29**	**34**	**7**	**34**	**43**	**5**	**39**	**52**
Select Markets	**4**	**16**	**18**	**4**	**16**	**20**	**2**	**16**	**18**

Source: Horwath HTL

Room supply - share by market category

Segmental Share	Luxury			Upper Upscale			Upsacle		
	FY01	YTD - Dec23	FY27	FY01	YTD - Dec23	FY27	FY01	YTD - Dec23	FY27
Top 3 Metros	55%	48%	45%	48%	37%	36%	38%	32%	28%
Other Key Markets	34%	36%	34%	30%	32%	29%	7%	28%	24%
Other Markets	11%	16%	21%	22%	31%	35%	56%	40%	48%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Select Markets	**66%**	**56%**	**52%**	**52%**	**49%**	**47%**	**38%**	**40%**	**34%**

Source: Horwath HTL

Among upper-tier hotels, upscale segment had the largest supply growth between Fiscal 2001-YTD December 2023. Of 12,000 and 13,000 rooms added in select markets in the Luxury and Upper Upscale segment respectively between Fiscal 2001 and YTD December 2023, 5% and 13% were added by our Company. Change in supply composition for each market was inevitable considering the top-heavy nature of the market and modest supply levels in Fiscal 2001. While acknowledging the better segmental balance within cities, the impact on overall ADR levels in cities must also be recognised – city-wide ADR will move downward, as a natural result of more mid-tier and lower-tier hotels in the city. Between Fiscal 2001-YTD Dec23, foreign chains have gained material supply share through multiple brands and diversified hotel development investment and ownership which suits the management / franchise model sought by foreign chains.

Foreign and domestic chain affiliated supply

	Fiscal 2001		Fiscal 2008		Fiscal 2015		YTD December 2023		Fiscal 2027	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Overall	**80%**	**20%**	**73%**	**27%**	**55%**	**45%**	**54%**	**46%**	**53%**	**47%**
Lux	100%	0%	80%	20%	66%	34%	66%	34%	63%	37%
Up-Ups	60%	40%	56%	44%	36%	64%	27%	73%	29%	71%
Ups	91%	9%	76%	24%	41%	59%	38%	62%	38%	62%
Up-Mid	74%	26%	81%	19%	67%	33%	52%	48%	48%	52%
Mid-Eco	55%	45%	80%	20%	70%	30%	78%	22%	80%	20%

Source: Horwath HTL

At end of December 2023, foreign chains operate / franchise about 46% of the chain affiliated hotel rooms in India; their ownership share is very limited. Their market share has remained at 46% to 48% for the last about nine years, with no significant change through Fiscal 2027. Foreign chains expanded by aggressively pursuing management contracts, offering multiple brands and supporting the development of hotels with larger rooms inventory and function spaces. Several domestic chains were initially asset heavy and have gradually shifted to an asset-light or hybrid model (combination of owned properties and management contracts) to enable chain expansions. Domestic chains have added brand range and successfully positioned products and brands in the Upscale, Up-Mid and M-E segments – these have enabled domestic chains to gain larger share of new supply in the Upscale, Up-Mid and M-E segments since Fiscal 2015.

Supply Analysis by Size

An analysis of hotels by size is summarised below:

Analysis by inventory size

Inventory Size	Hotels#	%	Rooms (in thousands)	%
<100	1,229	65%	64	35%
100-250	540	29%	81	44%
250-400	85	5%	26	14%
400-500	16	1%	7	4%
500 +	9	0%	5	3%
Total	**1,879**	100%	**183**	100%

 # include chain affiliated serviced apartments
Source: Horwath HTL

Size analysis for the upper tier segments is presented below:

Upper tier segment analysis by inventory size

(Rooms in thousands)

Inventory Size	**Luxury**			**Upper Upscale**			**Upscale**		
Hotels	**H**	**R**	**Avg R / H**	**H**	**R**	**Avg R / H**	**H**	**R**	**Avg R / H**
<100	53	3	56	59	4	60	138	8	59
100-250	60	10	172	113	19	165	157	23	145
250-400	32	10	306	26	8	298	20	6	312
400-500	8	3	437	5	2	433	1	0	400
500 & above	4	2	591	3	2	562	1	1	610
Total	**157**	**29**	**185**	**206**	**34**	**164**	**318**	**39**	**122**

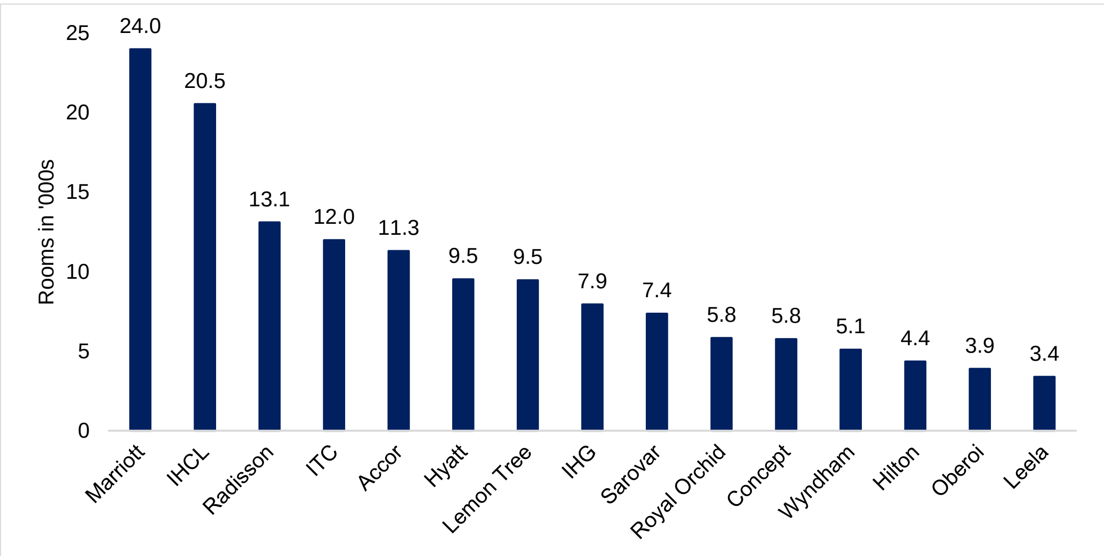
H = Hotels. R = Rooms
Source: Horwath HTL

The average rooms inventory per hotel, across all classifications is 97 rooms. All of our hotels are materially larger than average inventory. Our hotels are materially larger than the segmental average size of hotels. The inventory of hotels and rooms includes units that are either operating as stand-alone serviced apartments (such as our Marriott Executive Apartments, Mumbai, Wellington Mews in Mumbai and Chennai, Marriott Suites Pune, Hyatt Residences, Delhi Aerocity, Somerset and Citadines in Chennai) or have serviced apartments that are part of a hotel inventory (such as at ITC Grand Chola, ITC Royal Bengal, Grand Hyatt Mumbai, Leela Gurugram etc). The total inventory of serviced apartment units (keys) is 3,200, with 700, 1,000 and 900 units in the Luxury, Upper Upscale and Upscale segments; the average inventory at serviced apartment facilities is 132. We have one serviced apartment facility with 173 units, comprising 17% supply share in the Upper Upscale serviced apartments space, and a little under 6% share in the overall supply of chain affiliated serviced apartments.

Supply and Ownership Analysis

Supply composition – Hotel Chains

Rooms inventory of top 15 chains (in thousands) as at December 31, 2023



Notes: (a) Marriott excludes hotels under franchise with ITC Hotels; these are included under ITC Hotels; (b) Louvre Group includes Sarovar
Source: Horwath HTL

About 78% of total inventory is controlled by the top 15 chains. Six hotel chains – Marriott, IHCL, Radisson Hotel Group, ITC, Accor and Hyatt – each have 5% or greater inventory share by number of rooms; in aggregate, these chains have 49% share of total supply of hotel rooms.

Ownership Analysis

Chain ownership of hotel rooms has reduced from 71% at end Fiscal 2001 to 26% at end December 2023. Private sector (other than hotel chains) and institutional capital have been instrumental in asset creation over the last about 20 years.

Ownership pattern (as at December 31, 2023)

	Hotels	%	Rooms(in thousands)	%
Chain owned / leased	409	22%	47.2	26%
Developer / investor	1,470	78%	135.6	74%
Total	**1,879**		**182.8**	

Source: Horwath HTL

Hotels that have majority ownership/control with private developers are not considered as chain-owned. For clarity, hotels with investments by affiliate/ group entity of Accor, Hyatt and Radisson are not considered as chain-owned as the hotel chains do not have controlling interest in the respective companies.

Ownership pattern by category (as at December 31, 2023)

Ownership structure	Hotels	Rooms (in thousands)	Average size
Chain owned	409	47	115
Major private[1]	151	31	207
Other private[2]	1,283	98	77
Institutions	36	6	167
Total	**1,879**	**183**	**97**

1 - Major private comprises group companies owning more than 500 rooms
2 - Other Private comprises Group companies owning less than 500 rooms
3 - Institutions comprises hotels where a majority is owned by institutional investors
Source: Horwath HTL

Major private investors have invested in some large format assets; the average hotel size at over 200 rooms for this ownership category is reflective of the changed vision and opportunity in India. Thus, five of the nine hotels with over 500 rooms are owned by major private investors; similarly nine of fifteen hotels with 400 to 499 rooms inventory are owned by major private investors. On the other hand, several chains have also invested significantly in the mid-priced and economy segments where hotels typically have lesser inventory. Among institutional investors, SAMHI Hotels has the largest inventory with 4,800 rooms, and has successfully concluded a public offering.

An asset-ownership based model has several merits particularly in terms of (a) asset appreciation; (b) larger earnings gains under strong market conditions, as the gross revenue and profits belong to the hotel chain; (c) advantage in creating better returns, if land banks are available at historical costs; (d) the ability to create and showcase the value and profitability of differentiated products. Undoubtedly, situations such as the Covid pandemic create cash flow stress from asset ownership, to cover fixed costs and debt service burdens. However, when business recovers, the full flow through of revenues is also an advantage. Several of the hotel chain entities and some developer/investor controlled entities are listed companies.

Ownership by listed/unlisted companies (as at December 31, 2023)

Ownership	Listed companies		Unlisted companies		Total	
	Hotels	Rooms (in thousands)	Hotels	Rooms (in thousands)	Hotels	Rooms (in thousands)
Hotel chains	249	33	160	14	409	47
Developer / investor	81	17	1,389	119	1,470	136
Total	**330**	**50**	**1,549**	**133**	**1,879**	**183**

Source: Horwath HTL

Listed companies comprise (a) hotel companies which are listed companies or subsidiaries of listed companies; and (b) other large listed companies which inter alia have a dedicated hotel portfolio. Listed companies which may *inter alia* own a hotel asset have generally not been included and are grouped in the table above under unlisted companies. Two other hotel company listings have occurred between December 31, 2023 and the date of the Horwath Report.

The below table summarises the hotel ownership of the top ten major private investors, who have developed or otherwise own hotels.

Ownership by major private investors

Group Company	Hotels	Rooms (in thousands)	Remarks
Interglobe Hotels	20	3.7	JV with private shareholding
Chalet Hotels[@]	8	2.8	Four cities – listed company
Saraf Group	10	2.5	Six cities (includes Juniper Hotels Limited in six cities; 1,800 rooms which listed in February 2024)
Triguna	7	1.7	JV with private and institution shareholding
Brigade Group	8	1.5	Part of listed company; substantial growing pipeline
Panchshil Group	8	1.4	Pune based – has institution ownership share
Prestige Group	7	1.3	Part of listed company; five cities
IHHR	8	1.2	Eight cities – owner and chain managed hotels
Embassy REIT	4	1.1	Hotels only in Bengaluru
Dangayach Group	4	0.9	Three cities – substantial growth pipeline
Total	**84**	**18.2**	

Source: Horwath HTL @ excludes one independent hotel acquired by our Company in March 2023.

The top ten major private investors have 13% share of guest rooms that are not chain-owned; the fragmented ownership structure points to a possibility of ownership consolidation in the future.

Lux-Upper Up hotels and rooms – Top five major private investors:

Major private investor	Hotels	Rooms (in thousands)
Chalet Hotels	6	2.3
Saraf Group	8	2.3
Prestige Group	7	1.3
IHHR	6	1.0
Asian Hotels (West)	2	0.9

Source: Horwath HTL

Future Demand

In this section we have projected future demand. Our estimates of future demand are based on demand achieved in Fiscal 2019, growth in domestic demand over Fiscal 2019 and gradual recovery in foreign demand. Our estimates of the pace of recovery and subsequent demand growth are given below:

Demand recovery/ growth estimates:

Year	Projected Foreign Demand Recovery (relative to Fiscal 2019)	Projected Domestic Demand Growth (YoY Growth)	Projected Growth – Overall Demand (YoY Growth)
Fiscal 2024	87.5%	12%	15%
Fiscal 2025	100%	8%	9%
Fiscal 2026	115%	11%	12%
Fiscal 2027	130%	11%	11%

Source: Horwath HTL

Foreign Demand

For Fiscal 2023, FTA recovery from the top ten countries (excluding SAARC nations) was at 66%. Having regard to FTA for calendar year 2023, we have assumed recovery of 87.5% for Fiscal 2024 and full recovery in Fiscal 2025; material foreign arrivals through first six months of Fiscal 2024 due to G20 summit are a single major event based occurrence and we have not considered this as offering a stable long-term basis. A sizeable portion of foreign travel demand is from the IT sector which remains slow in parts, and unlike other sectors sizeable workforce is still working remotely. Hence the overall foreign travel recovery is expected to be gradual. Growth of 15% and 30% (over Fiscal 2019 demand) in Fiscal 2026 and Fiscal 2027 respectively has been assumed.

Domestic Demand

Fiscal 2023 witnessed significant growth over Fiscal 2019 demand and this was driven mainly by pent-up corporate and MICE travel demand. Strong growth has been reported for first three quarter of Fiscal 2024 and is expected to continue to be achieved in fourth quarter of Fiscal 2024. Growth may partially slow down in early Fiscal 2025 for the elections. Growth for Fiscals 2026 and 2027 is assumed at 11%. Growth assumption is based on (a) long term CAGR of 9.8% between Fiscals 2008 and 2023 and (b) further new supply is planned and expected to occur over the longer term which will enable future demand growth.

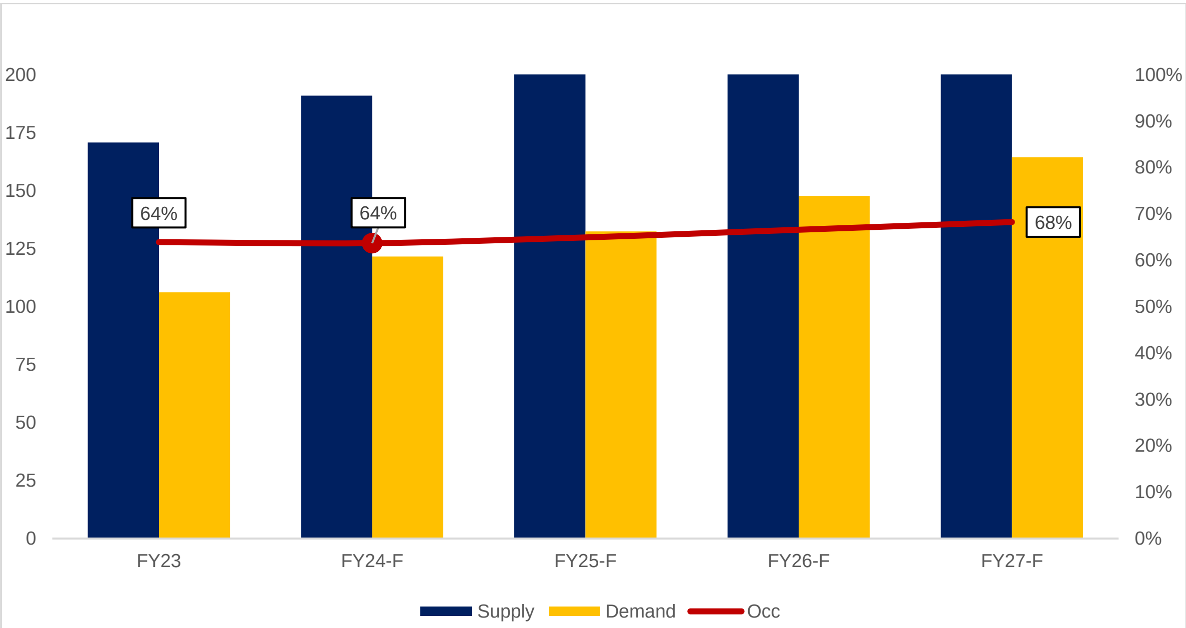
Supply and Demand CAGR

CAGR	Fiscals 2016-2023	Fiscals 2024-2027
Supply CAGR	5.5%	8.1%
Demand CAGR	6.2%	10.6%

Source: Horwath HTL

Based thereon, and with reference to our estimates of future supply described earlier, the occupancy estimates upto Fiscal 2027 evolve as reflected below.

All India – Rooms supply vs demand and occupancy estimates – (Fiscals 2023–2027)



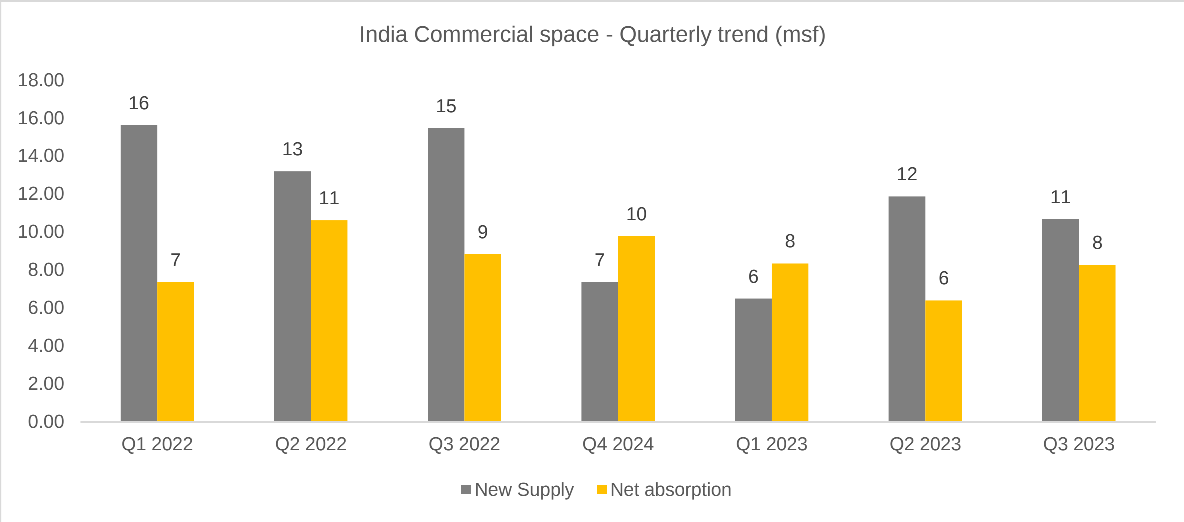
Source: Horwath HTL

Commercial Space

A broad overview of commercial office space at an all-India level and for Mumbai and Bengaluru, where our Company has commercial spaces has been provided below.

India

India Office Space Metrics

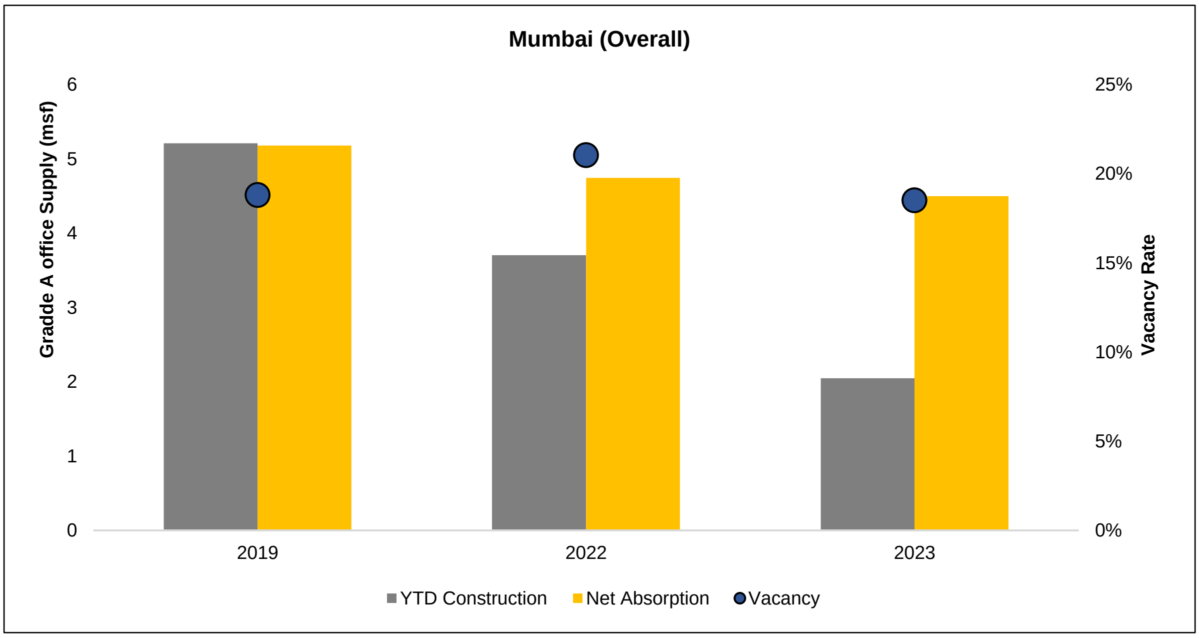


Source: Cushman & Wakefield

Mumbai

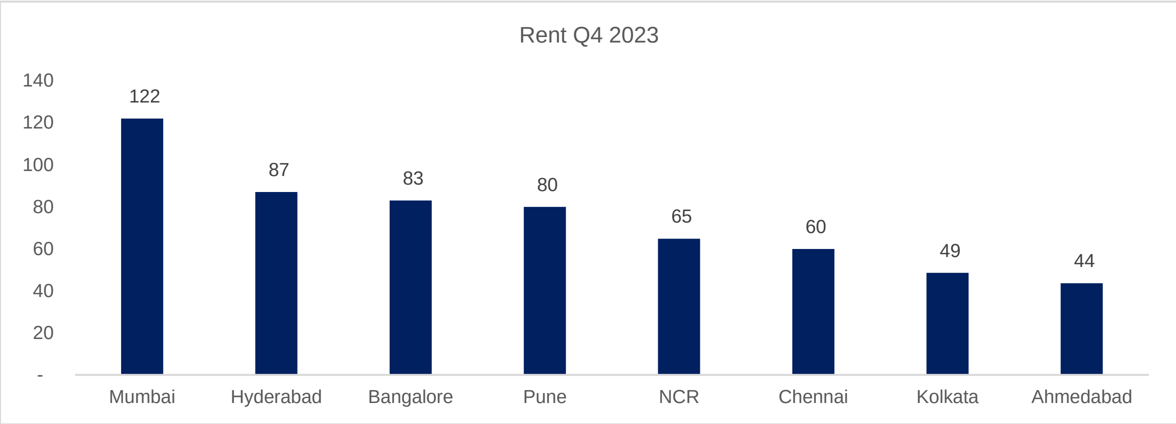
Mumbai Office Space Metrics

Mumbai supply increased to 111 Msf in 2023, growing at 4% CAGR (calendar years 2019-2023). Mumbai supply increased to 111 Msf in 2023 growing at 4% CAGR (calendar years 2019-2023).



Source: Cushman & Wakefield

The vacancy rate has decreased by 2% reflecting higher net absorption as % of total supply excluding renewals, one of the reasons of increased supply absorption is the depletion in new constructions.

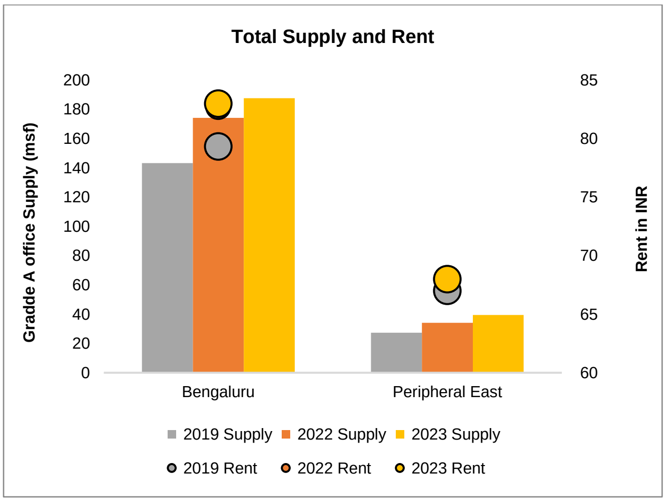


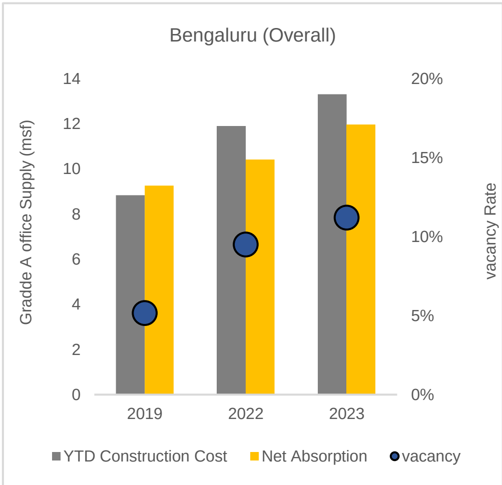
Source: Cushman & Wakefield

Mumbai has the highest rentals among key markets offering commercial spaces. Currently average rental in Mumbai is ₹ 122 per square feet. The rentals at Andheri-Kurla and Malad/Goregaon is in line with overall Mumbai rentals.

Bengaluru

Bengaluru Office Space Metrics





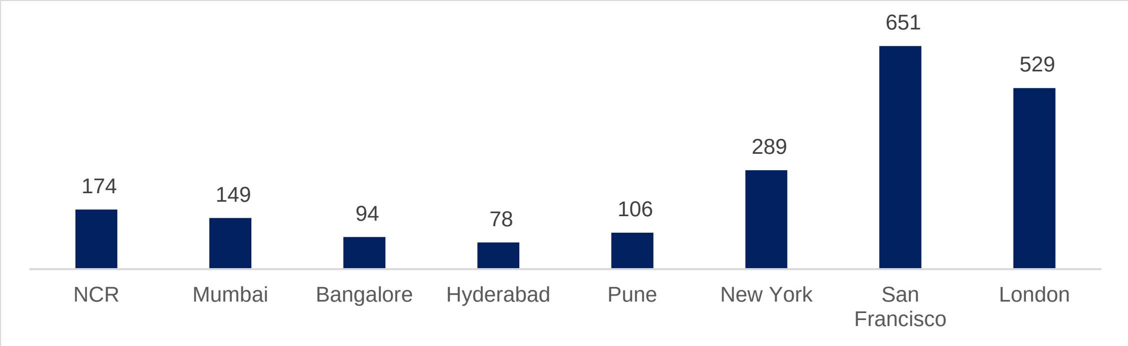
Source: Cushman & Wakefield

At 187 Msf, Bengaluru has the highest office supply among major cities in Asia Pacific region. Supply increased by 8% in 2023. Vacancy rate for 2023 is 11.2% compared to 9.5% for 2022, although net absorption increased by 15% in 2023 compared to 2022. Vacancy rate in Peripheral East has increased by 4.3 points compared to 2022 as inventory rose to 40 Msf (+16%) in 2023. The city-wide rentals have remained unchanged since 2020, at ₹ 83 per square foot per month. The rentals at Peripheral East are lower by 18% than average rental of the city and remained at ₹ 68 per square foot per month. The premium rental sub-markets of Bengaluru include CBD and Suburban areas of ORR and Sarjapur with rental around 163 and 129 ₹ square foot per month in 2023.

Number of hotel key per million square foot of office space (December 2023)

Below chart provides a comparison of quantum of office space (Msf) in certain Indian and international details and the available hotel key count in those cities. While underlying factors for each city may vary, the chart reflects growth potential for hotel supply in the Indian cities referred therein

Number of hotel key per million square feet of office space



Source: Cushman & Wakefield and Horwath HTL

Barriers to Entry

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

(1) Land: Availability of land at suitable locations for hotels, high land cost of available land, and limited development entitlements - create limitations on hotel development, viability, and hotel size.

(2) Regulatory approvals: Hotel projects require multiple regulatory approvals and licenses, before project implementation and prior to opening. The process is time consuming, with timing uncertainties and delays – the resultant longer time to hotel opening causes project cost escalations, significant additional interest cost, debt-service pressures, and project quality impact.

(3) Policy changes: Policy changes by government can have a material impact on hotel development, operations and profitability. For example, (a) imposition of liquor prohibition; (b) substantial delay in completion of Delhi Aerocity hotels as security issues were not resolved in a time- bound manner; (c) recent requirement for drivers accommodation in Tamil Nadu.

(4) Bank financing: Cost and availability of debt, shorter loan tenures (8 to 10 years till 2015), and repayment structures which were inconsistent with the capital-intensive nature of hotels that typically need 2-4 years to stabilise operations. Bankers now provided extended tenures of 12-15 years which is more consistent with the industry needs and cash flow patterns.

(5) Availability of equity capital: Shortage of sufficient long-term equity capital is a significant constraint towards capacity creation, particularly a portfolio of hotels or large hotels, and funding working capital shortages.

(6) Manpower Shortages: Increasing manpower shortages - staff and managers with sufficient operating experience and skills – and high attrition across managerial and staff levels poses service limitations for hotels. Increased use of technology and larger talent pool of hotel chains will be sought.

Several of these barriers, particularly land, bank financing and availability of equity capital have greater implication for Lux-UpperUp hotels and hotels with large inventory and function spaces.

Operating Performance Parameters

Manpower to rooms ratio

Manpower to rooms ratio – Star category wise – Fiscals 2015 to 2022

Year	India	5 star deluxe	5 star	4 star	3 star
Fiscal 2015	1.5	2.2	1.8	1.8	1.7
Fiscal 2016	1.6	2.1	1.9	1.7	1.6
Fiscal 2017	1.5	2.0	1.8	1.6	1.5
Fiscal 2018	1.6	1.8	1.7	1.6	1.6
Fiscal 2019	1.8	2.4	1.7	2	1.6
Fiscal 2020	1.8	1.8	1.6	1.7	1.9
Fiscal 2021	1.3	1.5	1.5	1.1	1.1
Fiscal 2022	1.5	2.1	1.5	1.1	1.1

Source: FHRAI Reports

Payroll cost is among the large operating costs for hotels and has a material impact on operating margins. During and post COVID-19, hotels across segments have rationalised their staffing relative in response to reduced staff availability and higher payroll costs in order to improve margins. The data above reflects only participating hotels in the surveys for various years, Current trends among hotel companies is for luxury business hotels to be at or below 2.0 and for three-star hotels to be between 0.8 to 1.0.

Operating Performance Comparison

The tables below provides a summary of operating performance and F&B revenue of listed companies, that own 2,000 or more rooms, for Fiscal 2021-2023. and nine months ended December 31, 2023.

Operating performance - Select listed hotel companies (₹ million)

Company[#]	Fiscal 2021			Fiscal 2022			Fiscal 2023			YTD December 2023		
	Rev	EBITDA	%	Rev	EBITDA	%	Rev	EBITDA	%	Rev	EBITDA	%
IHCL	17,399	-1,970	-11%	32,114	5,599	17%	59,488	19,435	33%	42,943	13,789	32%
ITC Hotels[$]	6,639	-2,928	-44%	13,477	805	6%	26,891	8,520	32%	NA	NA	NA
EIH	5,470	-2,298	-42%	10,440	574	5%	20,964	6,750	32%	14,326	4,440	31%
Chalet[$]	2,021	-213	-11%	4,100	661	16%	10,281	4,327	42%	9,103	3,909	43%
Lemon Tree	2,650	745	28%	4,163	1,327	32%	8,786	4,511	51%	7,456	3,535	47%
SAMHI	1,793	-597	-33%	3,331	218	7%	7,614	2,606	34%	2,733	1,019	37%

Source: Listed company annual reports / quarterly reports
[#] consolidated numbers unless otherwise stated; Revenue includes other income
[$] Company operates in multiple segments; revenue and EBITDA is only for the hospitality segment
NA – Not Available

F&B and total revenue - Select listed hotel companies (₹ million**)**

Company[#]	Fiscal 2021			Fiscal 2022			Fiscal 2023		
	Rev	F&B	%	Rev	F&B	%	Rev	F&B	%
IHCL	17,399	5,454	31%	32,114	10,594	33%	59,488	21,348	36%
EIH	5,470	2,008	37%	10,440	3813	37%	20,964	7,569	36%
Chalet[$]	2,021	684	34%	4,100	1565	38%	10,281	3,386	33%
Lemon Tree	2,650	339	13%	4,163	581	14%	8,786	1,144	13%
SAMHI	1,793	510	28%	3,331	950	29%	7,614	1,820	24%

Source: Listed Company annual reports / quarterly reports
[#] consolidated numbers unless otherwise stated; Revenue includes other income

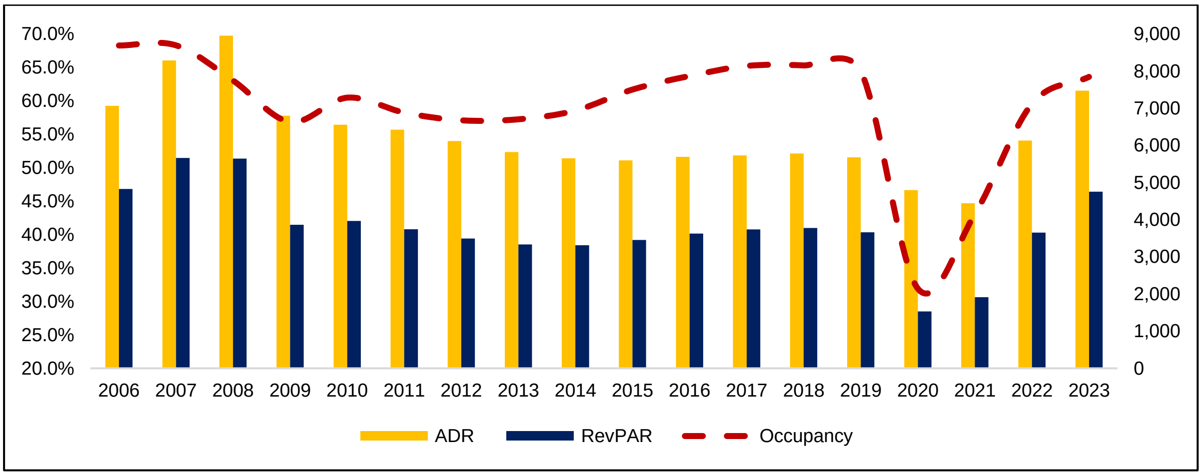
Market Performance Analysis

In this section we provide an analysis of the performance of hotels on all India basis and for select markets. Data is presented for the full market (comprising hotels of all positioning). As data availability varies from market to market based on extent of participation by hotels in different cities, data provided may cover different periods for various markets.

All India

The below chart shows all-India performance of chain-affiliated hotels from 2006 through 2023, across all segments.

India hotel market performance

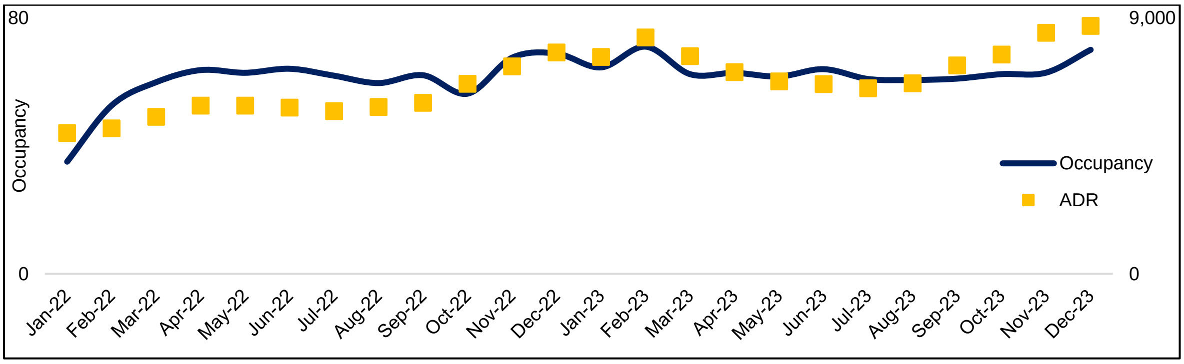


Source: STR

The below chart provides monthly all-India monthly performance from January 2022 reflecting the strong recovery and business growth in 2022 and 2023 which are considered to be among the best performing years for the hotel sector.

India hotel market monthly performance – January 2022 to December 2023

The data provided in the market reports contain a performance range for occupancy and ADR. The numbers presented in the chart are a simple average of the range provided in the report.



Source: Horwath HTL and STR

From a macro-perspective, the following elements emerge:

(1) The hotel sector had a difficult period from late 2008, mainly because expected demand growth did not occur to match supply created in anticipation of demand growth. The economy and investment climate were not supportive of demand growth; security issues occurred in some years. All India occupancy stagnated at 57-58% between calendar years 2011-14. During this period, supply grew by 41,000 rooms while demand grew by 28,000 rooms.

(2) Typically, the industry sees changes in demand linked to macro-economic cycles. Down cycles see greater travel controls and needs, causing demand to slow or shift to lower hotel categories; a positive macro-economic situation and sentiment fuels travel and demand. Hotel occupancies decline or grow with such movements and in turn impact room rates; slowing occupancy invariably leads to softer room rates. Rate revival often lags occupancy revival; rates are pushed higher only once hotel managements have greater confidence of business levels. On the other hand, in a positive macro-economic scenario, constraints on bookings push the demand side to pay higher room rates, creating the rate growth seen after the pandemic. Further, a positive business climate creates more positivity in travel and draws a wider profile of international and domestic business travellers – this also helps to improve the rate sentiment.

(3) ADR between calendar years 2009-15 was impacted by the dual factor of slower demand and occupancy generally, and diversification of supply profile so that wider options of quality and price points became available.

(4) Occupancy revived since 2015 as demand conditions improved and new supply had slowed. The upward trend in RevPAR upto December 2019 was materially occupancy led, with improved occupancy gradually enabling ADR increases.

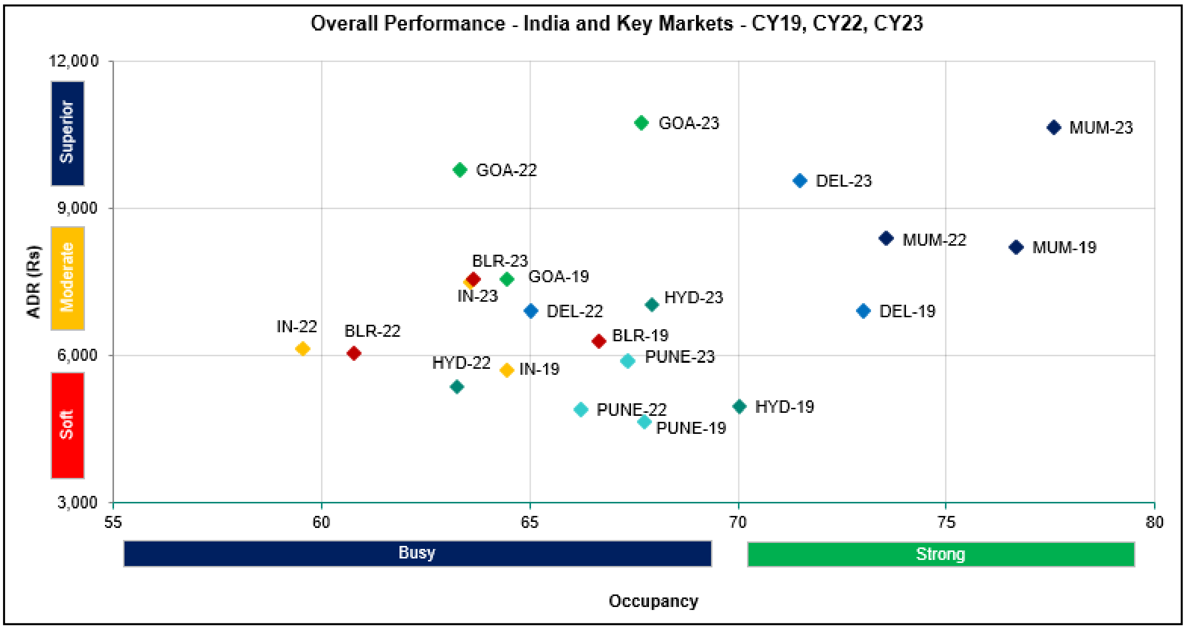
(5) The COVID-19 pandemic was a major disruption with severe travel and operating restrictions causing material drop of occupancies and ADR. Demand recovery started in the late summer of 2020 and then gained momentum; recovery from wave 2 of COVID-19 was much more rapid enabling a strong second half of Fiscal 2021 performance. The Omicron wave was disruptive between mid-December 2021 to February 2022 but has then given way to strong performance through December 2023. Strong occupancies and a recognition of stronger rate needs and potential, have enabled much higher ADR levels.

(6) Occupancies between April 2023 and December 2023 were in the range of 61% to 70%, with December 2023 occupancy peaking to 70%. ADRs during this period have increased by 12% to 22% compared to 2022 average ADR. All-India and market-level ADRs were also impacted by changed supply composition, with increased supply share of upscale and lower priced hotels.

Performance of key markets

In order to provide a better understanding of the performance changes of certain key markets under normal operating conditions, presented below is the performance of these key markets for calendar years 2019, 2022 and 2023.

Overall Performance – Calendar years 2019, 2022 and 2023

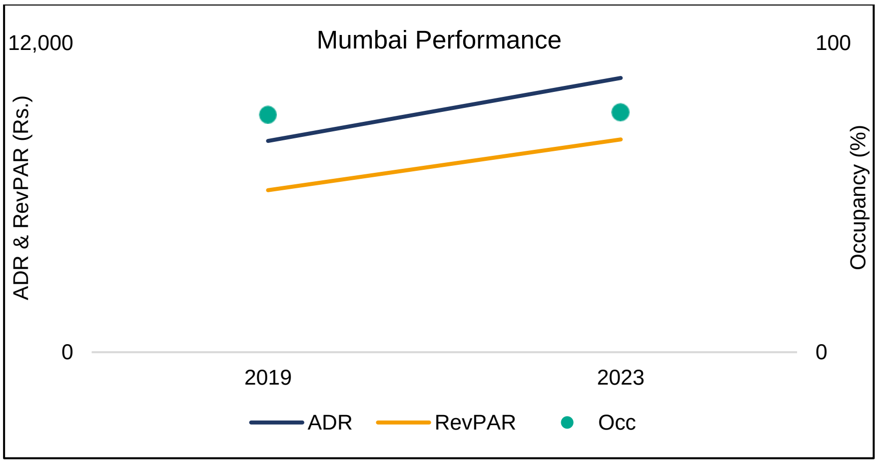


Source: India Hotel Review Market Report 2019, 2022 and 2023 published by Horwath HTL & STR

Performance and outlook for select markets

Mumbai

Mumbai performance overall



Source: Horwath HTL & STR

Mumbai has bounced back strongly, achieving 74 % occupancy and approximately ₹ 8,400 ADR in calendar year 2022; calendar year 2023 was even better with 78 % occupancy and approximately ₹ 10,600 ADR. The results were materially enabled by strong performance of the Lux-Upper Up segment with over ₹ 10,000 and ₹ 13,400 ADR, and 75% and 78% occupancy for 2022 and 2023 respectively.

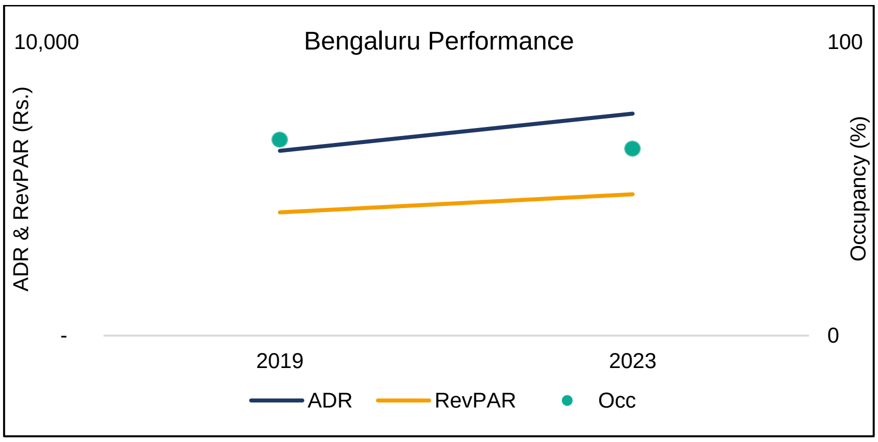
Strong performance was seen across micro-markets, including south Mumbai, which expects a strong comeback once the coastal road is completed. Demand is led by business travel, MICE, weddings and crew and was materially supported by social and leisure travel and demand for sports related events. Each of these are in growth mode. The supply pipeline comprises 4,200 rooms by Fiscal 2027 adding much needed capacity to a city that saw a burst of supply growth over ten years ago.

New supply is reasonably expected to be absorbed by organic demand growth including increased inbound travel, major demand from the recently opened Jio World Convention Centre and NMACC, and the opening of Navi Mumbai international airport by first quarter of calendar year 2025.

New supply is largely in north Mumbai and will serve the needs of the continued growth of commercial activities in the area; North Mumbai is an expanding business district (10.7 million square feet of commercial and 234,000 square feet under development); the financial district in BKC alongwith the convention centre lacks sufficient hotel supply and will likely create material demand for north Mumbai hotels. Occupancy and ADR levels can expect to remain very positive. MICE and weddings demand and spends are also expected to remain positive over the next three to five years.

Bengaluru

Bengaluru performance overall



Source: Horwath HTL & STR

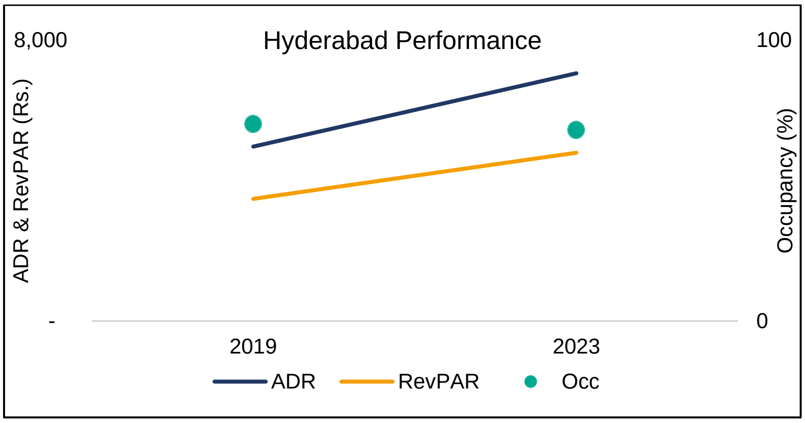
The city with predominant IT sector focus also has the largest hotel room inventory in India (about 17,000 rooms); it also has the 187 Msf commercial office space which is the largest among business cities in Asia. Bengaluru suffered very severely in the pandemic as lack of inbound travel and 'work from home' impacted demand from the IT and ITeS sectors. Recovery has been gradual and gained momentum as travel restrictions were lifted, new joinees were inducted and MICE demand started reviving. The city has gained from growing activity in the aerospace sector with global companies setting up research and development and manufacturing bases in the Aerospace SEZ near Bengaluru airport.

An important positive infrastructure is Bengaluru airport which opened a second runway in December 2019 and a second terminal in November 2022. Passenger numbers are back to pre-COVID levels and higher, having achieved 28 million passengers during April-December 2023. The IT sector continues to materially work remotely, affecting domestic and inbound travel needs; a more fuller recovery of this sector will be additionally beneficial to hotels.

ADR and RevPAR for 2023 are higher than full year 2019 by 20% and 15% respectively. Occupancy grew to 64% for this period. Further growth will ensue as IT parks regain occupancy. The city benefits from having six distinct micro-markets, with the Whitefield and ORR micro-market being among the most robust in terms of actual and potential demand growth. Bengaluru has a significant balance of supply share across various price points, thereby creating the likelihood for a lower city-wide ADR. Bengaluru demographics, with a growing workforce size and younger profile workforce, point to larger F&B spends at hotels with the requisite appeal and draw.

Hyderabad

Hyderabad performance overall



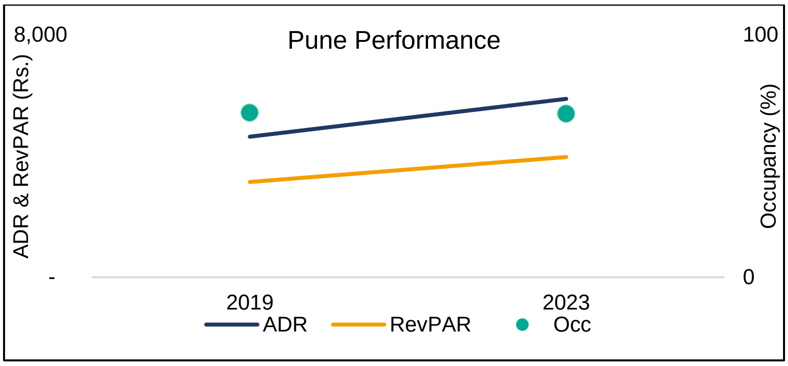
Source: Horwath HTL & STR

The city has seen a resurgence of business since 2014, once the statehood matter was resolved. Hyderabad has doubled its commercial real estate from 48 Msf to 97 Msf between 2018 and 2023, while also increasing its hotel inventory by 2,500 rooms in the last ten years. Demand is materially and ITeS focussed. However, some corporate demand arises from locally based companies and for professional services; demand is also supported by large retail spaces and the growth of F&B and entertainment spaces to support a growing working population with younger demographics and substantial spend power.

The city benefits from the Hyderabad International Convention centre, the privately developed airport which is being expanded, the aerotropolis development with MRO and other operations and the excellent road infrastructure. Occupancy levels for calendar year 2023 have improved to 68% and have combined with strong ADR growth to enable 38% RevPAR growth for 2023 over 2019. The overall market ADR for 2023 was about ₹ 7,000 while the luxury and upper upscale ADR crossed ₹ 10,000 for the first time ever.

Pune

Pune performance overall



Source: Horwath HTL & STR

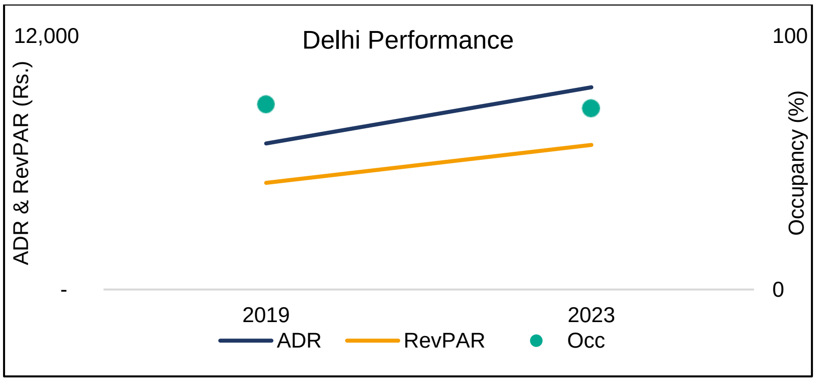
Pune is a business city, with demand from manufacturing and the services sector. It has substantial presence in auto and auto ancillary manufacturing, and engineering products besides other sectors. The city has also grown into a major IT and services sector hub, with 67 Msf commercial space, up nearly 40% from 48 Msf at end of 2018.

This dual engine, and particularly the services sector have enabled the city to absorb about 6,400 growth of hotel rooms supply since 2007. Current demand is about 5,000 rooms per day yielding an average occupancy of 67% for 2023. Pune recovered well from supply surge between 2010-2014 benefitting from continued supply growth of commercial space. The city continues to maintain a reasonable growth momentum from the COVID-19 pandemic, with occupancy levels holding in the high 60's while ADR for 2023 grew 27% over 2019 and 20% over 2022. Significant ADR growth at certain luxury hotels has created space for ADR growth across segments, considering that Pune has a reasonable segmental supply spread. For calendar year 2023 occupancy for upscale and upper midscale segment crossed 70% and was higher than the other segments, with ADRs of ₹ 5,500.

Strong demand potential from business travel and for corporate MICE and substantial demand for residential weddings is a positive for upper tier hotels. Upscale hotels with commensurate meeting and function space are well placed to serve the Pune market, as sizeable demand in the market is at upscale pricing. Material foreign demand, and younger demographics will help create demand for quality F&B outlets and entertainment facilities.

New Delhi

New Delhi performance overall



Source: Horwath HTL & STR

Strong occupancy recovery in the third quarter of 2021 has then stabilised at around 70% since the second quarter of 2022. ADR recover was initially slow, though fourth quarter of 2022 achieved ₹ 8,700 ADR. Calendar year 2023 occupancy crossed 70% and ADR was highest since 2010 at ₹ 9,600, benefitting particularly from over ₹ 12,000 ADR for the Lux-UpperUp segment. The Delhi market is expected to be in a positive mode with demand and rate growth creating higher earnings opportunities for hotels. Fiscal 2024 will benefit from G20 related events and travel, and the wider resumption of inbound travel. Additionally, the supply pipeline for Delhi city is only 1,200 rooms through Fiscal 2027, of which 1,000 rooms are in the Luxury Upper Upscale segment with openings only from Fiscal 2027.

The capacity and positioning of the Delhi Airport will be an advantage in the medium and long term as the airport expands; some demand shift may occur as Jewar airport is commissioned (projected as fourth quarter of 2024), although this should not materially hotels at Delhi airport and in the Aerocity area. The completion of Yashobhoomi Convention Centre on Dwarka Expressway and Bharat Mandapam at Pragati Maidan will also create significant demand basis for MICE growth in the city. City hotels will continue to benefit from weddings and MICE demand.

OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "**Forward-Looking Statements**" on page 17 for a discussion of the risks and uncertainties related to those statements and also "**Risk Factors**", "**Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 44, 245 and 93, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*We prepared our Financial Information in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**"). Ind AS differs in some material respects from US GAAP and IFRS and other accounting principles with which prospective investors may be familiar. Unless otherwise indicated or the context otherwise requires, the financial information included in this Placement Document for (i) the nine months ended December 31, 2023 and December 31, 2022 have been derived from our Unaudited Condensed Consolidated Interim Financial Statements, and (ii) Fiscals 2023, 2022 and 2021 have been derived from our Audited Consolidated Financial Statements.*

Unless otherwise indicated, industry and market data used in this section is derived from a report titled "Industry Report – Upper Tier Hotels, India" dated March 23, 2024, prepared by Horwath HTL India and commissioned by us in connection with the Issue. The data included herein includes excerpts from the Horwath Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue) of the Horwath Report, that has been left out or changed in any manner. Unless otherwise indicated, operational, industry and other related information derived from the Horwath Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Our financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise stated, references in this section to "we", "our" or "us" are to our Company, on a consolidated basis.

Overview

We are an owner, developer, asset manager and operator of high-end hotels and mixed-use assets in key metro cities and leisure locations in India. As on the date of this Placement Document, our hotel platform comprises ten operating hotels, including a hotel with a one service apartment building, present across Mumbai Metropolitan Region, Hyderabad, Bengaluru, National Capital Region, Pune and Lonavala, representing 3,052 keys. Our hotels are branded with globally recognized hospitality brands and are in the luxury, upper upscale and upscale hotel segments (*Source: Horwath Report*). Our hotel platform encompasses strategic locations, efficient design and development, appropriate positioning and segmentation together with branding and operational tie-ups with leading hospitality companies. We use our extensive experience to actively manage the hotel assets to drive performance and deliver efficient results. In addition, we have developed hotel-led mixed-use spaces by adding complementary commercial spaces, in close proximity to certain of our hotels, and are also in the process of expanding our commercial assets portfolio. Further, we also own a residential project, Raheja Vivarea, Koramangala, Bengaluru.

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 (*Source: 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 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. Further, we have also acquired certain assets in drivable leisure locations near metro cities, with high potential for social events, leisure travellers and MICE. These acquisitions have been identified with potential upsides, including inventory additions, product upgradations, brand re-positioning and other asset management initiatives.

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. Our hotels are currently branded with global brands such as JW Marriott, Westin, Marriott, Marriott Executive Apartments, Courtyard by Marriott and Four Points by Sheraton which are held by Marriott Hotels India Private Limited and its affiliates (collectively "**Marriott**") and Novotel, which is held by Accor S.A. and its affiliates (collectively, "**Accor**"). Further, we are in the process of setting up hotels under the brands 'Taj' held by The Indian Hotels Company Limited ("**IHCL**") and 'Hyatt Regency^{TM}' under a franchise agreement with Hyatt India Consultancy Private Limited and its affiliates (collectively, "**Hyatt**"). 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 resort at Lonavala is operated by us and our hotel at Vashi, Navi Mumbai, is operated by us under a license agreement with Marriott, and eight of our hotels, including our service apartment building, are operated pursuant to hotel operation and related agreements with Marriott and Accor.

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, quarterly expense review meetings and provide regular inputs on revenue enhancement, cost management initiatives and development potential. We are also conscientious towards environmental initiatives, and focus on reducing our carbon footprint, electricity consumption, water and food waste. For further details, see "***– Environmental, social and governance***" on page 94. 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, including leading EBITDA margins on the basis of the hospitality segments of select listed companies (*Source: Horwath Report*). For further details, see "***Industry Overview***" on page 128.

We operate as the hospitality arm of one of India's leading real estate development group, K Raheja Corp 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, including the assets held by Mindspace Business Parks REIT, resulting in a strong understanding of industry and market trends, which we leverage to identify suitable locations and opportunities. K Raheja Corp has a pan India presence with over six decades of experience, spanning over four operational malls, residential spaces over cities in India, over 240 operational retail outlets across India and more than 54 Msf leasable area. As on March 1, 2024, the listed entities forming part of the K Raheja Corp, including our Company, Mindspace Business Parks REIT and Shoppers Stop Limited have a market capitalisation of US$5.38 billion (assuming the exchange rate of US$1 as ₹ 83). In addition to the hotels owned and operated by our Company, K Raheja Corp has one additional hotel namely, The Resort at Madh Marve, Mumbai consisting of 94 keys. We further leverage the experience and relationships of the K Raheja Companies with construction companies, architects and designers, to develop, refurbish and maintain hotels at optimal cost and quality.

Our Promoters include Ravi C. Raheja and Neel C. Raheja, who have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning. We have a strong management team with significant industry experience. Our Managing Director and Chief Executive Officer, Sanjay Sethi has over 35 years of experience in the hospitality industry, our Chief Financial Officer, Milind Wadekar, has close to three decades of experience in roles of finance, accounts and tax, our Chief Growth & Strategy Officer, Shwetank Singh has 25 years of experience in strategy, asset management and business development, and our Chief Operating Officer, Rajneesh Malhotra has three decades of experience in hospitality. Our Key Management Personnel and members of 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.

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. Our total income was ₹ 10,126.31 million and ₹ 8,321.71 million for the nine months ended December 31, 2023 and December 31, 2022, respectively and ₹ 11,779.54 million, ₹ 5,297.39 million and ₹ 3,167.25 million for the Fiscals 2023, 2022 and 2021 respectively, and our total income grew at a CAGR of 2.63% between Fiscals 2019 and 2023. Our total comprehensive income was ₹ 1,953.44 million and ₹ 1,466.81 million and our Adjusted EBITDA was ₹ 4,153.70 million and ₹ 3,420.33 million, for the nine months ended December 31, 2023 and December 31, 2022. Our total comprehensive income/ (expense) was ₹ 1,828.26 million, ₹ (813.19) million and ₹ (1,391.00) million and our Adjusted EBITDA was ₹

5,023.04 million, ₹ 1,204.09 million and ₹ 293.90 million, for Fiscals 2023, 2022 and 2021. Our Adjusted EBITDA grew at a CAGR of 6.49%, between Fiscals 2019 and 2023, which is a supplemental measure of our performance and liquidity.

Competitive Strengths

High-end branded hotels strategically located in key metro cities and leisure locations of India

We are an owner, developer, asset manager and operator of high-end hotels and mixed-use assets in key metro cities and leisure locations in India. As on the date of this Placement Document, our hotel platform comprises ten operating hotels, including one service apartment building, present across Mumbai Metropolitan Region, Hyderabad, Bengaluru, National Capital Region, Pune and Lonavala, representing 3,052 keys. Our hotels are branded with globally recognized hospitality brands and are in the luxury, upper upscale and upscale hotel segments (*Source: 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.

A significant portion of our hotel assets are located in high density business districts of key metro cities in India (*Source: Horwath Report*). We have developed our hotels at strategic locations generally with high barriers-to-entry, maximizing development potential with complementary commercial spaces and creating an additional diversified revenue stream. 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 Chhatrapati Shivaji Maharaj International Airport. Similarly, our hotel in Vashi, Navi Mumbai and proposed hotel at Airoli, Navi Mumbai are located close to new business districts and the proposed international airport at Panvel, Navi Mumbai and our hotels in Hyderabad and Bengaluru are located in the centre of new business districts near the offices of major technology corporations, business centres and commercial facilities. Further, our recently acquired leisure properties, 'The Dukes Retreat' at Lonavala and 'Courtyard by Marriott Aravali Resort' at Faridabad in Delhi NCR are destinations aimed to cater to leisure travellers, wedding celebrations and corporate events. We have also entered into a license agreement with Delhi International Airport Limited to design, develop and operate a hotel near the Indira Gandhi International Airport in New Delhi, which will be branded under the 'Taj' brand, held by IHCL.

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, as on the date of this Placement Document, our four largest hotels have 604, 588, 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. Currently, majority of our hotels are branded with global brands, such as, JW Marriott, Westin, Marriott, Marriott Executive Apartments, Courtyard by Marriott and Four Points by Sheraton which are held by Marriott, and Novotel which is held by Accor. 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 a) attract our target customer base including large corporate key accounts such as information technology companies, airlines, multi-national corporations, consultancy firms and banks, b) deliver an enhanced customer experience, c) encourage repeat business and d) drive customer loyalty.

Active asset management model

We follow an active asset management model across our hotels, which are operated either by Marriott or Accor pursuant to hotel operation and related agreements. These agreements give us access to Marriott's and Accor'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 each of Marriott and Accor, 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 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 and expense review meetings each quarter with the hotel management team to assess hotel performance on a host of parameters and provide regular inputs on revenue enhancement, cost management initiatives and development potential;

- 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, consents and operational insurance policies, 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, including leading EBITDA margins on the basis of the hospitality segments of select listed companies (*Source: Horwath Report*).

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

Particulars	**Nine months ended December 31,**		**Fiscal ended March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
ADR[(1)] (₹)	10,297.79	8,444.42	9,168.61	4,576.35	4,039.65
Average Occupancy [(2)]	71.44%	71.40%	72.04%	51.45%	30.05%
RevPAR[(3)] (₹)	7,357.11	6,029.16	6,604.71	2,354.72	1,213.95
Total Operating Revenue (₹ million)[(4)]	9,102.72	7,186.87	10,284.69	4,058.32	2,017.95
Total Operating Expenses (₹ million)[(5)]	4,596.50	3,856.48	5,238.35	3,046.56	2,020.14
Staff per Room Ratio as on last day of the year [(6)]	0.93	0.91	0.93	0.84	0.74

(1) *ADR represents hotel room revenue from room rentals at our hotels divided by total number of room nights sold (including room nights 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 revenue from hotel including room revenue, food and beverage revenue and other income from hotel operations.*
(5) *Operating expenses comprises expenses towards food and beverage consumed, operating supplies, fuel, power and light, employee benefit cost, repairs and maintenance, business promotion expenses and other expenses.*
(6) *Staff per room ratio is calculated by dividing total staff by number of available keys.*

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 0.93, 0.91, 0.93, 0.84 and 0.74 as of December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, respectively. One of the largest operating costs in the hospitality industry is payroll costs which has a material impact on the business of companies engaged in the hospitality business (*Source: Horwath Report*).

Our total income was ₹ 10,126.31 million and ₹ 8,321.71 million for the nine months ended December 31, 2023 and December 31, 2022, respectively and ₹ 11,779.54 million, ₹ 5,297.39 million and ₹ 3,167.25 million for Fiscals 2023, 2022 and 2021, respectively, and our total income grew at a CAGR of 2.63% between Fiscals 2019 and 2023. Our total comprehensive income was ₹ 1,953.44 million and ₹ 1,466.81 million and our Adjusted EBITDA was ₹ 4,153.70 million and ₹ 3,420.33 million, for the nine months ended December 31, 2023 and December 31, 2022. Our total comprehensive income/ (expense) was ₹ 1,828.26 million, ₹ (813.19) million and ₹ (1,391.00) million and our Adjusted EBITDA was ₹ 5,023.04 million, ₹ 1,204.09 million and ₹ 293.90 million, for Fiscals 2023, 2022 and 2021. Adjusted EBITDA grew at a CAGR of 6.49%, between Fiscals 2019 and 2023. As of December 31, 2023, December 31, 2022 and March 31, 2023, 2022 and 2021, our Average Cost of Indebtedness (including exchange (gain) /loss) was 8.74%, 8.43%, 8.75%, 7.51% and 8.16%, respectively and our Average Cost of Indebtedness (excluding exchange (gain) / loss) was 8.74%, 8.43%, 8.75%, 7.29% and 7.77%, respectively.

Well positioned to benefit from industry trends

Positive long-term elements for India's hotel sector include (a) robust domestic travel–across several purposes - business, leisure, MICE, weddings and social events; (b) newer demand from various international and national events for sports and entertainment including various sports leagues, music, dance, drama and film festivals; demand will also be fostered by the new convention centres in Mumbai, Delhi and Jaipur, encouraging performing arts based events in other cities as well; (c) growing demand from international political and business delegations; (d) continued urbanisation and infrastructure growth creating new travel destinations I hotel micro-markets; (e) changing demographics, with millennials and younger travellers seeking experiences and willing to spend on entertainment, recreation, wellness and lifestyle (*Source: Horwath Report*). 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, strong demand potential from business travel and for corporate MICE and substantial demand for residential weddings is a positive for upper tier hotels (*Source: Horwath Report*). We believe that given our presence in key metro cities and size of our hotels, including large sized banquet, outdoor and conferencing facilities, particularly at our hotel at Sahar Mumbai and at our hotel and convention centre at Powai, Mumbai, we are well-positioned to benefit from the growth potential in the MICE segment, facilitating both domestic and international business meetings and conferences. We believe that 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.

Track record of delivering robust financial and operational performance

We have been operating in the Indian hospitality industry since 2000. Over the last two decades, we have worked with globally recognized hospitality brands and have added global best practices in the hospitality industry to our experience. We have a distinctive mix of hotels, resorts and commercial assets across key business and leisure travel destinations across India. For further details on our financial and operational performance of our Company, see "***- Competitive Strengths - Active asset management model***" on page 160.

We develop hotels, within budgeted costs and timelines, while adhering to high quality standards. We believe that our focus on increasing efficiency of built-up area per key, managing development cost per key, maximizing revenue through higher occupancies and controlling operating expenses through employee engagement and productivity, enables us to deliver improved operating margins. Further, we also strive to manage and operate our commercial assets efficiently, by developing them in close proximity to certain of our hotels and business districts. We believe that this helps in creating a symbiotic environment leading to the growth in revenues of hotels and commercial assets.

As on the date of this Placement Document, eight of our operating hotels, including a hotel with a service apartment building, are managed by third parties, while one of our hotels is directly managed and operated by us, while one of our hotels is operated by us under franchise and license agreements. We believe that such franchise and in-house hotel management models may lead to an savings of fees usually payable in relation to hotels managed by third parties.

We also seek to continue evaluating opportunities for acquisition of hotel assets which we believe would be value accretive and we intend to continue to strengthen and expand our portfolio to newer geographies across India, through brownfield and greenfield projects. For instance, we acquired a controlling interest in Ayushi and Poonam Estates LLP which owns '*Courtyard by Marriott Aravali Resort*' at Faridabad in Delhi NCR, which has resulted in the addition of 158 keys, thereby enhancing our leisure property portfolio. Further, we have also entered into a franchise agreement with IHCL and a franchise agreement with Hyatt and are in the process of setting up new hotels under the brands 'Taj' and 'Hyatt Regency™' at New Delhi and Navi Mumbai, respectively.

Experienced management team

We have a strong management team with significant industry experience. Our Promoters, Ravi Raheja and Neel Raheja, have been instrumental in the growth of our hospitality and commercial business and actively advise on finance, corporate strategy and planning. Further, our Managing Director and Chief Executive Officer, Sanjay

Sethi has over 35 years of experience in the hospitality industry, including with leading Indian hotel chains, and across hotel segments. Further, our Chief Financial Officer, Milind Wadekar, has nearly three decades of experience in roles of finance, accounts and tax, our chief growth and strategy officer, Shwetank Singh has nearly 25 years of experience in strategy, asset management and business development, and our chief operating officer, Rajneesh Malhotra has three decades of experience in hospitality. Our Key Management Personnel and members of 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 are supported by a specialized team dedicated to improving sourcing costs across our assets through centralized procurement. 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. In addition, we are also focused on building capabilities and talent pool for rendering complete hotel management. Our scale and size of operations helps us in developing efficient talent deployment.

Backed by leading Indian real estate developer

We operate as the hospitality arm of one of India's leading real estate development group, K Raheja Corp group 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. K Raheja Corp has a pan India presence with over six decades of experience, spanning over four operational malls, residential spaces over cities in India, over 240 operational retail outlets across India and more than 54 Msf leasable area. As on March 1, 2024, the listed entities forming part of the K Raheja Corp, including our Company, Mindspace Business Parks REIT and Shoppers Stop Limited have a market capitalisation of US$5.38 billion (assuming the exchange rate of US$1 as ₹ 83). In addition to the hotels owned and operated by our Company, K Raheja Corp has one additional hotel namely, The Resort at Madh Marve, Mumbai consisting of 94 keys. We further leverage the experience and relationships of these companies with construction companies to develop hotels at optimal cost and quality. 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 and real estate properties.

Growth 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 revenue enhancement and 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 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;
- sourcing and contracting green power, which is less expensive than the traditional coal-based electricity, from third parties for the energy requirements of our hotels; 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 in the process of developing two additional hotel projects which are expected to have 670 keys and increasing the number of keys at two operating hotels/ resorts. For further details on our greenfield and brownfield developments, see "***- Hotels under development***" on page 171. 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 spaces. For example, we are developing commercial space in Powai, Mumbai and 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 and commercial office space. Our commercial space under construction is expected to generate regular rental income and cushion the hospitality cash flow cyclicality. Commercial spaces 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 real estate projects in proximity to our hotels will provide benefits to our hotel business for MICE events and assist in driving room occupancy. Further, we are also in the process of developing our residential project, Raheja Vivarea, Koramangala, Bengaluru, comprising eleven residential towers and one commercial tower.

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 real estate properties 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 December 31, 2023, December 31, 2022 and March 31, 2023, 2022 and 2021, our Average Cost of Indebtedness (including exchange (gain)/loss) was 8.74%, 8.43%, 8.75%, 7.51% and 8.16%, respectively; Average Cost of Indebtedness (excluding exchange (gain)/loss) was 8.74%, 8.43%, 8.75%, 7.29% and 7.77%, respectively and our debt to equity ratio was 1.61, 1.71, 1.81, 1.89 and 1.30, respectively. We aim to continue to reduce our cost of indebtedness through active evaluation of refinancing and alternative capital sources.

Explore opportunities for reflagging hotels or renegotiating hotel operation contracts

Our hotels are either managed directly by us or through arrangements such as, hotel operation contracts, license agreements and management agreements. with periodic renewal clauses. 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, 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 and domestic 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, asset manager and operator of high-end hotels and mixed-use assets in key metro cities and leisure locations in India. As on the date of this Placement Document, our hotel platform comprises ten operating hotels, including a hotel with one service apartment building, present across Mumbai Metropolitan Region, Hyderabad, Bengaluru, National Capital Region, Pune and Lonavala, representing 3,052 keys. Our hotels, including our service apartment building are branded with globally recognized hospitality brands and are in the luxury, upper upscale and upscale hotel segments (*Source: Horwath Report*). In addition, we have developed commercial spaces, in close proximity to certain of our hotels. We earn revenue from our hospitality operations and also derive lease income from our commercial 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:

Particulars	Revenue from Operations									
	For the nine months ended December 31,				For Fiscal ended March 31,					
	2023		2022		2023		2022		2021	
	(₹ in million)	*(%)*	*(₹ in million)*	*(%)*	*(₹ in million)*	*(%)*	*(₹ in million)*	*(%)*	*(₹ in million)*	*(%)*
Hospitality (income earned through hotel operations)	9,102.72	91.12%	7,186.87	90.90%	10,284.69	91.14%	4,058.32	79.92%	2,017.95	68.55%
Rental/ annuity business (income earned through leasing of commercial properties)	887.16	8.88%	719.06	9.10%	999.98	8.86%	1,019.75	20.08	925.92	31.45%
Revenue from Operations	**9,989.88**	**100.00%**	**7,905.93**	**100.00%**	**11,284.67**	**100.00%**	**5,078.07**	**100.00%**	**2,943.87**	**100.00%**

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. Significant portion of our hotel assets are in the luxury, upper upscale and upscale segments (*Source: Horwath Report*). We have developed our hotels at strategic locations generally with high barriers-to-entry close to airports, major business centres 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 directly managed by us, while one of our hotels is operated by us under franchise and license agreements, and eight of our hotels, including our service apartment building, are operated by third-party hotel operators pursuant to hotel operation and related agreements, all executed with Marriott and Accor.

A. Hotels managed by third party hotel operators

As on the date of this Placement Document, we own eight operating hotels, including a hotel with a service apartment building, which are managed by third parties, which represent 2,820 keys. Our hotels which are managed by third parties are located in five major metro cities in India, namely, Mumbai, National Capital Region, Pune, Bengaluru and Hyderabad. These hotels are located on freehold land owned directly by our Company or leasehold land and the title to the buildings, equipment and furniture or fixtures generally vests with our Company.

The table below provides certain details of our operating hotels which are managed by third parties:

Hotel Name	Hotel segment[1]	Location and details of land parcel	No. of keys	Month of Opening	Nature of Ownership Interest
Novotel Pune Nagar Road	Upscale	Nagar Road, Pune; 1.61 acres	311	December 2005	Freehold
JW Marriott Mumbai Sahar	Luxury	Sahar, Mumbai; 14. 55 acres	588	February 2015	Freehold
Bengaluru Marriott Hotel Whitefield	Upper Upscale	Whitefield, Bengaluru; 9.76 acres	391[2]	February 2013[3]	Freehold
The Westin Hyderabad Mindspace	Upper Upscale	Mindspace, Hyderabad; 3.10 acres	427	December 2009	Freehold
The Westin Hyderabad HITEC City	Upper Upscale	HITEC City, Hyderabad; 0.98 acres	168	July 2023	Leasehold
The Westin Mumbai Powai Lake	Upper Upscale	Powai, Mumbai; 15.00 acres	604	July 2001[4]	Freehold
Lakeside Chalet, Mumbai, Marriott Executive Apartments			173	July 2001	
Courtyard by Marriott Aravali Resort at Faridabad in Delhi NCR	Upscale	National Capital Region, Delhi; 14 acres	158	March 2024*	Freehold

* *Month of acquisition by our Company.*

(1) *Source: Horwath Report.*

(2) *An additional 125-130 keys are in the pipeline for development.*

(3) *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.*

(4) *283 keys opened in 2001, 300 keys opened in 2008, 17 keys opened in 2017 and 4 keys opened in 2023.*

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, Courtyard by Marriott and Four Points at Sheraton, with terms generally ranging from 15 to 30 years. Further, we have also entered into a management agreement with Accor for operating our hotel under the brand 'Novotel'. We generally also enter into license and royalty agreements, international marketing program participation agreements, technical services agreements and training and system services 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, 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. For further details, see "– ***Certain Key Agreements – Hotel operation agreements and related agreements***" on page 168.

The table below provides certain details of the agreements entered into for our hotels which are managed by third parties:

Hotel Name	Brand Utilized	Date of Expiry of Term
JW Marriott Mumbai Sahar	JW MARRIOTT MUMBAI SAHAR	March 31, 2035
Bengaluru Marriott Hotel Whitefield	MARRIOTT BENGALURU WHITEFIELD	March 31, 2033
The Westin Hyderabad Mindspace	THE WESTIN HYDERABAD MINDSPACE	December 31, 2036
The Westin Hyderabad HITEC City	THE WESTIN HYDERABAD HITEC CITY	July 1, 2038
The Westin Mumbai Powai Lake	THE WESTIN MUMBAI POWAI LAKE	December 31, 2037
Lakeside Chalet, Mumbai, Marriott Executive Apartments	Marriott EXECUTIVE APARTMENTS LAKESIDE CHALET – MUMBAI	
Courtyard by Marriott Aravali Resort		December 31, 2052

Hotel Name	Brand Utilized	Date of Expiry of Term
	COURTYARD BY MARRIOTT Aravali Resort	
Novotel Pune Nagar Road	NOVOTEL PUNE NAGAR ROAD	December 4, 2038

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. For further details, see "***– Certain Key Agreements – Hotel operation agreements and related agreements***" on page 168.

Our active asset management model

We follow an active asset management model for our hotels which are operated by either Marriott or Accor. Our active asset management model entails that in addition to contractual obligations under agreements with Marriott and Accor, 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 to discuss and agree on budgeting, revenue enhancement, cost management initiatives and operational and financial targets for each of our hotel properties. For example, we conduct detailed performance review meetings each month and expense review meetings each quarter with the hotel management team to assess hotel performance on a host of parameters and provide regular inputs on revenue enhancement, cost management initiatives and development potential;
- 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, consents and operational insurance policies, 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.

B. Hotels operated by us

As on the date of this Placement Document, we own two operating hotels at Vashi, Navi Mumbai and Lonavala, Maharashtra, which are managed by us, which represent 232 keys.

In relation to these hotels, we exercise day-to-day operational control, including selection, recruitment, training and management of our personnel for the hotels, 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 the operating hotels managed by us:

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)]
The Dukes Retreat, Lonavala	Lonavala, Maharashtra	80[(2)]	March 2022*	Freehold

* *Month of acquisition by our Company*

(1) *Lease term valid for 60 years from 2003, 39 years of residual period as of December 31, 2023. For further details, see "**Risk Factors – Internal 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 52.*

(2) *An additional 65-70 keys are in the pipeline for development.*

License and related agreements for the hotels managed by us

We benefit from an international license agreement with Sheraton International, Inc. for the global brand Four Points by Sheraton together with a centralised services agreement, 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. For further details, see "***– Certain Key Agreements – License and related agreements***" on page 170.

The table below provides certain details of the license agreement entered into for our hotel operated by us:

Hotel Name	Brand Utilized	Date of Expiry of Term
Four Points by Sheraton Navi Mumbai, Vashi	FOUR POINTS BY SHERATON Navi Mumbai Vashi	December 31, 2024

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. For further details, see "***– Certain Key Agreements – License and related agreements***" on page 170.

Our Hotel Operations

As on the date of this Placement Document, our ten operating hotels, including a hotel with a service apartment building caters 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 hotels operated by us, we either independently manage the hotel or carry out day-to-day operations with assistance from Marriott (in relation to the hotel situated at Vashi, Navi Mumbai) 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 a) attract our target customer base including large corporate key accounts such as information technology companies, airlines, multi-national corporations, consultancy firms and banks, b) deliver an enhanced customer experience, c) encourage repeat business and d) drive customer loyalty.

Certain Key Agreements

Hotel operation agreements and related agreements

We benefit from hotel operation contracts with each of Marriott and Accor for global brands such as JW Marriott, Marriott, Marriott Executive Apartments, Westin, Courtyard by Marriott, Four Point at Sheraton and Novotel, with terms generally ranging from 15 to 30 years. We generally also enter into license, franchise and royalty agreements for the use of brands and trademarks, international marketing program participation agreements, technical services agreements or consultancy agreements and training and system services 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, 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

As of December 31, 2023, pursuant to hotel operation and management agreements, certain key employees working at one of our hotels are also employees of the hotel operator. 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 fee, subject to certain exclusions and adjustments including periodic increments. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 93 for details of payments made by us pursuant to these agreements in the previous three Fiscals.

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, with respect to our property 'Courtyard by Marriott Aravali Resort' at Faridabad in Delhi NCR, 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, 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 Sheraton International, Inc. for the global brand Four Points by Sheraton together with a centralised services agreement. 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 and other administrative fees. For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on page 93 for details of payments made by us pursuant to these agreements in the nine months ended December 31, 2023 and December 31, 2022 and past three Fiscals.

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 rental and annuity business

As on the date of this Placement Document, we have developed two operating commercial projects representing approximately 1.21 Msf, adjacent to our hotel properties. These projects are located on freehold land owned directly by our Company. We earn lease and rental income from these properties. We have 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 spaces at suitable rates. In particular, we believe that our track record and the quality of our commercial 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 projects:

Project Name	Location	Leasable Area (Msf)	Month of Completion	Nature of Ownership Interest
The Orb – Retail & Office Tower	Sahar, Mumbai	0.55	June 2014	Freehold
CIGNUS Whitefield Bangalore Tower I	Whitefield, Bengaluru	0.66	February 2023	Freehold

Key parameters for our commercial projects

The table below sets forth certain key parameters for our operational commercial projects:

Particulars	As of, and for nine months ended, December 31, 2023	As of March 31, 2023
Leasable area (in Msf)	1.23	0.6
Revenue (₹ million)	887.16	999.98

Our residential project

We have a residential project, Raheja Vivarea, Koramangala, Bengaluru, which consists of 321 units in nine nearly completed residential towers (of ten floors each) and two new residential towers (of eleven floors each), covering a total saleable area of 0.85 Msf. Further, we also have one commercial tower for strata sale covering a saleable area of 0.15 Msf. As of December 31, 2023, we have sold 125 units and residential saleable area of 0.39 Msf at an average sales price per square feet of ₹ 10,365.01. In Fiscal 2024, we have sold 42 units and residential saleable area of 0.11 Msf at an average sales price per square feet of ₹ 17,871.45. We have also received the occupancy certificate for four towers and the commencement of handover of units is under progress.

We have adopted an integrated real estate development model, with in-house resources to execute our project at every stage of the property development life cycle, commencing from business development, which involves identification of land parcels and the conceptualization of the development, to execution, comprising planning, designing and overseeing the construction activities. We endeavour to ensure that our project provides luxury while being environmentally sustainable.

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 and commercial office.

Hotels under development

Our development pipeline for hotels consists of 870 rooms across four hotels. We classify owned hotels for which: (i) land is owned by us together with relevant agreements, memorandum of understanding or letter of intent having been executed for such use; (ii) relevant construction approvals have been applied for; (iii) our preliminary design plans are complete; and (iv) renovation conversion and addition of new rooms to existing hotels, as hotels under development. The table below provides certain details of our hotels under development:

Location and details of land parcel	Proposed no. of keys	Target completion date	Our ownership interest
Greenfield developments			
Hyatt Regency Navi Mumbai Airoli	280	Fiscal 2027	Leasehold
Taj, Indira Gandhi International Airport, New Delhi	385-390	Fiscal 2026	Leasehold
Brownfield expansions			
The Dukes Retreat, Lonavala	65-70	December 2024	Freehold
Conversion of the Commercial Tower at Bengaluru Marriott Hotel Whitefield complex at hotel rooms	125-130	March 2025	Freehold

Commercial projects under development

Our development pipeline for commercial projects consists of leasable area of approximately 2.00 Msf 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	Leasable area (in Msf)	Expected month of completion	Our ownership interest
CIGNUS Powai Tower I*	Powai, Mumbai	0.9	July 2024	Freehold
CIGNUS Powai Tower II		0.8	Fiscal 2027	Freehold
CIGNUS Whitefield Bangalore Tower II	Whitefield, Bengaluru	0.3	March 2024	Freehold

* *While construction has been completed, we are yet to receive the completion certificate from the relevant authority.*

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. As of December 31, 2023, we have 65 personnel who have competencies in project execution, engineering and architecture. 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, socio-economic environment and adequate present and future 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 enhanced 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 (including e-tendering). 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 design features particular to each hotel in accordance with the respective brand standard, 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.

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. We have received trademark registrations for the 'Chalet' logo and 'CIGNUS' under Classes 35, 36, 37, 39 and 42. Further, the trademark registrations for our hotel, The Dukes Resort, Lonavala, under Class 43 is held under the name of one of our subsidiaries, The Dukes Retreat Private Limited. Additionally, in relation to our commercial asset, 'The Orb', we use the trademark registrations in the name of one of our group companies, pursuant to a name and trademark license agreement. For further details, see "***Risk Factors – Internal Risk Factors – Our inability to protect or use intellectual property rights may adversely affect our business***." on page 66.

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, social and governance

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 Leadership in Energy and Environmental Design ("**USGBC LEED**") criteria in our hotel designs in order to achieve energy and water efficiency. Four of our properties, JW Marriott Mumbai Sahar, Bengaluru Marriott Hotel Whitefield, The Westin Hyderabad HITEC City and The Orb at Sahar, Mumbai are USGBC LEED Gold certified, and we ensure that all our upcoming properties adhere to globally recognised building standards. Over time, environmental and cost saving measures implemented at certain of our hotels by us include:

- energy management systems such as use of energy-saving LED lighting, solar panels and other energy efficient devices;
- water and waste management, through, *inter alia*, installation of organic waste composters in our properties, and recycling of waste water through rainwater harvesting systems;
- auto time management (for lighting, air-conditioning and ventilation fans) through timers and motion sensors;
- sourcing and contracting green power, which is less expensive than the traditional coal-based electricity, from third parties for the energy requirements of our hotels;
- usage of solar panels at three of our operating hotels and electric cars at all of our operational assets (excluding The Dukes Retreat, Lonavala, which is currently under renovation), with seven of our operational assets being equipped with charging stations for electric vehicles accessible to both employees and visitors; and
- building management systems.

We are the first hospitality company which has signed up for three initiatives of The Climate Group, an international non-profit organisation, including RE 100, EP 100 and EV 100 are also a member at the United Nations Global Compact. We sourced 78% of our electricity from renewable sources in Fiscal 2023 and are strategically invest in technology and IoT-enabled solutions to address reduction in energy consumption. We are also a signatory to the 'G20 Business Letter' and are a member of the Confederation of Indian Industry – India Business and Biodiversity Initiative (CII-IBBI), which develops and provides inputs on the interface of industry with biodiversity conservation and sustainable management of ecosystem services.

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. 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***" on page 63.

We also have a strong and diverse corporate governance system, with 22% of our workforce being women and 57% of our directors being independent directors, as of December 31, 2023. Further, we opened an all-women operated hotel, The Westin Hyderabad HITEC City in July 2023. We also actively train and hire people with disabilities under our 'Skill Development Initiative', in association with the Trust for Retailers and Retail Associates of India.

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, fire insurance, business interruptions, cyber crime and terrorism. We also maintain directors' and officers' liability insurance for our management personnel, health insurance for our employees and a commercial general liability policies. We believe that the insurance policies that we currently hold are adequate for our business and operations and in keeping with industry standards.

Employees

As of December 31, 2023, we employed 2,078 permanent employees across our owned and leased or licensed properties, including our Corporate Office, as described in the following table, by function:

Particulars	Number of employees
Hotel Operations	
Rooms	679
Food and beverages	966
Sales and marketing	84
Administration	223
Hotel Operations Total	**1,952**
Accounts	8
Secretarial and Legal	8
Projects, Engineering and Architecture	65
Contracts and Purchase	9
HR and Administration	4
Security	6
Sales and Marketing	5
Chief Executive Officer's Office	5
Commercial	2
Asset management	8
Others	6
Total	**2,078**

In addition to our permanent employees, we utilize 883 personnel, as of December 31, 2023, 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 and medical reimbursements. We believe these initiatives lead to an engaged and committed workforce. We have external unions at certain of our hotel properties, namely, JW Marriott Mumbai Sahar, The Westin Mumbai Powai Lake and Novotel Pune Nagar Road, with whom we believe we have an effective working relationship. For further details, see "***Risk Factors – Internal Risk Factors – We derive substantial revenue from our hotels managed by Marriott and Accor, which collectively contributed ₹ 9,689.69 million or 85.87%, to our total revenue from operations in Fiscal 2023. 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 page 44.

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 and partnerships with third party organizations. We conduct and participate in several such initiatives, including:

- blood donation camps at Bengaluru Marriott Hotel Whitefield and JW Marriott Mumbai Sahar, in association with local hospitals and blood banks;
- partnership with TRRAIN, where we train and help in skill development for people with physical disabilities; and
- clothes and stationery donation at the Cottolengo Special School in Bengaluru for children with autism and cerebral palsy.

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.

For further details, 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 58.

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 Corp pursuant to a license agreement dated March 4, 2024, valid till June 30, 2028. For further details, see "***Risk Factors – Internal Risk Factors – We do not own the land on which our Registered and Corporate Office is situated.***" on page 60.

For details of our owned hotel and commercial properties, see "***– Our Hotel Business –Hotels managed by third party hotel operators***", "***– Our Hotel Business –Hotels operated by us***" and "– ***Our rental and annuity business***" on pages 165, 167 and 171, respectively.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Under our Articles of Association, our Board shall comprise not less than three Directors and not more than 15 Directors. As on the date of this Placement Document, we have seven Directors on our Board, comprising one executive Director and six Non-Executive Directors, including 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.

The following table sets forth the details regarding our Board of Directors as on the date of this Placement Document:

Name, Address, Occupation, Term, Nationality and DIN	Age	Designation
Hetal Gandhi *Address:* B/2, 1203, Vivarea Sane Guruji Marg, Jacob Circle, Mahalaxmi, Mumbai 400 011, Maharashtra, India *Occupation*: Professional *Nationality:* Indian *Term:* Five years with effect from June 12, 2023 *DIN:* 00106895	58 years	Chairman and Independent Director
Ravi C. Raheja *Address:* 4th Floor, Raheja House, Auxilium Convent Road, Pali Hill, Bandra (West), Mumbai 400 050, Maharashtra, India *Occupation*: Business *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00028044	52 years	Non-Executive Director
Neel C. Raheja *Address:* 4th Floor, Raheja House, Auxilium Convent Road, Pali Hill, Bandra (West), Mumbai 400 050, Maharashtra, India *Occupation*: Business *Nationality:* Indian *Term:* Liable to retire by rotation *DIN:* 00029010	49 years	Non-Executive Director
Sanjay Sethi *Address:* 3302 World One West Wing, Senapati Bapat Marg, Lower Parel, Delisle Road, Mumbai 400 013, Maharashtra, India *Occupation*: Service *Nationality:* Indian *Term:* Until January 31, 2026 and liable to retire by rotation *DIN:* 00641243	59 years	Managing Director and Chief Executive Officer
Arthur William De Haast	66 years	Independent Director

Name, Address, Occupation, Term, Nationality and DIN	Age	Designation
Address: Sheepleas House, Epsom Road, Leatherhead, West Horsley - KT24 6AL, United Kingdom *Occupation*: Service *Nationality:* British *Term:* Four years with effect from June 12, 2023 *DIN:* 07893738		
Joseph Conrad D'Souza *Address:* 501 & 502, Hasmukh Mansion, Plot No.- 375, 14th Road, Khar, Mumbai 400 052, Maharashtra, India *Occupation*: Service *Nationality:* Indian *Term:* Four years with effect from June 12, 2023 *DIN:* 00010576	64 years	Independent Director
Radhika Piramal *Address:* 50 Apartment 8, Furnival House, Cholmoley Park. London. N65AD, Great Britain *Occupation*: Industrialist *Nationality:* British *Term:* Five years with effect from June 12, 2023 *DIN:* 02105221	45 years	Independent Director

Relationship with other Directors

Apart from Ravi C. Raheja and Neel C. Raheja, who are brothers, none of our Directors are related to each other.

Borrowing powers of our Board

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.

Interest of our Directors

Our Directors may be deemed to be interested to the extent of their remuneration, sitting fees and commission, if any, payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses payable to them, and the Managing Director and Chief Executive Officer of our Company may be deemed to be interested to the extent of remuneration paid to him for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares and/or Preference Shares held by them, if any, or held by or that which may be subscribed by or allotted to their relatives or the companies, firms or trusts, HUFs in which they are interested as directors, members, partners, *karta*, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and/or Preference Shares and any other benefits arising out of such holding. Additionally, the Managing Director and Chief Executive Officer may be interested to the extent of stock options that have been granted to him under ESOP 2022. For further details, see "– ***Shareholding of Directors***" on page 179.

Except as stated in "***Financial Information***" on page 245, and as disclosed in this section, our Directors do not have any other interest in the business of our Company.

Except as disclosed below, our Company has not availed any loans from any of our Directors.

Sr No.	Name	Loan Amount (₹)
1.	Ravi C. Raheja	550,000,000
2.	Neel C. Raheja	550,000,000

Furthermore, our Directors have not taken any loans from our Company.

Except as provided in "***Related Party Transactions***" on page 43, our Directors do not have any interest in any property acquired or proposed to be acquired of our Company or by our Company.

Except as provided in "***Related Party Transactions***" on page 43, our Company has not entered into any contract, agreement or arrangement during the three Fiscals and nine months ended December 31, 2023 immediately preceding the date of this Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

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 Placement Document.

Shareholding of Directors

Our Articles of Association do not require our Directors to hold any qualification shares.

As on the date of this Placement Document, our Directors hold the following number of the Equity Shares and/or Preference Shares:

Names of Directors	Number of Equity Shares	Percentage of shareholding (%)
Equity Shares		
Ravi C. Raheja	5,163,159	2.51
Neel C. Raheja	10,326,318	5.03
Sanjay Sethi*	1,000	Negligible
Joseph Conrad D'Souza	689	Negligible
Preference Shares – Series A NCRPS		
Ravi C. Raheja	2,325	23.25%
Neel C. Raheja	2,325	23.25%
Preference Shares- Series B NCRPS		
Ravi C. Raheja	2,325	23.25%
Neel C. Raheja	2,325	23.25%

**Sanjay Sethi has been granted 480, 857 employee stock options under the ESOP 2022. For details of the options under the ESOP Schemes, see "Capital Structure – Employee Stock Option Plan" on page 89.*

Remuneration of Directors

The Compensation, Nomination and Remuneration Committee determines and recommends to our Board the compensation payable to our Directors. Our Board and/or the shareholders, as the case may be, approves such compensation to Directors.

Pursuant to a resolution passed by our Board of Directors dated November 8, 2019, our Company is required to pay to each of our Non- Executive Directors and Independent Directors, ₹ 100,000 for attending each meeting of our Board, ₹ 50,000 for attending Audit Committee and ₹ 25,000 for attending the meeting of Stakeholders' Relationship Committee, Corporate Social Responsibility and ESG Committee, Compensation, Nomination and Remuneration Committee and Finance Committee of our Board.

The table below sets forth the remuneration paid to our existing Managing Director and Chief Executive Officer for the nine months period ended December 31, 2023 and the last three Fiscals:

Name	Designation	Nine month period ended December 31, 2023 (₹)	Fiscal 2023 (₹)	Fiscal 2022 (₹)	Fiscal 2021 (₹)
Sanjay Sethi	Managing Director and Chief Executive Officer	38,026,768	49,280,185	44,583,495	40,841,264

The table below sets forth the details of the remuneration (including sitting fees and commission) paid to our Non-Executive Directors, including our Independent Directors for the nine months period ended December 31, 2023 and the last three Fiscals:

Name	Designation	Nine month period ended December 31, 2023 (₹)	Fiscal 2023 (₹)	Fiscal 2022 (₹)	Fiscal 2021 (₹)
Ravi C. Raheja	Non-Executive Director	625,000	575,000	900,000	775,000
Neel C. Raheja	Non-Executive Director	675,000	675, 000	675,000	700,000
Hetal Gandhi	Chairman and Independent Director	725,000	850,000	950,000	775,000
Radhika Piramal	Independent Director	600,000	475,000	450,000	525,000
Arthur William De Haast	Independent Director	1,213,030	2,833,156	3,070,196	1,908,717
Joseph Conrad D'Souza	Independent Director	850,000	900,000	950,000	875,000

Terms and conditions of employment of our Managing Director and Chief Executive Officer

Sanjay Sethi, Managing Director and Chief Executive Officer

Sanjay Sethi was appointed as our Chief Executive Officer on February 5, 2018 and thereafter appointed as our Managing Director and Chief Executive Officer until January 31, 2026 with effect from February 9, 2024 pursuant to the resolution passed by our Board on May 9, 2023 and our shareholders on August 10, 2023.

Pursuant to our Board resolution dated May 9, 2023, our shareholders on August 10, 2023 and the employment agreement dated March 5, 2024, Sanjay Sethi is entitled to remuneration as enumerated below:

Basic salary:	₹ 20,672,400 per annum
House rent allowance:	₹ 10,336,200 per annum
Flexi balance:	₹ 5,989,104 per annum
Allowance and perquisites:	₹ 4,902,288 per annum.
Bonus:	Statutory bonus: ₹ 1,722,012 per annum and variable bonus*: upto 5,000,000 per annum
Entertainment and travel expenses incurred by the Managing Director and Chief Executive Officer shall be reimbursed at actuals as per our Company's policy from time to time.	

* *Performance bonus, as deemed fit, may be paid, upon approval of the Compensation, Nomination and Remuneration Committee.*

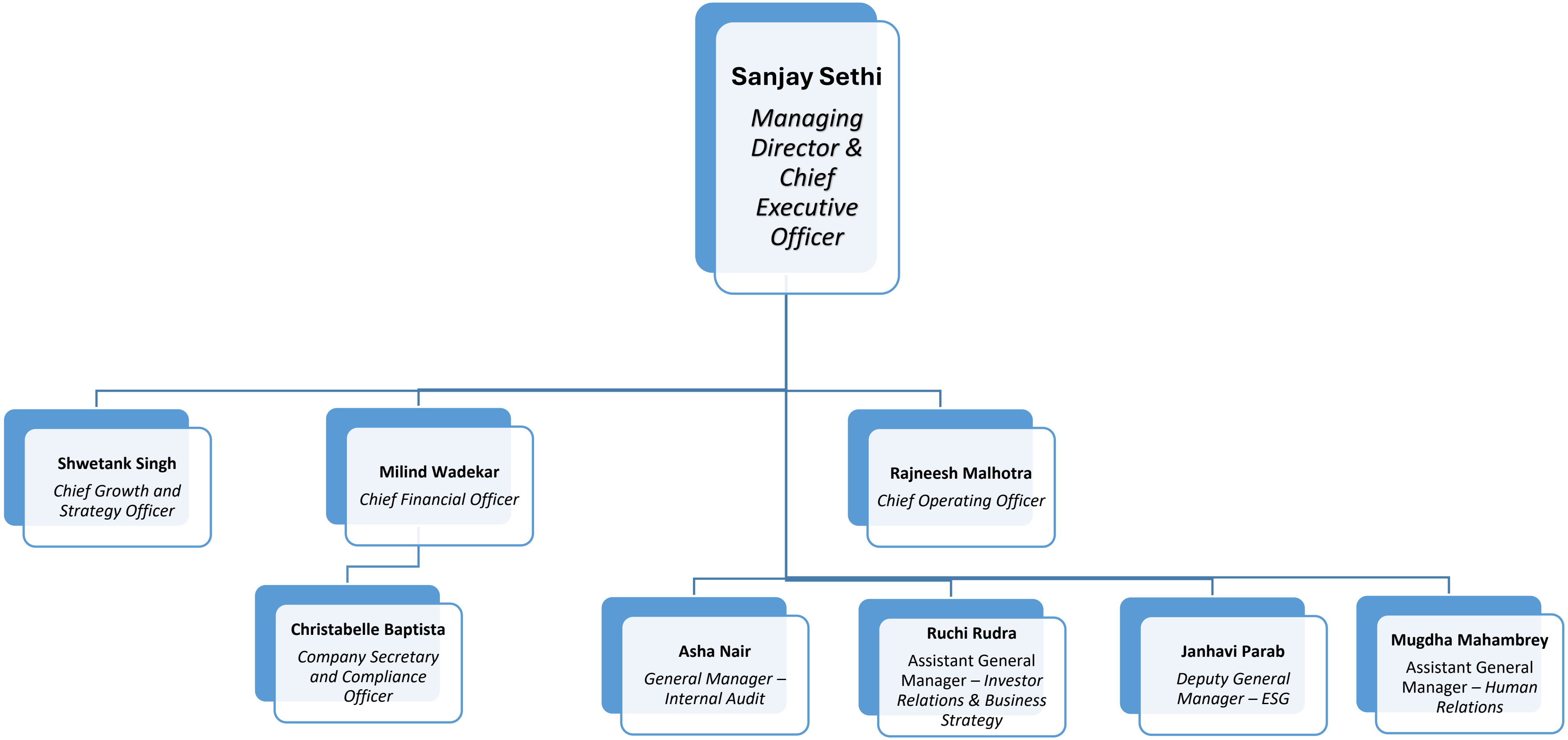
Bonus or profit-sharing plan of the Directors

Except as stated in "– ***Terms and conditions of employment of our Managing Director and Chief Executive Officer***" above, our Company does not have any bonus or profit-sharing plan with our Directors.

Service contracts with Directors

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

Organization Chart of our Company



Corporate Governance

Our Company is in compliance with the requirements of applicable law, including the Companies Act, 2013 and the SEBI Listing Regulations in respect of corporate governance, including constitution of our Board and committees thereof. Our Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The statutory committees of our Board are: (i) Audit Committee; (ii) Compensation, Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Corporate Social Responsibility and ESG Committee; and (v) Risk Management Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

Committee	Name and Designation of the Members
Audit Committee	Joseph Conrad D'Souza (Chairperson)
	Hetal Gandhi (Member)
	Arthur William De Haast (Member)
	Ravi C. Raheja (Member)
Compensation, Nomination and Remuneration Committee	Radhika Piramal (Chairperson)
	Arthur William De Haast (Member)
	Joseph Conrad D'Souza (Member)
	Neel C. Raheja (Member)
Stakeholders' Relationship Committee	Joseph Conrad D'Souza (Chairperson)
	Ravi C. Raheja (Member)
	Neel C. Raheja (Member)
	Sanjay Sethi (Member)
Risk Management Committee	Arthur William De Haast (Chairperson)
	Joseph Conrad D'Souza (Member)
	Neel C. Raheja (Member)
	Sanjay Sethi (Member)
	Milind Wadekar (Member)
	Rajneesh Malhotra (Member)
Corporate Social Responsibility and ESG Committee	Hetal Gandhi (Chairperson)
	Radhika Piramal (Member)
	Neel C. Raheja (Member)
	Sanjay Sethi (Member)

Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company. In addition to Sanjay Sethi, the Managing Director and Chief Executive Officer, the details of our other Key Managerial Personnel in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Placement Document, are set out below:

Sr No.	Name	Designation
1.	Shwetank Singh	Chief growth and strategy officer
2.	Milind Wadekar	Chief Financial Officer
3.	Rajneesh Malhotra	Chief operating officer
4.	Christabelle Baptista	Company Secretary and Compliance Officer

Members of the Senior Management

All our members of the Senior Management are permanent employees of our Company. In addition to Milind Wadekar, our Chief Financial Officer and Christabelle Baptista, our Company Secretary and Compliance Officer, who are also our Key Managerial Personnel and whose details have been disclosed above, the details of the members of the Senior Management of our Company as on the date of this Placement Document, are set out below:

Sr No.	Name	Designation
1.	Asha Nair	General manager - internal audit
2.	Ruchi Rudra	Assistant general manager - investor relations and

Sr No.	Name	Designation
		business strategy
3.	Janhavi Parab	Deputy general manager - ESG & sustainability
4.	Mugdha Mahambrey	Assistant general manager – human resources

Shareholding of our Key Managerial Personnel and Senior Management

Except as disclosed below and above in "– ***Shareholding of Directors***" on page 179, as on the date of this Placement Document, the Key Managerial Personnel and members of the Senior Management do not hold any Equity Shares in our Company:

Name	Number of Equity Shares	Percentage shareholding (%)
Key Managerial Personnel		
Milind Wadekar*	46,983	0.022
Christabelle Baptista**	10,000	0.004
Rajneesh Malhotra&	6,321	0.003
Shwetank Singh^	Nil	Nil
Senior Management		
Asha Nair	Nil	Nil
Ruchi Rudra#	Nil	Nil
Janhavi Parab	Nil	Nil
Mugdha Mahambrey	Nil	Nil

**Milind Wadekar has been granted 95,390 employee stock options under the ESOP 2022. For details of the options under the ESOP Schemes, see "Capital Structure – Employee Stock Option Plan" on page 89.*

*** Christabelle Baptista has been granted 34,306 employee stock options under the ESOP 2022. For details of the options under the ESOP Schemes, see "Capital Structure – Employee Stock Option Plan" on page 89.*

^ Shwetank Singh has been granted 303,738 employee stock options under the ESOP 2023. For details of the options under the ESOP Schemes, see "Capital Structure – Employee Stock Option Plan" on page 89.

& Rajneesh Malhotra has been granted 164,349 employee stock options under the ESOP 2022. For details of the options under the ESOP Schemes, see "Capital Structure – Employee Stock Option Plan" on page 89.

 # Ruchi Rudra has been granted 44,227 employee stock options under the ESOP 2022. For details of the options under the ESOP Schemes, see "Capital Structure – Employee Stock Option Plan" on page 89.

Relationship amongst our Key Managerial Personnel and Senior Management and Directors

Except as disclosed in *"– **Relationship with other Directors**"* on page 178, none of our Key Managerial Personnel or members of the Senior Management are related to each other or to the Directors.

Interest of Key Managerial Personnel and Senior Management

Other than as disclosed in the *"**– Interest of our Directors**"* on page 178, our Key Managerial Personnel and members of the Senior Management do not have any interest in our Company other than to the extent of the remuneration, benefits or employee stock options to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them or their dependents in our Company, if any. The Key Managerial Personnel and members of the Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel and members of Senior Management was selected as a key managerial personnel or member of senior management.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals and the nine months period ended December 31, 2023, as per the requirements under Ind AS 24 – Related Party Transactions, see "***Related Party Transactions***" on page 43.

Other confirmations

None of the Directors, Promoters or Key Managerial Personnel or members of Senior Management of our Company has any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Our Promoters, Directors, Key Managerial Personnel and members of Senior Management do not intend to subscribe to and will not participate in the Issue.

Neither our Company, nor any of our Directors or Promoters have been declared as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the Reserve Bank of India as defined under SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI.

None of our Directors or Promoters have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct namely the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" and "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons" for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Christabelle Baptista, our Company Secretary and Compliance Officer, acts as the 'compliance officer' of our Company under the aforesaid code of conduct for the prevention of insider trading.

ORGANIZATIONAL STRUCTURE

Corporate History

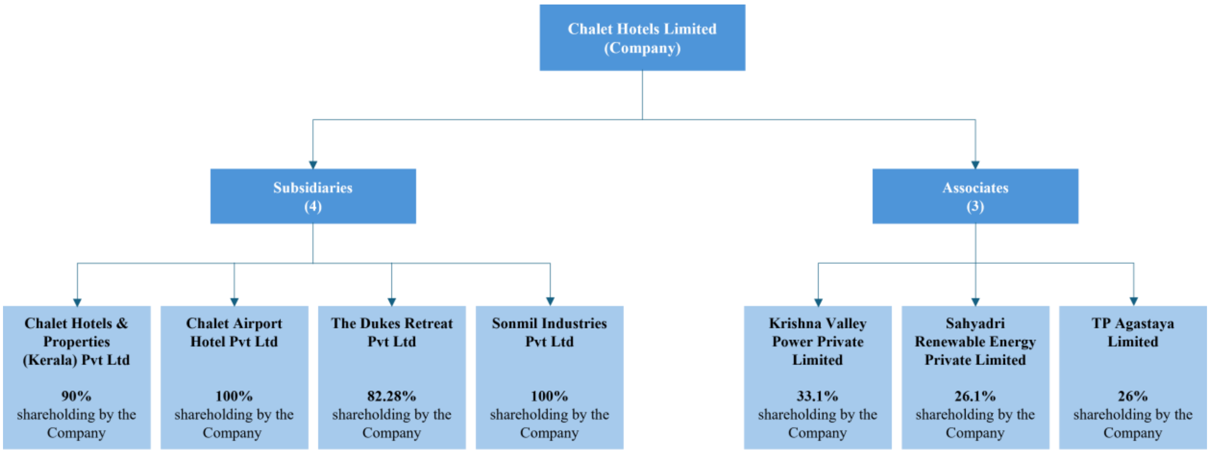
Our Company was originally incorporated as "Kenwood Hotels Private Limited" on January 6, 1986, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation granted by the RoC. Our Company was converted into a public company under section 43A (1B) of the Companies Act, 1956 and, consequently our name was changed to "Kenwood Hotels Limited" with effect from July 19, 1997. 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".

The Equity Shares are listed on BSE and NSE since February 7, 2019.

Our Company's CIN is L55101MH1986PLC038538.

Organizational Structure

The organizational structure of our Company as on the date of this Placement Document is as follows:



Subsidiaries

As on the date of this Placement Document, our Company has four Subsidiaries as set forth below:

1. Chalet Hotels & 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 corporate identification number 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 ₹280,000,000 divided into 28,000,000 equity shares of ₹10 each and its paid-up share capital is ₹ 277,877,700 divided into 27,787,770 equity shares of ₹10 each. Our Company currently holds 90.00% of the issued equity share capital of Chalet Kerala.

2. Chalet Airport Hotel Private Limited ("Chalet Airport")

Chalet Airport was incorporated on August 18, 2022, as a private company under the Companies Act, 2013. It's CIN is U55101MH2022PTC388704 and its registered office is located at Level 4, Raheja Tower, Plot No C 30, Block G, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India.

The authorized share capital of Chalet Airport is ₹100,000,000 divided into ₹10,000,000 equity shares of ₹10 each and its paid-up share capital is ₹1,000,000 divided into 100,000 equity shares of ₹10 each. Our Company currently holds 100.00% of the issued equity share capital of Chalet Airport.

3. The Dukes Retreat Private Limited ("Dukes Retreat")

Dukes Retreat was originally incorporated on February 19, 1968 as 'Mayoor Hoteliers and Entertainers Private Limited' under the Companies Act, 1956. The name of the company was changed to The Dukes Retreat Private Limited on October 06, 1988. Thereafter, the status of the company was changed from a private company into a deemed to be public company on July 01, 1996. Subsequently, a fresh certificate of incorporation consequent upon conversion to private limited company was issued in the name of "The Dukes Retreat Private Limited" on April 5, 2016. It's CIN is U55200MH1968PTC013933 and its registered office is located at 4th Floor, Raheja Tower, Plot No. C 30, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

The authorized share capital of Dukes Retreat is ₹25,000,000 divided into 25,000 equity shares of ₹1000 each and its paid-up share capital is ₹22,573,000 divided into 22,573 equity shares of ₹1000 each. Our Company currently directly holds 82.28% of the issued equity share capital of Dukes Retreat and 17.72% through Sonmil Industries.

4. Sonmil Industries Private Limited ("Sonmil Industries")

Sonmil Industries was originally incorporated on March 10, 1976 as 'Sonmil Investments Private Limited' under the Companies Act, 1956. The name of the company was changed to 'Sonmil Industries Private Limited' and a fresh certificate of incorporation pursuant to change of name was issued on March 2, 2015. It's CIN is U68100MH1976PTC018883 and its registered office is located at 4th Floor, Raheja Tower, Plot No. C 30, Block G, Next to Bank of Baroda, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

The authorized share capital of Sonmil Industries is ₹3,100,000 divided into 31,000 equity shares of ₹100 each and its paid-up share capital is ₹3,008,200 divided into 30,082 equity shares of ₹100 each. Our Company currently holds 100.00% of the issued equity share capital of Sonmil Industries.

As on the date of this Placement Document, we do not have any material subsidiaries, in terms of SEBI ICDR Regulations.

Associate Companies

As on the date of this Placement Document, our Company has three associate companies in accordance with the provisions of the Companies Act, 2013, namely Krishna Valley Power Private Limited, Sahyadri Renewable Energy Private Limited and TP Agastaya Limited. While the company holds 33.1%, 26.1% and 26% shares in Krishna Valley Power Private Limited, Sahyadri Renewable Energy Private Limited and TP Agastya Limited, respectively, however, it does not have the ability to participate and neither is involved in the operations of relevant activities of these companies/entities. Hence, the aforementioned entities have not been considered as Associate companies in the consolidation of financial statements.

Joint venture

As on the date of this Placement Document, our Company has no joint venture.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on December 31, 2023 is set forth below:

Table I - Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII)=(IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub-category	Sub-category	Sub-category
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)	(i)	(ii)	(iii)
(A)	Promoter & Promoter Group	15	147,262,680	0	0	147,262,680	71.70	147,262,680	0	147,262,680	71.70	0	71.70	0	0.00	47,023,720	31.93	147,262,680	NA	NA	NA
(B)	Public	51,797	58,132,024	0	0	58,132,024	28.30	58,132,024	0	58,132,024	28.30	0	28.30	0	0.00	NA	NA	58,132,024	0	0	0
(C)	Non Promoter-Non Public																				
(C1)	Shares underlying DRs	0	0	0	0	0	NA	NA	NA	NA	NA	0	0.00	0	0.00	NA	NA	0	NA	NA	NA
(C2)	Shares held by Employes Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0	NA	NA	NA
	Total:	**51,812**	**205,394,704**	**0**	**0**	**205,394,704**	**100.00**	**205,394,704**	**0**	**205,394,704**	**100.00**	**0**	**100.00**	**0**	**0.00**	**47,023,720**	**22.89**	**205,394,704**	**0**	**0**	**0**

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Shareholder type	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held			Shareholding (No. of shares) under		
								Class X	Class Y	Total										Sub-category	Sub-category	Sub-category
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)	(XIV)	(i)	(ii)	(iii)
(1)	Indian																					
(a)	Individuals/Hindu undivided Family	3	23,269,777	0	0	23,269,777	11.33	23,269,777	0	23,269,777	11.33	0	11.33	0	0.00	0	0.00	23,269,777				
	Neel Chandru Raheja	1	10,326,318	0	0	10,326,318	5.03	10,326,318	0	10,326,318	5.03	0	5.03	0	0.00	0	0.00	10,326,318	Promoter			
	Ravi Chandru Raheja	1	5,163,159	0	0	5,163,159	2.51	5,163,159	0	5,163,159	2.51	0	2.51	0	0.00	0	0.00	5,163,159	Promoter			
	Jyoti Chandru Raheja	1	7,780,300	0	0	7,780,300	3.79	7,780,300	0	7,780,300	3.79	0	3.79	0	0.00	0	0.00	7,780,300	Promoter Group			
(b)	Central Government/State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0				
(c)	Financial Institutions/Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0				
(d)	Any Other	11	118,829,744	0	0	118,829,744	57.85	118,829,744	0	118,829,744	57.85	0	57.85	0	0.00	47,023,720	39.57	118,829,744				
	Ivory Properties and Hotels Private Ltd	1	35,71,533	0	0	3,571,533	1.74	3,571,533	0	3,571,533	1.74	0	1.74	0	0.00	0	0.00	3,571,533	Promoter			
	K Raheja Private Limited	1	124,00,000	0	0	12,400,000	6.04	12,400,000	0	12,400,000	6.04	0	6.04	0	0.00	0	0.00	12,400,000	Promoter			
	K Raheja Corp Private Limited	1	3,785,824	0	0	3,785,824	1.84	3,785,824	0	3,785,824	1.84	0	1.84	0	0.00	0	0.00	3,785,824	Promoter			
	Touchstone Properties and Hotels Pvt Ltd	1	14,500,000	0	0	14,500,000	7.06	14,500,000	0	14,500,000	7.06	0	7.06	0	0.00	14,400,000	99.31	14,500,000	Promoter			
	Genext Hardware and Parks Private Ltd	1	800,000	0	0	800,000	0.39	800,000	0	800,000	0.39	0	0.39	0	0.00	0	0.00	800,000	Promoter			
	Cape Trading LLP	1	13,116,180	0	0	13,116,180	6.39	13,116,180	0	13,116,180	6.39	0	6.39	0	0.00	13,116,180	100.00	13,116,180	Promoter			
	Casa Maria Properties LLP	1	16,496,280	0	0	16,496,280	8.03	16,496,280	0	16,496,280	8.03	0	8.03	0	0.00	0	0.00	16,496,280	Promoter			
	Capstan Trading LLP	1	16,495,680	0	0	16,495,680	8.03	16,495,680	0	16,495,680	8.03	0	8.03	0	0.00	2,995,680	18.16	16,495,680	Promoter			
	Palm Shelter Estate	1	8,052,387	0	0	8,052,387	3.92	8,052,387	0	8,052,387	3.92	0	3.92	0	0.00	0	0.00	8,052,387	Promoter			

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities: No of Voting Rights: Class X	No of Voting Rights: Class Y	No of Voting Rights: Total	Total as a % of (A+B+C)	No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares: No.	Number of Locked in Shares: As a % of total Shares held	Number of Shares pledged or otherwise encumbered: No.	Number of Shares pledged or otherwise encumbered: As a % of total Shares held	Number of equity shares held in dematerialized form	Shareholder type	Sub-categorization of shares: Shareholding (No. of shares) under: Sub-category	Sub-category	Sub-category
	Development LLP																					
	Raghukool Estate Developement LLP	1	16,495,680	0	0	16,495,680	8.03	16,495,680	0	16,495,680	8.03	0	8.03	0	0.00	3,395,680	20.59	16,495,680	Promoter			
	Anbee Constructions LLP	1	13,116,180	0	0	13,116,180	6.39	13,116,180	0	13,116,180	6.39	0	6.39	0	0.00	13,116,180	100.00	13,116,180	Promoter			
	Sub-Total (A)(1)	**14**	**142,099,521**	**0**	**0**	**142,099,521**	**69.18**	**142,099,521**	**0**	**142,099,521**	**69.18**	**0**	**69.18**	**0**	**0.00**	**47,023,720**	**33.09**	**142,099,521**				
(2)	Foreign																					
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	1	5,163,159	0	0	5,163,159	2.51	5,163,159	0	5,163,159	2.51	0	2.51	0	0.00	0	0.00	5,163,159				
	Sumati Ravi Raheja	1	5163159	0	0	5163159	2.51	5163159	0	5163159	2.51	0	2.51	0	0.00	0	0.00	5,163,159	Promoter Group			
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0				
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0				
						0																
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0				
						0																
(e)	Any Other	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0				
						0																
	Sub-Total (A)(2)	**1**	**5,163,159**	**0**	**0**	**5,163,159**	**2.51**	**5,163,159**	**0**	**5,163,159**	**2.51**	**0**	**2.51**	**0**	**0.00**	**0**	**0.00**	**5,163,159**				
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**15**	**147,262,680**	**0**	**0**	**147,262,680**	**71.70**	**147,262,680**	**0**	**147,262,680**	**71.70**	**0**	**71.70**	**0**	**0.00**	**47,023,720**	**31.93**	**147,262,680**				

Our Company has created a pledge in favour of IDBI Trusteeship Services Ltd. for benefit of HDFC Bank

Ivory Properties and Hotels Private Limited (Registered owner) holds 104 Equity Shares for and on behalf of the beneficiaries of Ivory Property Trust (Promoter), out of its total shareholding of 35,71,533 Equity Shares

Table III - Statement showing shareholding pattern of the public shareholder

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub-category	Sub-category	Sub-category
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)	(i)	(ii)	(iii)
(1)	Institutions																				
(a)	Mutual Funds	12	37,787,171	0	0	37,787,171	18.40%	37,787,171	0	37,787,171	18.40%	0	18.40%	0	0.00	NA	NA	37,787,171	0	0	0
	ICICI Prudential	1	4,473,934			4,473,934	2.18%	4,473,934	0	4,473,934	2.18%	0	2.18%	0	0.00	NA	NA	4,473,934	0	0	0
	Aditya Birla Sun Life Trustee Private Limited	1	2,311,030	0	0	2,311,030	1.13%	2,311,030	0	2,311,030	1.13%	0	1.13%	0	0.00	NA	NA	2,311,030	0	0	0
	HDFC Mutual Fund	1	6,609,261	0	0	6,609,261	3.22%	6,609,261	0	6,609,261	3.22%	0	3.22%	0	0.00	NA	NA	6,609,261	0	0	0
	Nippon Life India Trustee Ltd	1	7,581,737	0	0	7,581,737	3.69%	7,581,737	0	7,581,737	3.69%	0	3.69%	0	0.00	NA	NA	7,581,737	0	0	0
	Sundaram Mutual Fund	1	3,427,234	0	0	3,427,234	1.67%	3,427,234	0	3,427,234	1.67%	0	1.67%	0	0.00	NA	NA	3,427,234	0	0	0
	SBI Consumption Opportunities Fund	1	12,126,368	0	0	12,126,368	5.90%	12,126,368	0	12,126,368	5.90%	0	5.90%	0	0.00	NA	NA	12,126,368	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0.00%	0	0	0	0.00%	0	0.00%	0	0.00	NA	NA	0			
(c)	Alternate Investment Funds	5	671,927	0	0	671,927	0.33%	671,927	0	671,927	0.33%	0	0.33%	0	0.00	NA	NA	671,927	0	0	0
(d)	Banks	0	0	0	0	0	0.00%	0	0	0	0.00%	0	0.00%	0	0.00	NA	NA	0			
(e)	Insurance Companies	4	4,078,648	0	0	4,078,648	1.99%	4,078,648	0	4,078,648	1.99%	0	1.99%	0	0.00	NA	NA	4,078,648	0	0	0
(f)	Provident Funds/Pension Funds																				
(g)	Asset reconstruction companies																				
(h)	Sovereign Wealth Funds																				
	NBFCs registered with RBI																				
	Other Financial Institutions																				
(i)	Any Other																				
	Sub Total (B)(1)	**21**	**42,537,746**	**0**	**0**	**42,537,746**	**20.71%**	**42,537,746**	**0**	**42,537,746**	**20.71%**	**0**	**20.71%**	**0**	**0.00**	**NA**	**NA**	**42,537,746**	**0**	**0**	**0**
	Institutions (Foreign)																				
	Foreign Direct Investment																				
	Foreign Venture Capital Investors																				
	Sovereign Wealth Funds																				
	Foreign Portfolio Investors Category I	79	6,160,523	0	0	6,160,523	3.00%	6,160,523	0	6,160,523	3.00%	0	3.00%	0	0.00	NA	NA	6,160,523	0	0	0

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub-category	Sub-category	Sub-category
	Foreign Portfolio Investors Category II	4	186875	0	0	186875	0.09%	186875	0	186,875	0.09%	0	0.09%	0	0.00	NA	NA	186,875	0	0	0
	Overseas Depositories (holding DRs) (balancing figure)																				
	Any Other																				
	Sub Total (B)(2)	**83**	**6,347,398**	**0**	**0**	**6,347,398**	**3.09%**	**6,347,398**	**0**	**6,347,398**	**3.09%**	**0**	**3.09%**	**0**	**0.00**	**NA**	**NA**	**6,347,398**	**0**	**0**	**0**
	Central Government/President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00%	0	0.00	NA	NA	0	0	0	0
	State Government/ Governor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00%	0	0.00	NA	NA	0	0	0	0
	Shareholding by Companies or Bodies Corporate where Central/ State Government is a promoter	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00%	0	0.00	NA	NA	0	0	0	0
	Sub Total (B)(3)	**0**	**0**	**0**	**0**	0	**0.00**	0	**0**	0	**0.00**	**0**	**0.00%**	**0**	**0.00**	**NA**	**NA**	0	**0**	**0**	**0**
	Non-Institutions									0											
	Associate companies/ Subsidiaries																				
	Directors and their relatives (excluding independent directors and nominee directors)	1	1,000	0	0	1,000	0.00%	1,000	0	1,000	0.00	0	0.00%	0	0.00	NA	NA	1,000	0	0	0
	Key Managerial Personnel																				
	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' Category																				
	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author																				

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub-category	Sub-category	Sub-category
	of the trust'																				
	Investor Education and Protection Fund (IEPF)																				
	Resident Individuals holding nominal share capital up to Rs.2 lakhs	49,938	4,880,947	0	0	4,880,947	2.38%	4,880,947	0	4,880,947	2.38%	0	2.38%	0	0.00	NA	NA	4,880,947	0	0	0
	Resident Individuals holding nominal share capital in excess of Rs.2 lakhs	14	777,201	0	0	777,201	0.38%	777,201	0	777,201	0.38%	0	0.38%	0	0.00	NA	NA	777,201	0	0	0
	Non Resident Indians (NRIs)	920	236,066	0	0	236,066	0.11%	236,066	0	236,066	0.11%	0	0.11%	0	0.00	NA	NA	236,066	0	0	0
	Foreign Nationals	0	0	0	0	0	0.00%	0	0	0	0.00%	0	0.00%	0	0.00	NA	NA	0	0	0	0
	Foreign Companies		0	0	0	0	0.00%	0	0	0	0.00%	0	0.00%	0	0.00	NA	NA	0	0	0	0
	Bodies Corporate	341	2,903,152	0	0	2,903,152	1.41%	2,903,152	0	2,903,152	1.41%	0	1.41%	0	0.00	NA	NA	2,903,152	0	0	0
	Any Other	479	448,514	0	0	448,514	0.22%	448,514	0	448,514	0.22%	0	0.22%	0	0.00	NA	NA	448,514	0	0	0
	Clearing members	7	301,964	0	0	301,964	0.15%	301,964	0	301,964	0.15%	0	0.15%	0	0.00	NA	NA	301,964	0	0	0
	HUF	465	145,011	0	0	145,011	0.07%	145,011	0	145,011	0.07%	0	0.07%	0	0.00	NA	NA	145,011	0	0	0
	Trusts	6	1,389	0	0	1,389	0.00%	1,389	0	1,389	0.00%	0	0.00%	0	0.00	NA	NA	1,389	0	0	0
	Firm	1	150	0	0	150	0.00%	150	0	150	0.00%	0	0.00%	0	0.00	NA	NA	150	0	0	0
	Sub Total (B)(4)	**51,693**	**9,246,880**	**0**	**0**	**9,246,880**	**4.50%**	**9,246,880**	**0**	**9,246,880**	**0.00%**	**0**	**4.50%**	**0**	**0.00**	**NA NA**	**9,246,880**	**0**	**0**	**0**	
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)	**51,797**	**58,132,024**	**0**	**0**	**58,132,024**	**28.30**	**58,132,024**	**0**	**58,132,024**	**28.30%**	**0**	**28.30%**	**0**	**0.00**	**NA**	**NA**	**58,132,024**	**0**	**0**	**0**

Table IV - Statement showing shareholding pattern of the Non-Promoter -Non Public Shareholder

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares	No.	As a % of total Shares		Shareholding (No. of shares) under		
								Class X	Class Y	Total									Sub-category (i)	Sub-category (ii)	Sub-category (iii)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)				(IX)	(X)	(XI)		(XII)		(XIII)	(i)	(ii)	(iii)
(1)	Custodian/DR Holder	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0			
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0			
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)	**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	NA	NA	**0**			
	Total (A+B+C2)	51,812	205,394,704	0	0	205,394,704	100	205,394,704	0	205,394,704	100	0	100	0	0			205,394,704	0	0	0
	Total (A+B+C)	51,812	205,394,704	0	0	205,394,704	100	205,394,704	0	205,394,704	100	0	100	0	0	47,023,720	22.89	205,394,704	0	0	0

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the bidding application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Bidders that applied in the Issue were required to confirm and have been deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, officers, agents, affiliates and representatives that they were eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Also see "**Selling Restrictions**" and "**Transfer Restrictions**" on pages* 211 *and* 218*, respectively*.

Our Company, the Book Running Lead Managers and their respective directors, shareholders, employees, counsels, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not ultimately result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutional Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be filed as a prospectus with the RoC and no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue has been made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs provided that certain conditions are met by such company. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify that, (a) the allotment of Equity Shares is proposed to be made pursuant to the QIP; and (b) the Relevant Date for the QIP;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the Issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of the Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the QIP, are listed on Stock Exchanges for a period of at least one year prior to the date of issuance of notice to its Shareholders for convening the meeting to seek approval of the Shareholders for the above-mentioned special resolution. This is not applicable to such companies who propose to undertake a QIP for complying with the minimum public shareholding requirements specified in the SCRR;

- The "Equity Shares of the same class" shall mean Equity Shares which rank *pari passu* in relation to rights as to the dividend, voting otherwise of our Company.

- invitation to apply in the Issue must be made through a private placement offer-cum-application form (i.e., the Preliminary Placement Document and an Application Form) serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- the Issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- the Issuer shall have completed allotments with respect to any earlier offer or invitation made by the Issuer or shall have withdrawn or abandoned such invitation or offer, made by the Issuer, except as permitted under the Companies Act, 2013. However, subject to the limits prescribed under the applicable law, the Issuer may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document and Application Form), the Issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by the Issuer prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees;

- the Promoters and Directors of the Issuer are not Fugitive Economic Offenders and have not been declared as Wilful Defaulters;

- the Equity Shares issued through the QIP shall be listed on the Stock Exchanges where the Equity Shares of our Company are listed and our Company shall seek approval under rule 19(7) of the SCRR, if applicable; and

- the Directors of the Issuer are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued to Eligible QIBs was made available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders were not allowed to withdraw or revise downwards their Bids after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the Issuer's equity shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

The "Relevant Date" mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the Board or the committee of Directors duly authorised by the board of the Issuer decides to open the Issue and "Stock Exchange" means any of the recognised stock exchanges in India on which the Equity Shares of the Issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares must be Allotted within 365 days from the date of passing of the Shareholders' resolution approving the Issue, being March 10, 2024 and also within 60 days from the date of receipt of Application Amount from the Successful Bidders, failing which our Company shall refund the Bid Amount in accordance with applicable laws.

The Equity Shares issued pursuant to the Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that contains all material information required under applicable laws including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you have not received a serially numbered copy of the Preliminary Placement Document and this Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for the QIP shall at least be:

- two, where the issue size is less than or equal to ₹2,500 million; and
- five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "***Bid Process – Application Form***" on page 202.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approvals of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges on March 27, 2024. We have filed a copy of the Preliminary Placement Document and a copy of this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.

The Issue has been authorised and approved by our Board on January 24, 2024 and our Shareholders by way of a special resolution through postal ballot on March 10, 2024.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold in 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 only outside the United States in "offshore transactions" as defined in and in reliance on Regulations S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 211 and 218, respectively.

The Equity Shares issued pursuant to this Issue 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.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the BRLMs, circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form was specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with the RoC within the stipulated time period as required under the Companies Act,2013 and the PAS Rules.

2. **The list of Eligible QIBs to whom the Preliminary Placement Document and the Application Form was delivered was determined by our Company in consultation with the BRLMs, at their sole**

discretion. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Bid Amount was to be deposited, was addressed to a particular Eligible QIB, no invitation to make an offer or to subscribe was deemed to have been made to such Eligible QIB. Even if such documentation came into the possession of any person other than the intended recipient, no offer or invitation to offer was deemed to have been made to such person and any application that did not comply with this requirement was treated as invalid. The Application Form could have been signed physically or digitally, as required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Bid Amount was paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Bid Amount had been transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not be withdrawn or revised downwards after the Issue Closing Date. In case Bids were being made on behalf of the Eligible QIB and the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

3. Eligible QIBs were required to submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter (as applicable) and/or any other documents mentioned in the Application Form, during the Issue Period to the BRLMs.

4. Bidders were required to indicate the following in the Application Form:

- full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;
- number of Equity Shares Bid for;
- price at which they were agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
- details of the depositary/ beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;
- Equity Shares held by the Bidder in our Company prior to the Issue; and
- it has agreed to certain other representations set forth in the Application Form and the Preliminary Placement Document.
- a representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in the Preliminary Placement Document and in the Application Form.

NOTE**:** *Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could have been made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicated the scheme for which the Bid had been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.*

5. Each Bidder was required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "CHALET HOTELS LIMITED – QIP ESCROW ACCOUNT" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares was required to be made from the bank accounts of the

relevant Bidders and our Company was required to keep a record of the bank account from where such payment had been received. No payment was made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares held by joint holders was paid from the bank account of the person whose name appeared first in the Application Form. On receipt of final listing and trading approvals from the Stock Exchanges, the Net Proceeds deposited in the Escrow Account, shall be transferred to a separate bank account with a scheduled bank as agreed between our Company and the Monitoring Agency. Notwithstanding the above, in the event (a) any Bidder was not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount had been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount was refunded to the same bank account from which it was remitted, in the form and manner set out in "***– Refunds***" on page 207.

6. Once a duly completed Application Form was submitted by a Bidder, whether signed or not, and the Bid Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledged that in accordance with the requirements of the Companies Act, 2013, upon Allocation, our Company is required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in this Placement Document and any other regulatory filing and consented to such disclosure, if any Equity Shares were allocated to it.

8. Upon receipt of the duly completed Application Form, whether signed or not and the Bid Amount in the Escrow Account on or after the Issue Closing Date, our Company, in consultation with BRLMs determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. In case of Bids made on behalf of the Eligible QIB where the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so. The Bid/ Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form. Upon such determination, the BRLMs, on behalf of our Company, sent the serially numbered CAN and this Placement Document to the Successful Bidders. The dispatch of a CAN and this Placement Document to a Successful Bidder has been deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation is at the absolute discretion of our Company and shall be in consultation with the BRLMs.**

9. Upon determination of the Issue Price and the issuance of the CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, have, on our behalf, sent a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

11. After passing the resolution by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Successful QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Bidders are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

16. Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, were considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules were considered as Eligible QIBs. FVCIs were not permitted to participate in the Issue. Currently, QIBs, who were eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Eligible FPIs;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India.
- multilateral and bilateral development financial institutions eligible to invest in India;
- Mutual Funds, VCFs, AIFs, each registered with SEBI;
- pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹250 million;
- public financial institutions as defined under Section 2(72) of the Companies Act, 2013;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS

WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIS DID NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S WERE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs could participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company on a fully diluted basis, and the total holding of all FPIs, collectively, shall not exceed 24% of the paid-up Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or I public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs were permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 211 and 218, respectively.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a Promoter, or any person related to, the Promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;

- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the BRLMs and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs were advised to ensure that any single application from them did not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document and this Placement Document.

A minimum of 10.00% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLMs who are Eligible QIBs were permitted to participate in the Issue in compliance with applicable laws.*

Further, Eligible QIBs were required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

BID PROCESS

Application Form

Bidders could only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and. The Application Form could be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Bid Amount was paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Bidder was deemed to have made all the representations, warranties, acknowledgments and agreements set forth in "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 1, 4, 211 and 218, respectively, including without limitation:

- The Eligible QIB confirmed that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

- The Eligible QIB confirmed that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or members of the Promoter Group or persons related to the Promoters;

- The Eligible QIB confirmed that it has no rights under a shareholders' agreement or voting agreement with the Promoter(s) or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);

- The Eligible QIB confirmed that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

- The Eligible QIB acknowledged that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

- The Eligible QIB confirmed that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchange;

- The Eligible QIB confirmed that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Bidder further confirmed that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

- The Bidder confirmed that in the event it is resident outside India, it is not an FVCI;

- The Eligible QIB confirmed that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

- The Eligible QIB agreed that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. The Bidder agreed that once a duly filled Application Form was submitted by a Bidder, whether signed or not, and the Bid Amount had been transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not be withdrawn or revised downwards after the Bid/Issue Closing Date;

- The Eligible QIB agreed that although the Bid Amount was required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Bidder further acknowledged and agreed that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

- The Eligible QIB acknowledged that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company has disclosed names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and such QIB consented of such disclosure, if any Equity Shares were Allocated to it. However, the Bidder further acknowledged and agreed that, disclosure of such details as "proposed Allottees" in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- The Eligible QIB confirmed that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

  (a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary or holding company and any other Bidder; and

  (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- The Eligible QIB acknowledged that no Allocation shall be made to it if the price at which it has Bid for in the Issue was lower than the Issue Price.

- The Eligible QIB confirmed that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

- Each Eligible FPI, confirmed that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledged that Eligible FPIs could invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirmed that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

- The Bidder is located outside the United States and purchasing Equity Shares in an offshore transaction as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdiction where those offers and sales are made and is not an affiliate of our Company or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

ELIGIBLE QIBs WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN OR PAN ALLOTMENT LETTER, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM WAS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLMs, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMs TO EVIDENCE THEIR STATUS AS A "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLMs, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WERE REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account were obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount was remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form whether signed or not, and payment of the Bid Amount pursuant to the Application Form by a Bidder was deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and became a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document by our Company (by itself or through the BRLMs) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount was to be deposited in the Escrow Account as specified in the Application Form and the Application Form was required to be submitted to the BRLMs either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact Person	Website and e-mail	Phone (Telephone)
JM Financial Limited	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India	Prachee Dhuree	https://jmfl.com/ chalethotels.qip@jmfl.com	+91 22 6630 3030
Kotak Mahindra Capital Company Limited	1st Floor, C- 27, BKC Plot No. 27, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051,	Ganesh Rane	https://investmentbank.kotak.com/ chalethotels.qip@kotak.com	+91 22 4336 0000

Name	Address	Contact Person	Website and e-mail	Phone (Telephone)
	Maharashtra, India			

The BRLMs were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms were required to be duly completed, and Bidders Bidding in the Issue were required to pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "CHALET HOTELS LIMITED – QIP ESCROW ACCOUNT" with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders could make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account, the Application Form was liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in *"*CHALET HOTELS LIMITED – QIP ESCROW ACCOUNT*"* only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder was not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "***– Refunds***" on page 207.

Bank Account Details

Each Bidder was required to mention the details of the bank account from which the payment of Bid Amount had been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date.

Build-up of the Book

The Bidders were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids could not be withdrawn or revised downwards after the Issue Closing Date. The book was maintained by the BRLMs.

Method of Allocation

Our Company has determined the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Bidders was made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company, in consultation with BRLMs, has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES WAS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMs ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, have decided the Successful Bidders. Our Company has dispatched a serially numbered CAN to all such Successful Bidders pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them has been notified to such Successful Bidders. The CAN includes details of amount to be refunded, if any, to such Bidders. Additionally, the CAN includes the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders have also been sent a serially numbered Placement Document (which includes the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document, to the Eligible QIBs has been deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board/its committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB has been deemed to have made the representations and warranties as specified in section "***Notice to Investors***" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the respective CANs.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013, and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion (in consultation with the BRLMs), reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company shall apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received

by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act, 2013.

7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed it with the Stock Exchanges as this Placement Document, which includes names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount had been paid by such Bidder, or the Bidder had deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares were not Allocated to a Bidder for any reasons or the Issue was cancelled prior to Allocation, or a Bidder lowered or withdrew the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form, in the form and manner set out in the Refund Intimation Letter. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN. In the event we are unable to issue and Allot the Equity Shares offered in the Issue or within 60 days from the date of receipt of Bid Amount, our Company shall repay the Bid Amount within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. form the expiry of the sixtieth day and in such manner as prescribed under the Companies Act, 2013. The Bid Amount to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013, the Depositories Act and other applicable laws.

We, at our sole discretion (in consultation with the BRLMs), reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the Equity Shares offered pursuant to this Issue are received by our Company and our Company files the return of Allotment under Form PAS-3 in connection with the Issue with the RoC, whichever is later.

Provided that upon receipt of the listing and trading approval from Stock Exchanges, our Company files the return of Allotment in connection with the Issue with the RoC, upon which, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to a separate bank account with a scheduled bank or any other account as may be mutually agreed between our Company and the Monitoring Agency.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents were required to be provided along with the Application Form submitted with our Company/ BRLMs as soon as practicable.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN (except Bids from any category of Bidders, which were exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card was required to be submitted with the Application Form. Further, the Application Forms without this information were considered incomplete and were liable to be rejected. It is to be specifically noted that applicants could not submit the GIR number instead of the PAN as the Application Form was liable to be rejected on this ground.

Bank account details

Each Bidder was required to mention the details of the bank account from which the payment of Bid Amount had been made along with confirmation that such payment had been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids was final and binding. In the event the Bid was rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "***- Bid Process***" and "***- Refunds***" on pages 202 and 207, respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLMs shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

Placement Agreement

The Book Running Lead Managers and our Company have entered into the Placement Agreement dated March 27, 2024 ("**Placement Agreement**"), pursuant to which the Book Running Lead Managers have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and to use its reasonable efforts to place the Equity Shares with Eligible QIBs to subscribe to such number of our Equity Shares as may be agreed among our Company and the Book Running Lead Managers, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnity from our Company and the Issue is subject to the satisfaction of certain conditions and subject to the termination of the Placement Agreement in accordance with the terms contained therein.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in 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 any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 211 and 218, respectively. The Preliminary Placement Document and this Placement Document have not been, and will not be filed as a prospectus with the RoC and, no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Eligible QIB confirms that it is outside the United States, is purchasing the Equity Shares in an 'offshore transaction' as defined in and in reliance on Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form. For further details, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 211 and 218, respectively.

Relationship with the Book Running Lead Managers

In connection with the Issue, the Book Running Lead Managers (or its affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in the Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers could have purchased Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. See "***Offshore Derivative Instruments***" and "***Representations by Investors***" on pages 10 and 4, respectively.

From time to time, the Book Running Lead Managers and their respective affiliates and associates may engage in transactions with and perform services for our Company or its affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking, investment banking and other banking transactions with our Company, its affiliates or shareholders, for which they have received compensation and may in the future receive compensation.

Lock-up

In terms of the Placement Agreement, our Company agrees that it will not, subject to the exceptions set out below: (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Share; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares; or (c) publicly announce any intention to enter into any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, for a period from the date hereof up to 60 days after the Closing Date without the prior written consent of the BRLMs. However, the foregoing restriction shall not be applicable to the (i) the issuance of the Equity Shares pursuant to the Issue; (ii) issuance of Equity Shares pursuant to conversion of ESOPs; and (iii) any transaction required by law or an order of a court of law or a statutory authority.

Lock-up by Promoters

Under the Placement Agreement, our Promoters agree that, without the prior written consent of the BRLMs, they shall not, announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date hereof and ending 60 days from the date of this Placement Document (both dates inclusive) ("**Lock-up Period**") directly or indirectly:

a. offer, issue, pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any Equity Shares or any other securities of the Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Lock-up Shares or any such substantially similar securities, whether now owned or hereinafter acquired;

b. enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Equity Shares and the securities that are convertible into, exercisable or exchangeable for or any such substantially similar securities, whether now owned or hereinafter acquired; whether any such transaction described in clause (a) or (b) above is to be settled by delivery of the Equity Shares or such other securities, in cash or otherwise;

c. enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Shares in any depository receipt facility; or

d. publicly announce its intention to enter into the transactions referred to in (a) to (c) above.

However, that none of the foregoing restrictions shall apply to:

i. any sale, transfer or disposition of any of the Lock-up Shares by the Promoter with prior written consent of all the BRLMs to the extent such sale, transfer or disposition is required by applicable law; and

ii. any bona fide pledge (including any depledge or repledge in connection with the borrowings related thereto) or non-disposal undertaking of any of the Lock-up Shares held by the Promoter as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the Promoter, the Company or transfer of any of the Lock-up Shares pursuant to the invocation or transfer of any pledge in relation to the Lock-up Shares.

SELLING RESTRICTIONS

The distribution of the Preliminary Placement Document, this Placement Document or any offering material and the offering, sale or delivery of Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of the Preliminary Placement Document, this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction.

General

No action has been taken or will be taken by our Company or the BRLMs that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of the Preliminary Placement Document and this Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "***Notice to Investors***", "***Representations by Investors***" and "***Transfer Restrictions***".

***Australia*.** This Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this Placement Document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Placement Document, and any offers made under this Placement Document, you represent to our Company and the BRLMs that you will not provide this Placement Document or communicate any offers made under this Placement Document to, or make any applications or receive any offers for Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act. Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the BRLMs) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain. The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares and this Placement Document will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Placement Document or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Equity Shares.

British Virgin Islands. The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of our Company. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) ("**BVI Companies**"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Canada. The Equity Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Placement Document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the BRLMs are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Issue.

Cayman Islands. No offer or invitation to subscribe for the Equity Shares may be made to the public in the Cayman Islands.

***Dubai International Financial Centre*.** The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

European Economic Area. In relation to each Member State of the European Economic Area, no offer of Equity Shares may be made to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the BRLMs; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require our Company or any BRLMs to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the BRLMs and our Company that it is a "qualified investor" within the meaning of the law in that Member State implementing Article 2(e) of the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the Issue have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Member State means the communication in any form and by means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase Equity Shares and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong. The Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan. The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait**.** This Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius. The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand**.** This Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or

(iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Equity Shares are issued or sold elects to sell any Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

Oman. This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman ("**Oman**") without the prior consent of the Capital Market Authority ("**Oman CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of the Equity Shares described in this Placement Document will not take place inside Oman. This Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA. Additionally, this Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

People's Republic of China. This Placement Document may not be circulated or distributed in the People's Republic of China (excluding, for the purposes of this paragraph, the Hong Kong and Macau Special Administrative Regions and Taiwan Province) and the Equity Shares may not be offered or sold directly or indirectly to any resident of the People's Republic of China, or offered or sold to any person for reoffering or re-sale directly or indirectly to any resident of the People's Republic of China except under applicable laws and regulations of the People's Republic of China.

Qatar. This Placement Document is provided on an exclusive basis to the specifically intended recipient, upon that person's request and initiative, and for the recipient's personal use only and is not intended to be available to the public. Nothing in this Placement Document constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Placement Document and the underlying instruments have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Placement Document by the recipient to third parties in Qatar or the Qatar Financial Centre beyond these terms is not authorised and shall be at the liability of the recipient.

Republic of Korea. We are not making any representation with respect to the eligibility of any recipients of this Placement Document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations. Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign

Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

***Saudi Arabia*.** This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Issue of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 3-123-2017 dated December 27, 2017 as amended by resolution number 1-104-2019 dated September 30, 2019, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

***Singapore*.** Each BRLM has acknowledged that this Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each BRLM has represented and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Equity Shares, our Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Africa. Due to restrictions under the securities laws of South Africa, no "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) is being made in connection with the issue of the Equity Shares in South Africa. Accordingly, this Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

(i) the offer, transfer, sale, renunciation or delivery is to:

- persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;
- the South African Public Investment Corporation;
- persons or entities regulated by the Reserve Bank of South Africa;
- authorised financial service providers under South African law;
- financial institutions recognised as such under South African law;
- a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or
- any combination of the person in (i) to (vi); or

(ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this Placement Document should not be considered as "advice" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

Switzerland. The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Placement Document nor any other offering or marketing material relating to the offering, our Company, the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Placement Document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of Equity Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

Taiwan. The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre). This Placement Document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates

Securities and Commodities Authority or any other authority in the UAE or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

United Kingdom. The communication of this Placement Document and any other document or materials relating to the issue of the Equity Shares offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "**FSMA**"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. In the United Kingdom, this Placement Document is being distributed only to, and is directed only at those (i) who have professional experience in matters relating to investments and who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the Equity Shares in the United Kingdom within the meaning of the FSMA. Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this Placement Document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this Placement Document relates to may be made or taken exclusively by relevant persons.

In addition, in relation to the United Kingdom, no offer of Equity Shares which are the subject of the offering contemplated by this Placement Document to the public may be made in the United Kingdom other than:

(i) to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 ("**EUWA**");

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the BRLMs; or

(iii) in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Equity Shares shall require our Company or any BRLM to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Equity Shares means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

United States. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (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 only outside of the United States in offshore transactions as defined in and in reliance upon Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Purchasers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the BSE or the NSE. Allotments made to Eligible FPIs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additional transfer restrictions applicable to the Equity Shares are listed below.

United States Transfer Restrictions

The Equity Shares have not been and will not be registered under the Securities Act 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 Securities Act and applicable state securities laws. No offers or sales of Equity Shares are being made within the United States.

Each subscriber of the Equity Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the subscriber acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

2. the subscriber and the person, if any, for whose account or benefit the subscriber is acquiring the Equity Shares, was located outside the United States at the time the buy order for the Equity Shares was originated and continues to be located outside the United States and has not subscribed to the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

3. the subscriber is not an affiliate (as defined in Rule 405 of the Securities Act) of our Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from our Company or an affiliate (as defined in Rule 405 of the Securities Act) thereof in the initial distribution of the Equity Shares;

4. the subscriber is aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Placement Document;

5. the subscriber is subscribing for the Equity Shares in compliance with laws of jurisdictions applicable to it;

6. the Equity Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S under the Securities Act; and

7. the subscriber acknowledges that our Company, the BRLMs and their respective affiliates (as defined in Rule 405 of the Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its subscription of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

IT ACKNOWLEDGES THAT OUR COMPANY AND THE BRLMs AND THEIR RESPECTIVE AFFILIATES AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS AND AGREES THAT, IF ANY OF SUCH ACKNOWLEDGEMENTS, REPRESENTATIONS OR AGREEMENTS IS NO LONGER ACCURATE, IT WILL PROMPTLY NOTIFY OUR COMPANY AND THE BRLMs. IT AGREES THAT THE TERMS AND PROVISIONS OF THE FOREGOING ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS SHALL INURE TO THE BENEFIT OF AND ANY DOCUMENT INCORPORATING SUCH ACKNOWLEDGEMENTS, REPRESENTATIONS AND

AGREEMENTS SHALL BE ENFORCEABLE BY OUR COMPANY, ITS SUCCESSORS AND ITS PERMITTED ASSIGNS, AND THE TERMS AND PROVISIONS HEREOF SHALL BE BINDING ON ITS PERMITTED SUCCESSORS IN TITLE, PERMITTED ASSIGNS AND PERMITTED TRANSFEREES. IT UNDERSTANDS THAT THESE ACKNOWLEDGMENTS, REPRESENTATIONS AND UNDERTAKINGS ARE REQUIRED IN CONNECTION WITH UNITED STATES SECURITIES LAWS AND IRREVOCABLY AUTHORIZES OUR COMPANY TO PRODUCE THESE ACKNOWLEDGMENTS, REPRESENTATIONS AND UNDERTAKINGS (OR ANY DOCUMENT INCORPORATING THEM) TO ANY INTERESTED PARTY IN ANY ADMINISTRATIVE OR LEGAL PROCEEDINGS OR OFFICIAL ENQUIRY WITH RESPECT TO THE MATTERS COVERED HEREIN.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government of India acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the **SCR (SECC) Regulations**, which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, protect the interests of investors in securities, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "Delisting Regulations") to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time, such company shall increase its public shareholding to at least 25%, within a period of twelve months from the date of such fall, respectively, in the manner specified by SEBI. Further, every listed public sector company whose public shareholding falls below 25% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI and other applicable laws. NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE on-line trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation fully automated BSE on-line trading platform (**"BOLT+"**) through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Disclosures under the Companies Act and securities regulations

Under the Companies Act, 2013, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the PAS Rules and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act, 2013, also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, 2013, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial statements (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the SEBI Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the SEBI Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The SEBI Insider Trading Regulations prohibit and penalize insider trading in India and impose certain restrictions on the communication of information by listed companies. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"), subject to certain limited exceptions. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

Further, the SEBI Insider Trading Regulations makes it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders.

The SEBI Insider Trading Regulations also provides for initial and continuing disclosure obligations for shareholders holding more than a pre-defined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. Initial disclosures are required from promoters, key managerial personnel, directors as well as continual disclosures by every promoter, employee or director in case value of trade exceed monetary threshold of ₹ 1 million over a calendar quarter, within two days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company. On July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details persons with whom information is shared shall be maintained.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

Settlement

The stock exchanges in India operate on a trading day plus one, or T+1 rolling settlement system. At the end of the T+1 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Tuesday.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the share capital of our Company, including a brief summary of certain provisions of our Company's Memorandum and Articles of Association and the Companies Act, 2013 and certain related legislations of India, all as currently in effect. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorized share capital of our Company as of the date of this Placement Document is ₹5,981,000,000 divided into 382,100,000 Equity Shares of ₹10 each, 20,000, Zero-Coupon Non-Cumulative Non-Convertible Redeemable Preference Shares of ₹100,000 each and 1,600, Non-Cumulative Redeemable Preference Shares of ₹100,000 each. Our issued, subscribed and paid-up share capital as of the date of this Placement Document is ₹4,214,740,080. For further details please see "***Capital Structure***" on page 87.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. The dividend on equity shares can be declared/paid only after declaration/payment of applicable dividend on preference shares. Unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. Further, under the Companies Act, 2013, a company is not permitted to declare any dividends unless carried over previous losses and depreciation not provided in previous year or years are set off against the profit of the company for the current year.

According to the Articles of Association, our Company in a general meeting may declare dividends, but no dividend shall exceed the amount recommended by our Board. Subject to the applicable provisions of the Companies Act, 2013, our Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of our Company. Our Board may, before recommending any dividend, set aside out of the profits of our Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of our Board, be applicable for any purpose to which the profits of our Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of our Company or be invested in such investments (other than Equity Shares of our Company) as our Board may, from time to time, think fit. Our Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Under the Companies Act, 2013, dividends must be paid within 30 days from the date of its declaration. Where our Company has declared dividend, but which has not been paid or claimed within 30 days from the date of declaration, our Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of the unpaid or unclaimed dividend to the unpaid dividend account. All Equity Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by our Company in the name of Investor Education and Protection Fund, established by the Central Government.

Issue of Bonus Shares and Capitalization of Reserves

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid up bonus shares. Bonus shares are distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. Further, as per the Companies Act, 2013, bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

Pre-Emptive Rights and Alteration of Share Capital

Under Section 62(1)(a) of the Companies Act, 2013, the shareholders have the pre-emptive right to subscribe for new shares in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any person, and the notice shall contain a statement of this right. The board of directors is authorized to distribute any new shares not purchased by the pre-emptive rights holders in a manner which is not disadvantageous to the shareholders and the company.

Our Articles of Association provide that our Company may, from time to time, by ordinary resolution in its general meetings, undertake any of the following:

- increase the share capital by such amount, as it thinks expedient;
- sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association 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;
- 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;
- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Preference Shares

Subject to Section 55 of the Companies Act, 2013, preference shares (other than Zero Coupon NCRPS) issued by our Company are at the option of our Company are liable to be redeemed at any time, but not later than December 21, 2026. Our Company' 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.

General meetings of Shareholders

There are two types of general meetings of the Shareholders:

(i) Annual General Meeting, and

(ii) Extraordinary General Meeting.

As per the provisions of our Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

In accordance with Section 96 of the Companies Act, 2013, a company must hold its annual general meeting within six months after the expiry of each fiscal provided that not more than 15 months shall elapse between the annual general meeting and the next one, unless extended by the Registrar of Companies at its request for any special reason for a period not exceeding three months. Our Company shall, in addition to any other meetings, hold a general meeting which shall be styled as an Annual General Meeting at intervals and in accordance with the following provisions: (a) our Company shall hold its Annual General Meetings within such intervals as are specified in Section 96 read with Section 129 of the Companies Act, 2013 and subject to the provisions of Section 96(2) of the Companies Act, 2013 at such times and places as may be determined by our Board.

Our Board may, whenever it thinks fit, call an Extraordinary General Meeting. Further, our Board may call an Extraordinary General Meeting on requisition in compliance with the provisions of the Companies Act, 2013.

Whenever our Company proposes to undertake any action that statutorily requires the approval of the Shareholders of our Company, our Company shall call for an Extraordinary General Meeting in accordance with the provisions of the Companies Act, 2013 by serving at least 21 days' written notice to all Shareholders, with an explanatory statement containing all relevant information relating to the agenda for the Extraordinary General Meeting. Unless waived in writing by all the Shareholders, any item not specifically included in the agenda of a Shareholders' meeting shall not be considered or voted upon at that meeting of the Shareholders (including at any adjournments thereof).

Our Company may also pass resolutions by means of postal ballot and/or other ways as may be prescribed under Section 110 of the Companies Act, 2013 and/or other applicable provisions, if any, and any future amendments or re-enactments, in respect of any business that can be transacted by our Company in a general meeting, instead of transacting the business therein. Further, in the case of resolutions relating to such business as the Government of India may prescribe, to be conducted only by postal ballot and/or other ways as may be prescribed, our Company shall get such resolutions passed only by postal ballot and/or other ways as may be prescribed, instead of transacting the business in a general meeting of our Company.

Voting rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of our Company.

Save as provided in the Articles of Association, on a poll the voting rights of a holder of Equity Shares shall be as specified in Section 47 of the Act. Any Person entitled to transfer any shares of our Company may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the meeting.

The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll. Our Company shall also provide e-voting facility to the Shareholders of our Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the Listing Regulations or any other Law, if applicable to our Company.

Transfer and Transmission of Equity Shares

Equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the depository participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold). Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019.

The executor or administrator of a deceased member (not being one of the several joint-holders) shall be the only person recognised in the name of such member, and in case of the death of anyone or more of the joint holders of any registered Equity Share, the survivor shall be the only person recognised by our Company as having any title to or interest in such Equity Share. However, the above stated shall not release the estate of a deceased joint holder from any liability in respect of any Equity Share which had been jointly held by him with other persons.

If any person becoming entitled to Equity Shares in consequence of the death of a Shareholder, elects to be registered as holder of the Equity Share himself, he shall deliver or send to our Company, a notice signed by him stating that he so elects. If the said person elects to transfer the Equity Shares, he shall testify his election by executing an instrument of transfer of the Equity Shares. Our Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased, lunatic, insolvent, bankrupt shareholder had transferred the Equity Share(s) before his death, lunacy, bankruptcy or insolvency.

Any person becoming entitled to Equity Shares by reason of the death, lunacy, bankruptcy or insolvency of a Shareholder shall, subject to Section 123 of the Companies Act, 2013, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the Equity Shares.

Acquisition by our Company of its own Equity Shares

The Company is permitted to buy-back its securities including shares in accordance with the provisions of Sections 68, 69 and 70 and other applicable provisions, if any, of the Companies Act, 2013 (including any future amendments or re-enactments) and as per the rules and procedures prescribed therein and in compliance with the prevailing regulatory provisions and guidelines.

Winding up

As per the provisions of our Articles of Association, if our Company shall be wound up, the liquidator may with the sanction of special resolution of our Company and any other sanctions as required by the Companies Act, 2013 divide amongst the shareholders, in specie or kind the whole or any part of the assets of our Company.

TAXATION

The Board of Directors
Chalet Hotels Limited
Raheja Towers
Block G, Plot No. C-30,
Bandra Kurla Complex,
Bandra (E), Mumbai,
Maharashtra 400051

Date: 26 March 2024

Subject: Statement of possible special tax benefits ("the Statement") in relation to Equity Shares, applicable to Chalet Hotels Limited ("the Company") and its shareholders prepared in connection with the proposed qualified institutions placement of equity shares of face value of Rs. 10 each of the Company (the " Issue"), in accordance with the requirement under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations")

This report is issued in accordance with the Engagement Letter dated 19 March 2024.

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits in relation to the Equity Shares applicable to the Company and its shareholders, under direct and indirect tax laws (together "the Tax Laws"), presently in force in India as on the date of this certificate, which are defined in Annexure I. These possible special tax benefits are dependent on the Company and its shareholders, fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of the Company. We were informed that the 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 particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

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

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

The contents of the enclosed annexures are based on the information, explanation 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 the Tax Laws 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 shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this certificate along with the annexures in the Preliminary Placement Document and Placement Document, and in any other material used in connection with the Proposed Issue, and it 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

Suhas Pai
Partner
Membership No.: 119057
UDIN: 24119057BKFIAQ8083

Place: Mumbai
Date: 26 March 2024

ANNEXURE I

LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sr. No.	Details of tax laws
	Direct tax Laws:
1.	Income-tax Act, 1961 read with Income-tax Rules, 1962 (the 'Act')
	Indirect tax Laws:
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017
5.	Customs Act, 1962 and Customs tariff Act, 1975 read with the respective Rules, Circulars and Notifications made thereunder.
6.	Foreign Trade Policy read with Handbook of Procedures

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS IN RELATION TO EQUITY SHARES AVAILABLE TO COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES

Outlined below are the Possible Special Tax Benefits in relation to Equity Shares available to the Company and its shareholders under the Tax Laws. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE DIRECT TAX LAWS

A. Special tax benefits available to the Company

The Company is 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.

B. Special tax benefits available to Shareholder

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

UNDER THE INDIRECT TAX LAWS

A. Special tax benefits available to the Company

The Company has imported capital goods without payment of Customs duty under the Export Promotion Capital Goods (EPCG) Scheme under Foreign Trade Policy, 2023. The said benefit is subject to an export obligation equal to six times of duty saved, to be fulfilled within 6 years from the date of issue of EPCG authorization.

B. Special tax benefits available to Shareholders

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

NOTES:

The above is as per the current Tax Laws.

1. 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 of the Company.
2. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For Chalet Hotels Limited

Chief Financial Officer
Place: Mumbai
Date: 26 March 2024

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, including those which arise in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, tax disputes, criminal proceedings, regulatory actions and civil proceedings, which are pending before various adjudicating forums.

*As on the date of this Placement Document, except as disclosed below, there are no outstanding legal proceeding which have been considered material in accordance with our Company's 'Policy for determination of materiality of events / information to be disclosed to the Stock Exchange' framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated June 12, 2018 and last amended pursuant to a resolution of our Board dated July 3, 2023 (the "**Materiality Policy**"). In accordance with the Materiality Policy, all outstanding legal proceedings involving (which includes cases filed by and against) our Company and/or its Subsidiaries, where the amount involved exceeds ₹67.31 million (being 5% of the average absolute value of profit or loss after tax in Fiscals 2021, 2022, and 2023 in accordance with our Audited Consolidated Financial Statements) (the "**Materiality Threshold**" and such proceedings "**Material Civil Proceedings**") is disclosed in this section.*

For the purpose of identification of material litigation, pursuant to the terms of the approach approved by the Board in its meeting held on March 25, 2024, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable: (i) any outstanding actions (including show-cause notices) initiated by any regulatory and/or statutory authorities such as SEBI or such similar authorities or stock exchanges, involving our Company and / or its Subsidiaries; (ii) any outstanding criminal proceedings filed by and against our Company and / or its Subsidiaries; (iii) consolidated disclosure of all claims related to direct and indirect taxes (including show cause notices) involving our Company and its Subsidiaries; (iv) all outstanding civil proceedings, including arbitration proceedings involving (which includes cases filed by and against) our Company and its Subsidiaries, where the amount involved exceeds the Materiality Threshold; and (v) any other outstanding litigation involving our Company, and its Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis.

Further, we have also disclosed:(i) details of any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013, as amended, or any previous companies law, in the last three years immediately preceding the year of issue of this Placement Document, against our Company and its Subsidiaries and any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of issue of this Placement Document for our Company and its Subsidiaries; (ii) details of material frauds committed against the Company in the last three years, and if so, the action taken by our Company; (iii) details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations ; (iv) details of default, if any, by our Company (on a consolidated basis) and its Subsidiaries, including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) details of default in annual filing of our Company under the Companies Act, 2013, as amended or the rules made thereunder; (vi) all litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of issue of this Placement Document and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any; and (vii) reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of this issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, its Subsidiaries (excluding those notices issued by statutory/regulatory authorities) shall, unless otherwise decided by the Board, not be considered as material until such time that the parties, as applicable, is impleaded as defendant or respondent in litigation proceedings before any judicial or quasi-judicial forum including court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

A. Litigation involving our Company

Litigation against our Company

Criminal proceedings against our Company

1. Maria Ninette 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. Renaissance Mumbai Convention Centre Hotel received a notice dated October 12, 2007 from the Complainant claiming that the advance consideration amount of ₹1 million paid to the hotel by Pebbledrops Events was fraudulently obtained by Prashant Gerald Nazereth from her and further demanded it to be refunded. In pursuance of the FIR, Company was named as an accused in a final report prepared by the police. 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 Additional Chief Metropolitan Magistrate, Bandra ("**Metropolitan Court**") for withdrawing the amount deposited by Company to which Company has filed its reply dated March 26, 2008, denying the claim. The matter is currently pending.

2. Hitesh Nandlal Ramani lodged a first information report dated December 14, 2015 at the Powai police station, Mumbai against one of our Company's employee working at Renaissance Mumbai Convention Centre Hotel, and the swimming pool lifeguard, on the grounds of causing death by negligence and endangering life or personal safety of his daughter. 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.

3. The State of Maharashtra (Excise Department) filed proceedings before the Metropolitan Magistrate Court, Bandra against Saumen S. Shah, representative of the guests, Kailash B. Pandit, an employee working at Renaissance Mumbai Convention Centre Hotel, and Shivkumar S. Verma, a consultant, alleging service of liquor without adequate permissions within the hotel premises on January 10, 2018. A writ petition has been filed before the Bombay High Court by Kailash B. Pandit for, *inter alia*, quashing and setting aside the matter. The matter is currently pending before the Bombay High Court.

4. Abhimanyu Rishi lodged a first information report dated May 3, 2008, at the Powai police station, Mumbai against Prashant More, an employee working at our hotel, Renaissance Mumbai Convention Centre Hotel and other employees on alleging assault and injury by hotel staff. 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.

5. Mohammad Altaf Abdul Latif Sayyed lodged a first information report dated May 15, 2018 with the Powai police station, Mumbai against two of the employees of one of Company's hotel, Renaissance Mumbai Convention Centre Hotel alleging theft of his personal property. The matter is being investigated by the police and there has been no further correspondence or update on same.

Material Civil Proceedings against our Company

1. 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 amalgamated 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) in respect of the hotel unit at Bengaluru.

   Magna, now amalgamated into our Company, had filed a writ petition before the Hon'ble High Court of Karnataka against the State of Karnataka, the Commissioner, BBMP and the Assistant Revenue Officer praying for grant of relief, which among other things includes issuing appropriate writ, order or direction quashing the notification bearing no Commr./BBMP-DC(Rev)/5675/15-16, Bangalore dated March 9, 2016 issued by BBMP ("**BBMP Notification**") in so far as fixing the rate of property tax payable, and stay of operation of BBMP Notification, in relation to the impugned property. The Hon'ble High Court of Karnataka at Bengaluru has vide its order dated September 14, 2018, granted an interim stay in the matter and directed our Company to make payment of property tax at the rate of 50% of the enhanced amount plus the original rate of tax, till disposal of the petition, subject to issue of security in respect of the balance amount.

2. 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. Our Company has filed its replies dated November 6, 2017 and 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. Our Company appeared before the office of the DRI and its statement was recorded by the DRI along with submission of certain additional documents. The DRI issued a summons dated October 17, 2018 for production of documents relating to domestic tariff area and our Company submitted the requisite documents. The DRI issued a show cause notice dated November 29, 2018 ("**DRI Show Cause Notice**") directing our Company to show cause as to why duty amounting to Rs.195.18 million and Rs.23.14 million (approximately) should not be recovered. Our Company filed a writ petition dated December 24, 2018 before the Gujarat High Court challenging DRI Show Cause Notice. The petition has been dismissed. The Court has not expressed any opinion on the merits of the petition. The Notice has been discharged and Interim relief stands vacated forthwith.

3. The Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**") has filed a petition against 194 open access consumers, including our Company, in the State of Maharashtra for sourcing power under a captive arrangement under the Electricity Act, 2003 and two distribution licensees before the Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC Mumbai**"). MSEDCL has sought a review of certain transactions bearing sale and purchase agreements for procurement of power and/or permissions given to our Company along with various other respondents under the impression that such entities are captive generating plants claiming *inter-alia* benefits such as exemption from payment of Cross Subsidy Surcharge (CSS) and Additional Surcharge (ASC) and other such charges as may be applicable to the Independent Power Purchaser consumers as per the provisions of the applicable law. Our Company on behalf of its hotels, Westin Powai Lake and Four Points by Sheraton, Navi Mumbai, Vashi, has filed an interim application for striking off their respective names from the list of respondents. MERC Mumbai passed an order dated August 4, 2023, with a suggestion to MSEDCL to withdraw the petition and file a fresh petition, post disposal of related matters which are pending in the Supreme Court. MSEDCL filed an affidavit on August 21, 2023, to continue with the petition and move to the MERC Mumbai as and when orders/ judgments are passed in the said matters. The matter is currently pending.

Actions by statutory or regulatory authorities involving our Company

1. The Superintendent Officer, Customs Department issued summons dated June 2, 2021 to our Company with respect to import documents and remittance details in relation to purchase of television consignment. Our Company had placed order with a television supplier through its authorized channel partner televisions for its Westin Hyderabad ("**1st Tranche**") and Renaissance Mumbai Convention Centre Hotel ("**2nd Tranche**"). Upon arrival of 1st Tranche at the port, the Special Intelligence and Investigation Branch, Customs ("**SIIB**") raised queries for undervaluation of TVs. Subsequently, the Deputy Commissioner of Customs, Nhava Sheva Port, provisionally released the televisions, subject to payment of a security deposit of ₹5.54 million and a bond for full freight-on-board value. Our Company made a payment of ₹5.54 million and ₹5.11 million towards the security deposits under protest.

   Further, show cause notice dated July 20, 2021 ("**Show Cause Notice 1**") has been issued by the Office of the Commissioner of Customs, NS-V, Jawaharlal Nehru Custom House, Post Sheva, to an authorised channel partner and all other importers including our Company, who have purchased TVs, for imposing a differential duty amounting to ₹25,833 along with interest and penalty under the Customs Act, 1962 and for confiscating goods. Thereafter, a show cause notice dated October 7, 2021 ("**Show Cause Notice 2**") was received from the aforesaid authorities directing our Company to show cause as to why the goods shall not be confiscated and penalty shall not be imposed on our Company for undervaluation of consignment re-determined to ₹23.41 million *qua* ₹13.14 million (differential duty of about ₹6.8 million). Pursuant to an order dated December 9, 2022, by Joint Commissioner of Customs, NS-V, the charges imposed on our Company under Show Cause Notice 1 were dropped. However, the Show Cause Notice 2 matter is still pending. An impugned order dated March 31, 2023, was passed by the Additional Commissioner of Customs,(Gr. Va, NS-V), Jawaharlal Nehru Custom House, Nhava Sheva ("**Impugned Order**") *inter alia* directing our Company to pay a redemption fee of ₹2 million for releasing confiscated goods, re-determine assessable value of goods from ₹11 million to ₹23 million; and imposed a penalty of ₹880 million on our Company. Our Company has filed an appeal before Commissioner of Customs (Appeal), Jawaharlal Nehru Customs House, Nhava Sheva against the Impugned Order seeking to set aside the Impugned Order and grant refund on deposit paid for ₹10.64 million along with applicable interest.

2. 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, operator of The Westin Hyderabad Mindspace Hotel. Our Company's representatives have visited the DG on various occasions during the period between July 5, 2018 and November 15, 2018. Our Company has submitted a letter dated March 22, 2019 to the DG. No further correspondence has been received thereafter.

3. The Tehsildar, Thane ("**Tehsildar**"), has issued a demand notice dated February 9, 2018 to an event organizer and one of our hotels, Four Points by Sheraton, Navi Mumbai, wherein the Tehsildar has demanded a payment of ₹0.40 million (inclusive of interest) as entertainment tax. Our Company has replied through its letter dated April 24, 2018 denying the claim and have provided the supporting documents. No further correspondence has been received thereafter.

4. 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 a case filed by CBI against certain persons. On March 27, 2018 and April 7, 2018, copies of the documents requested were submitted to the CBI. No further correspondence has been received in this regard.

5. 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. Our 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.

6. 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.

7. The Regional Provident Fund Commissioner ("**Commissioner**") had passed an order dated December 14, 2012 ("**Order**") on the basis of guidance issued by the Central Board of Trustees, Employees Provident Fund Organization in relation to certain dues of the employees of its hotel i.e. Renaissance Mumbai Convention Centre Hotel aggregating ₹3.77 million assessed by the Commissioner as payable by our Company. Our Company filed an appeal before the Employees Provident Fund Appellate Tribunal, New Delhi ("**Tribunal**") challenging the Order which was set aside by the Tribunal on July 21, 2014. Aggrieved, the Central Board of Trustees, Employees Provident Fund Organization filed a writ petition before the Bombay High Court, against our Company, challenging an order of the Tribunal. The matter is currently pending before the Bombay High Court.

8. The City & Industrial Development Corporation of Maharashtra Limited ("**CIDCO**") issued an order dated December 1, 2014, directing K Raheja Corp Private Limited ("**Petitioner**") to discontinue use of a plot in Vashi ("**Open Space**") 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 our Company and Inorbit Malls, on the ground that it does not form part of the allotment by CIDCO to the Petitioner and the permission given vide CIDCO letter dated October 6, 2004 was given without due authority. Aggrieved, Petitioner filed a writ petition before the Bombay High Court ("**Court**"). The Court vide its order dated January 16, 2015, directed both parties to maintain status quo. The matter is currently pending before the Court.

9. The Directorate of Revenue Intelligence, Zonal Unit Hyderabad has issued an investigation notice dated January 22, 2020 to our Company, requiring our Company to furnish certain information and documents relating to Service Exports from India Scheme ("**SEIS**") scrips for the financial year 2016-17 till date. Through its reply dated January 27, 2020, our Company has submitted the requisite information and documents. No further correspondence has been received in this regard.

10. Our hotel, Four Points by Sheraton ("**Hotel**") received a letter dated October 13, 2023 from the Directorate of Enforcement ("**ED**") for production of documents in relation to an ongoing enquiry under the PML Act for the alleged transactions carried out by an individual amounting to of ₹10.15 million, as payment for certain bookings made at our Hotel. Our hotel submitted a reply dated October 18, 2023, to the ED confirming that no such bookings were made by the said individual. No further communication has been received from the ED in this regard.

Litigation by our Company

Criminal proceedings by our Company

Nil

Material Civil Proceedings initiated by our Company

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, 2014 and November 21, 2014 ("**Impugned Judgement**") passed by the Division Bench of the Bombay High Court in two public interest litigations ("**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, Four Points by Sheraton Navi Mumbai, Vashi, and residential apartment ("**Hotel**") of our 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. 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. The matter is currently pending with CIDCO.

2. 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. The matter came up for hearing on December 9, 2021, wherein the Court has kept the matter in abeyance till the final disposal of another matter which is pending before the Supreme Court of India.

B. Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal proceedings against our Subsidiaries

Nil

Material Civil Proceedings against our Subsidiaries

Nil

Actions by statutory or regulatory authorities involving our Subsidiaries

Nil

Litigation by our Subsidiaries

Criminal proceedings by our Subsidiaries

Nil

Material Civil Proceedings by our Subsidiaries

Nil

C. Litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoters during the last three years

Neel C. Raheja

1. In the year 2017 and 2018, the Enforcement Directorate ("**ED**") has issued summons to Neel C. Raheja, in his capacity as a director of M/s Carlton Trading Private Limited, to appear before the ED pertaining to an investigation under the provision of the PML Act. The ED had 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 and there has been no further communications or requisitions for attendance or otherwise, from the ED, in this regard.

2. In the year 2017, the Assistant Director, Directorate of Enforcement, Mumbai ("**ED**") has issued a notice under section 37 of the FEMA, 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 replied to the said notice along with the required information and documents. By a subsequent letter, Mr. Neel C. Raheja referred to the aforesaid correspondence and stated that he had, through authorized representative, furnished the required details / information / documents, and understood that they were to the authority's satisfaction. He further requested to be informed in case of any further requirement or explanation, in the absence of which it would be understood that he has satisfactorily carried out the statutory compliances relating to closure of the matter. No further correspondence has been received.

3. In the year 2018, the Assistant Director, Directorate of Enforcement, Mumbai ("**ED**") issued summons under the PML Act, calling upon Neel C. Raheja to appear before the ED and to give details and documents in relation to a land parcel purchased at Pune by Pact Real Estate Private Limited. Neel C. Raheja has submitted the documents sought by the ED and thereafter there has been no further communications or requisitions for attendance or otherwise, from the ED, in this regard.

4. The Department of Labour, Government of Karnataka ("**Labour Department**") issued a show cause notice addressed to our Company, Ravi C. Raheja and Neel C. Raheja (in their capacity as Directors for failure to submit compliance report in relation to inspection carried out by the Labour Department and sought to take action for violations of certain labour laws. our Company submitted the response and provided the requisite information. Thereafter, the Labour Department issued a further notice with respect to production of certain registers and documents for their inspection, which was submitted by our Company. No further correspondence has been received.

5. The Office of the District Superintendent of Police, Ahmedabad Rural, Special Investigation Team (Land) ("**SIT**") issued a notice dated December 8, 2020 ("**First Notice**") to Ravi C. Raheja and Neel C. Raheja seeking written explanation and to remain present personally with all documents relating to certain land in the village Sachana, Viramgam ("**Land No.1**") in connection with the application (complaint) made by Casme Industrial Park Development Pvt. Ltd. ("**Casme**") and Harit Bhupendrabhai Patel ("**HP**"). SIT has further issued five notices in the year 2020 to Sentinel Properties Private Limited ("**Sentinel**") and its directors, including Ravi C. Raheja, Neel C. Raheja for seeking written explanation and to remain present personally with all documents relating to Land No.1 and certain land parcels in village Sachana, Viramgam within three days from receipt of the aforesaid five notices in connection with the applications (complaints) made by Casme, HP, Bharat Ratilal Delivala, Vijay Ratilal Delivala, Dipak Ratilal Delivala and Priti Ajay Delivala alleging fraud in land transaction. Ravi C. Raheja, Neel C. Raheja are erstwhile directors of Sentinel and were on its board of directors till August 2012. K Raheja Corporate Services Private Limited has submitted written explanations along with copies of documents as required on behalf of Sentinel and its directors and its erstwhile directors. The Directorate of Enforcement had requested for attendance of the erstwhile directors of Sentinel in connection with an

investigation under the provision of PML Act, and later summons was also received by one of the erstwhile directors in this regard detailed information and documents had been provided by K Raheja Corporate Services Private Limited to the Directorate of Enforcement. Subsequently, by another summons, the Directorate of Enforcement requested attendance of one of the erstwhile director of Sentinel to tender a statement which was accordingly submitted. Further, K Raheja Corporate Services Private Limited has submitted the financial statements on behalf of Sentinel and its erstwhile directors as required by the Directorate of Enforcement. No further correspondence has been received.

6. The Income Tax Department ("**IT Department**") had issued a warrant in the year 2017 under Section 132 of the Income Tax Act, 1961 against Neel C. Raheja and 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 issued by the IT department, calling upon him to furnish a true and correct return for the assessment years 2012-13 to 2017-18 by July 15, 2018 and these returns have been furnished before the IT Department by Neel C. Raheja. Neel C. Raheja received a notice dated November 27, 2018 from the Income Tax Department in relation to certain transactions entered into by our Company, our Group Companies and Promoters, including Neel C. Raheja. The matter is currently pending.

7. A notice dated January 19, 2021 under provisions of the Mumbai Municipal Corporation Act, 1888 ("**MMC Act**") alleging unauthorised alternations at premises at Raheja Artesia without permission from the competent authority was issued against the K Raheja Private Ltd. and Neel C. Raheja. On January 23, 2021 a reply was submitted to the Designated Officer (G/S) Ward, Municipal Corporation of Greater Mumbai ("**MCGM**"), stating that the work was temporary and restoration work will be completed within two weeks. As per website of the removal of encroachment department, MCGM the complaint/notice is shown as closed.

Ravi C. Raheja

1. The income tax department ("**IT Department**") had issued a warrant in the year 2017 under Section 132 of the Income Tax Act, 1961 against Ravi C. Raheja and 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 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 and these returns have been furnished before the IT Department by Ravi C. Raheja. Ravi C. Raheja received a notice dated November 27, 2018 from the IT Department in relation to certain transactions entered into by our Company, our Group Companies and Promoters, including Ravi C. Raheja. The matter is currently pending.

2. In the year 2018, the Assistant Director, Directorate of Enforcement, Mumbai ("**ED**") issued summons under the PML Act, calling upon Ravi C. Raheja to appear before the ED and to give details and documents in relation to a land parcel purchased at Pune by Pact Real Estate Private Limited. Ravi C. Raheja has submitted the documents sought by the ED and thereafter there has been no further communications or requisitions for attendance or otherwise, from the ED, in this regard.

3. The Department of Labour, Government of Karnataka ("**Labour Department**") issued a show cause notice addressed to our Company, Ravi C. Raheja and Neel C. Raheja (in their capacity as Directors for failure to submit compliance report in relation to inspection carried out by the Labour Department and sought to take action for violations of certain labour laws. our Company submitted the response and provided the requisite information. Thereafter, the Labour Department issued a further notice with respect to production of certain registers and documents for their inspection, which was submitted by our Company. No further correspondence has been received.

4. The Office of the District Superintendent of Police, Ahmedabad Rural, Special Investigation Team (Land) ("**SIT**") issued a notice dated December 8, 2020 ("**First Notice**") to Ravi C. Raheja and Neel C. Raheja seeking written explanation and to remain present personally with all documents relating to certain land in the village Sachana, Viramgam ("**Land No.1**") in connection with the application (complaint) made by Casme Industrial Park Development Pvt. Ltd. ("**Casme**") and Harit Bhupendrabhai Patel ("**HP**"). No further correspondence has been received. For further details, see "***- Litigation or legal***

action pending or taken by any ministry or department of the Government or a statutory authority against our Promoters during the last three years - Neel C. Raheja" page 238.

Genext Hardware & Parks Private Limited ("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.

2. 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.

3. The Pest Control Officer at Municipal Corporation of Greater Mumbai ("**MCGM**") issued 33 notices to from time to time 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 ("**MMC Act**"). Genext has replied to MCGM stating that they have taken corrective measures and requested MCGM to conduct inspection in order to close the matter. In relation to two of such notices, Genext has paid fines. No further correspondence has been received.

4. The income tax department ("**IT Department**") had issued a warrant in the year 2017 under Section 132 of the Income Tax Act, 1961 against Genext and 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. Further to the search action, Genext received a letter dated August 1, 2018 issued by the IT Department, calling upon Genext to furnish a true and correct return for the assessment years 2012-13 to 2017-18 by August 30, 2018 and Genext has filed these returns as directed by the IT Department. The assessments were completed post filing these returns. Genext filed appeals before the appellant authorities for A Y 2014-15, A Y 2015-16, A Y 2016-17 and A Y 2017-18. Appeal against these orders and matters are pending before the ITAT except for A Y2017-18 which is pending before CIT (A).

Ivory Properties Trust

1. In the year 2015, the Maharashtra Pollution Control Board ("**MPCB**") issued a notice to Ivory Properties Trust 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 and attended the hearings conducted. The matter is currently pending.

K Raheja Private Limited ("K Raheja")

1. The Pest Control Officer at Municipal Corporation of Greater Mumbai ("**MCGM**") has issued 64 notices to K Raheja between 2016 and 2023 in respect of water stagnation, removal of odd articles, debries, construction material at K Raheja's project sites 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.

2. The Municipal Corporation of Greater Mumbai ("**MCGM**"), has issued letters to K Raheja, demanding the handover of a built-up amenity reservation in the municipal library, first floor, Rosemary Building, Mumbai ("**Premises**"). K Raheja, has filed its interim reply to MCGM, seeking further time to confirm the factual status of the matter. Subsequently, MCGM issued letters directing K Raheja to handover the built-up amenity area in Rosemary Building and furnish the relevant papers to MCGM. K Raheja has responded to MCGM highlighting that K Raheja Corp Foundation is a registered public charitable trust and the library will be open for public-use after completion of on-going repair work. However, the MCGM sealed the Premises on March 14, 2019. K Raheja has called upon MCGM to forthwith restore

possession of K Raheja of the Premises and to remove the seal from the Premises at the earliest. Further the MCGM, has threatened to register a FIR against K Raheja for alleged trespassing in the Premises. MCGM has by its letter to K Raheja Corp Foundation ("**KRC Foundation**") alleged that it has violated the terms and conditions of the development permission as well as permission given by MCGM and directed KRC Foundation to submit its explanation for the alleged lapses. K Raheja as the owner of the Premises, has by its letter replied to MCGM and clarified that it has acted in accordance with the terms of the development permission and that there is no requirement of handing over the Premises to MCGM. By the said letter, K Raheja has once again requested MCGM to remove its seal from the Premises and also sought personal hearing to explain and clarify the misapprehensions in the matter. MCGM called upon KRPL to attend its office on September 2, 2021 to discuss the issue regarding the Premises which was attended by KRPL. No further correspondence has been received from MCGM. KRPL has vide letter dated November 28, 2022 and letter dated April 4, 2023, once again requested MCGM to remove the seal on the Premises, so that the library (i) can be put to use for the public and (ii) remain in good condition. The matter is pending.

3. The Assistant Commissioner of Labour, Government of Maharashtra by a letter dated January 20, 2022 informed K Raheja to implement the applicable labour laws and norms at Artesia project. K Raheja by a letter dated February 15, 2022 replied that K Raheja is in compliance with the applicable provisions of labour laws and requested the closure of the matter. No further correspondence has been received thereafter.

4. In the year 2023, the building and factory department of Municipal Corporation of Greater Mumbai ("**MCGM**") has issued a show cause notice regarding non-compliance of air pollution mitigation guidelines issued by the Municipal Commissioner under the Mumbai Municipal Corporation Act. Subsequently, K Raheja has replied to MCGM stating that they have taken corrective measures and as soon as all the compliances are completed, MCGM will be informed to conduct the inspection and withdraw the notice.

K Raheja Corp Private Limited ("K Raheja Corp")

1. 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.

2. K Raheja Corp had 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.

3. 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. Pending rectification by MCGM, the bill for the year 2017-18 and 2018-19 reflected arrears of ₹ 9.26 million and ₹ 18.6 million respectively for K Raheja Corp. The matter is currently pending. No further correspondence has been received thereafter.

4. K Raheja Corp has received 4 letters all dated April 11, 2022 (addressed in K Raheja Corp earlier name Paramount Hotels Pvt. Ltd. ('**Paramount**') from the Collector of Stamp Duty, Borivali in respect of certain properties at Aksa, Borivali ("**Properties**"), requesting for agreements made for levying stamp duty as per regulations. The said letters were issued pursuant to order dated March 4, 2022 passed by the Collector, Mumbai Suburban District in respect of conversion of the Properties to Occupancy Class I. Subsequently, K Raheja Corp has replied to the Collector of Stamp Duty has *inter alia* stated stating that no separate agreement is executed, and requested the authorities to clarify regarding the agreement and stamp duty thereon to enable K Raheja Corp to do the needful as per applicable regulations.

5. K Raheja Corp has received a notice dated December 26, 2018 from the Assistant Commissioner, Navi Mumbai Municipal Corporation ("**NMMC**") directing K Raheja Corp to furnish certain information under the taxation rules of the Bombay Provincial Municipal Corporation Act, 1949. On June 30, 2018 NMMC by way of a speaking order, directed K Raheja Corp to make payment of property tax amount as mentioned in bill for the period April 1, 2018 to September 30, 2018. By a letter dated July 6, 2018, K Raheja Corp requested NMMC to reconsider the aforesaid order, NMMC has rectified property tax ledger depicting credit to K Raheja Corp and re-issued rectified property tax bill for the period from April 2018 to September 2018 showing credit balance in favour of K Raheja Corp. Property taxes are paid upto September 30, 2020.

D. Inquiries, inspections, or investigations initiated or conducted under the Companies Act initiated or conducted in the last three years against our Company and its Subsidiaries

Nil

E. Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

Nil

F. Details of default, if any, by our Company and its Subsidiaries including therein the amount involved, duration of default and present status, in repayment of: (a)statutory dues; (b) debentures and interests thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon

Nil

G. Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder

Nil

H. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

Nil

I. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Placement Document and their impact on the financial statements and financial positions of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks

There are no reservations, qualifications or adverse remarks of our auditors in last five Fiscals immediately preceding the year of this Issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks, emphasis of matter as mentioned in "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Reservations, qualifications, or adverse remarks of our Auditors in the last five Fiscals immediately preceding the year of this Placement Document***" on page 123.

J. Tax Claims

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Company and its Subsidiaries.

Nature of case	Number of cases	Amount involved (in ₹ million)*
Company		
Direct Tax	2	181.53
Indirect Tax	19	127.80
Sub total (A)	**21**	**309.33**

Nature of case	Number of cases	Amount involved (in ₹ million)*
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Sub total (B)	Nil	Nil
Total (A+B)	**21**	**309.33**

** To the extent quantifiable*

OUR STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013, B S R & Co. LLP, Chartered Accountants, were re-appointed as our Company's Statutory Auditors pursuant to a shareholders' resolution dated September 14, 2022, for a period of five years to conduct statutory audit for the Fiscal 2023 to Fiscal 2027.

B S R & Co. LLP, Chartered Accountants, have performed limited review of the Unaudited Condensed Consolidated Interim Financial Statements December 2022 and Unaudited Condensed Consolidated Interim Financial Statements December 2023 and have issued review reports each dated March 26, 2024 thereon, and have also audited the Audited Consolidated Financial Statements and have issued their audit reports which are included in this Placement Document in the "***Financial Information***" on page 245.

The peer review certificate of our Statutory Auditors is valid as of the date of this Placement Document.

FINANCIAL INFORMATION

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai – 400 063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Independent Auditors' Report on review of Unaudited Condensed Consolidated Interim Financial Statements

To the Board of Directors of Chalet Hotels Limited

Introduction

We have reviewed the accompanying Unaudited Condensed Consolidated Interim Balance Sheet of Chalet Hotels Limited (hereinafter referred to as "the Holding Company" or to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") as at 31 December 2023, the Unaudited Condensed Consolidated Interim statement of profit and loss (including other comprehensive income) for the quarter and nine months period then ended, Unaudited Condensed Consolidated Interim statement of changes in equity and the Unaudited Condensed Consolidated Interim statement of cash flows for the period then ended on that date and notes to the interim financial statements , including a summary of the material accounting policies ('herein after referred to as "the Unaudited Condensed Consolidated Interim financial statements"),. Management is responsible for the preparation and fair presentation of these Unaudited Condensed Consolidated Interim Financial Statements in accordance with the Indian Accounting Standards (Ind AS) 34, ''Interim Financial Reporting''. Our responsibility is to express a conclusion on these unaudited condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statements, as at and for the quarter and period ended 31 December 2023, are not prepared, in all material aspects, in accordance with Ind AS 34, Interim Financial Reporting.

Emphasis of Matter

We draw attention to Note 2(3) to the Unaudited Condensed Consolidated Interim financial statements regarding the ongoing litigation in respect of leasehold rights to proportionate undivided interest in land and building at Vashi (Navi Mumbai) purchased from K Raheja Corp Private Limited, on which the Holding Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K Raheja Corp Private Limited has been challenged under two public interest litigation. On 21 November 2014, the Honourable High Court at Bombay ordered K Raheja Corp

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Private Limited to restore the land to its original condition (which would inter alia require the buildings thereon to be demolished) and hand over the vacant possession thereof to CIDCO within six months of the date of judgement. K Raheja Corp Private Limited has filed a special leave petition against the abovementioned order in the Honourable Supreme Court of India. The Hon'ble Supreme Court of India on 21 January 2015 has passed Status Quo Order and the matter is currently pending with it. The agreement for purchase of leasehold rights between the Holding Company and K Raheja Corp Private Limited was subject to the outcome of the litigation and the management does not except any potential material loss to be borne by the Group. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in these Unaudited Condensed Consolidated Interim financial statements as at 31 December 2023 to the carrying value of the leasehold rights (reflected as prepayments) aggregating to Rs 47.64 million (31 March 2023: Rs 48.54 million) and the hotel assets thereon (reflected as property, plant and equipment) aggregating to Rs 366.11 million as at 31 December 2023 (31 March 2023: Rs 348.46 million). Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner

Place: Mumbai
Date: 26 March 2024

Membership No.:119057
ICAI UDIN: 24119057BKFIAO1046

Chalet Hotels Limited

Unaudited Condensed Consolidated Interim Balance Sheet
As at December 31, 2023

	Note	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
			Rs. in million
ASSETS			
Non-current assets			
Property, plant and equipment	2	**21,640.07**	20,968.70
Right of Use assets		**475.80**	524.67
Capital work-in-progress	3	**466.21**	977.74
Investment property	4	**17,729.91**	16,473.85
Goodwill		**537.11**	537.11
Other intangible assets	5	**36.67**	31.25
Financial assets			
(i) Other investments		**68.72**	68.47
(ii) Others		**788.88**	587.83
Deferred tax assets (net)	6	**1,718.35**	1,444.97
Non-current tax assets (net)		**508.64**	154.84
Other non-current assets		**699.54**	494.64
Total non-current assets		**44,669.90**	42,264.07
Current assets			
Inventories		**4,759.54**	4,129.26
Financial assets			
(i) Investments		**501.18**	-
(ii) Trade receivables		**550.18**	589.51
(iii) Cash and cash equivalents		**448.53**	444.54
(iv) Bank balances other than (iii) above		**478.50**	775.26
(vi) Others		**145.57**	129.98
Other current assets		**1,246.30**	975.13
Total current assets		**8,129.80**	7,043.68
TOTAL ASSETS		**52,799.70**	49,307.75
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	**2,053.95**	2,050.25
Other equity		**15,590.12**	13,369.14
Equity attributable to owners of the Company		**17,644.07**	15,419.39
Non controlling interests		**(3.95)**	(4.06)
Total equity		**17,640.12**	15,415.33
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	8	**22,472.71**	22,077.12
(ia) Lease liabilities		**512.59**	548.56
(ii) Others		**245.94**	252.74
Provisions		**87.73**	82.85
Other non-current liabilities		**145.93**	154.78
Total non-current liabilities		**23,464.90**	23,116.05
Current liabilities			
Financial liabilities			
(i) Borrowings	9	**5,954.48**	5,861.59
(ia) Lease liabilities		**47.09**	42.91
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises and		**206.86**	144.59
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises		**1,341.78**	1,357.26
(iii) Other financial liabilities		**1,129.07**	1,047.01
Other current liabilities		**2,905.96**	2,214.57
Provisions		**109.44**	108.44
Total current liabilities		**11,694.68**	10,776.37
TOTAL EQUITY AND LIABILITIES		**52,799.70**	49,307.75

Summary of Material Accounting Policies	1
Notes to the Unaudited Condensed Consolidated Interim financial statements	2 - 22

The notes referred to above form an integral part of the Unaudited Condensed Consolidated Interim financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No. 119057

Mumbai
March 26, 2024

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No. L55101MH1986PLC038538)

Sanjay Sethi
Managing Director & CEO
(DIN 00641243)

Neel C. Raheja
Director
(DIN 00029010)

Milind Wadekar
Chief Financial officer
(Membership No: 116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
March 26, 2024

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Unaudited Condensed Consolidated Interim Statement of Profit and Loss

for the nine months period ended December 31, 2023

Rs. in million

	Note	For the quarter ended December 31, 2023 (Unaudited)	For the quarter ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2023 (Unaudited)	For the nine months ended December 31, 2022 (Unaudited)
Income					
Revenue from operations					
Revenue from operations		3,736.68	2,897.45	9,989.88	7,905.93
Other income		62.19	320.56	136.43	415.78
Total income (A)		3,798.87	3,218.01	10,126.31	8,321.71
Expenses					
Real estate development cost		21.26	21.26	63.79	63.79
Food and beverages consumed		283.07	259.31	767.41	743.02
Operating supplies consumed		96.08	117.88	293.80	289.13
Employee benefits expense		487.99	394.25	1,429.70	1,098.28
Other expenses		1,188.32	969.83	3,417.91	2,707.16
Total expenses (B)		2,076.72	1,762.53	5,972.61	4,901.38
Earnings before interest, depreciation, amortisation and tax (EBITDA) (C) (A-B)		1,722.15	1,455.48	4,153.70	3,420.33
Depreciation and amortisation expenses		353.17	281.21	1,012.54	874.67
Finance costs		482.46	368.12	1,437.89	1,139.43
Profit before exceptional items and tax (D)		886.52	806.15	1,703.27	1,406.23
Exceptional items (E)	22	-	605.00	-	607.47
Profit before income tax (F) (D+E)		886.52	1,411.15	1,703.27	2,013.70
Tax expense (G)		180.10	387.63	(254.14)	547.11
Current tax (includes tax for the earlier years)		98.08	0.41	198.00	0.62
Deferred tax (credit)/ charge		82.02	387.22	(452.14)	546.49
Profit for the period (H) (F-G)		706.42	1,023.52	1,957.41	1,466.59
Other comprehensive income / (expense)					
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit plans		(2.01)	0.11	(6.01)	0.33
Income tax credit / (charge) on above		0.68	(0.04)	2.04	(0.11)
Other comprehensive income / (expense) for the period, net of tax (I)		(1.33)	0.07	(3.97)	0.22
Total comprehensive income for the period (J) (H+I)		705.09	1,023.59	1,953.44	1,466.81
Profit attributable to :					
Owners of the company		706.21	1,023.39	1,957.29	1,466.18
Non-controlling interests		0.21	0.13	0.12	0.41
Other comprehensive (expense) attributable to :					
Owners of the company		(1.33)	0.07	(3.97)	0.22
Non-controlling interests		-		-	-
Total comprehensive Income attributable to :					
Owners of the company		704.88	1,023.46	1,953.32	1,466.40
Non-controlling interests		0.21	0.13	0.12	0.41
Earnings per equity share (Face value of Rs 10 each)					
Basic (* not annualised)	10	*3.44	*4.99	* 9.54	* 7.15
Diluted (* not annualised)	10	*3.44	*4.99	* 9.53	* 7.15

Summary of Material Accounting Policies 1

Notes to the Unaudited Condensed Consolidated Interim financial 2 - 22

The notes referred to above form an integral part of the Unaudited Condensed Consolidated Interim financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

Suhas Pai
Partner
Membership No. 119057

Mumbai
March 26, 2024

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No. L55101MH1986PLC038538)

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Neel C. Raheja
Director
(DIN: 00029010)

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
March 26, 2024

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Unaudited Condensed Consolidated Interim Statement of Cash Flows

for the nine months period ended December 31, 2023

Rs. in million

		For the nine months ended December 31, 2023 (Unaudited)	For the nine months ended December 31, 2022 (Unaudited)
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit before tax	1,703.27	2,013.70
	Adjustments for :		
	Interest income from instruments measured at amortised cost	(80.69)	(298.53)
	Depreciation and amortisation expenses	1,012.54	874.67
	Finance costs	1,437.89	1,139.43
	Unrealised exchange loss	4.79	27.98
	Provision for estimated cost	-	(607.47)
	Profit on sale of property, plant and equipment (net)	(0.64)	(0.95)
	Property, plants and equipment written off	-	3.90
	Provision for doubtful debts, Advances and Bad debt written off	5.09	3.79
	Employee stock option expense	75.03	50.72
	Sundry balance written back	(9.79)	(21.52)
	Export benefits and entitlements	(8.02)	(30.02)
	Total	2,436.20	1,142.00
	Operating Profit before working capital changes	4,139.47	3,155.70
	Adjustments		
	(Increase) in trade receivables and current assets	(528.95)	(161.09)
	(Increase) in inventories	(630.28)	(149.24)
	Increase / (Decrease) in trade payables and current liabilities	907.82	(71.58)
	Total	(251.41)	(381.91)
	Income Taxes (net of refund)	(373.04)	27.66
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	3,515.02	2,801.45
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of property, plant and equipment, Right of Use assets (including capital work in progress, capital creditors and capital advances)	(1,056.24)	(695.06)
	Proceeds from sale of property, plants and equipments and investment property	88.40	2.18
	Purchase of investments (including investment property and investment property under construction)	(2,005.07)	(2,638.81)
	Loans given	-	(5.00)
	Interest income received	66.15	918.70
	receipts of Intercorporate Deposit given	-	1.48
	Fixed deposits matured (net)	52.71	554.47
	Margin money matured / (placed) (net)	169.70	(245.21)
	NET CASH USED IN INVESTING ACTIVITIES (B)	(2,684.35)	(2,107.26)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Issue of equity shares	111.72	0.32
	Issue of preference shares	-	250.00
	Proceeds from long-term borrowings	1,982.29	4,320.00
	Repayment of long-term borrowings	(2,433.96)	(4,919.94)
	Payment of lease liability	(73.60)	(73.15)
	Intercorporate Deposit taken	650.00	350.00
	Proceeds from short-term borrowings	1.47	(1.48)
	Interest and finance charges paid	(1,214.12)	(1,200.56)
	NET CASH USED IN FINANCING ACTIVITIES (C)	(976.20)	(1,274.81)
	NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	(145.53)	(580.62)
	CASH AND CASH EQUIVALENTS - OPENING BALANCE	354.30	231.51
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE	208.77	(349.11)

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Unaudited Condensed Consolidated Interim Statement of Cash Flows

for the nine months period ended December 31, 2023

Rs. in million

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

	As at December 31, 2023 (Unaudited)	As at December 31, 2022 (Unaudited)
Cash and cash equivalents	448.53	136.75
Less: Over draft accounts from banks	(239.76)	(485.86)
Cash and cash equivalents as per Unaudited Condensed Consolidated Interim Statement of Cash Flows	**208.77**	**(349.11)**

3 The movement of borrowings as per Ind AS 7 is as follows:

	For the nine months ended December 31, 2023 (Unaudited)	For the nine months ended December 31, 2022 (Unaudited)
Opening borrowings	27,810.51	25,326.10
Proceeds from long-term borrowings**	2,632.29	4,570.00
Repayment of long-term borrowings	(2,433.96)	(4,919.94)
Proceeds from short-term borrowings	1.47	(1.48)
Non-cash adjustments	177.12	(113.42)
	28,187.43	24,861.26

* Cash and cash equivalents includes bank overdrafts that are payable on demand and form an integral part of the Company cash management.

** Includes issue of preference shares.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No. 119057

Mumbai
March 26, 2024

For and on behalf of the Board of Directors of
L55101MH1986PLC038538
Chalet Hotels Limited

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Neel C. Raheja
Director
(DIN. 00029010)

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
March 26, 2024

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Unaudited Condensed Consolidated Interim Statement of Changes in Equity

As at December 31, 2023

CHALET

Rs. in million

(a) Equity share capital

	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Balance at the beginning of the reporting period / year	**2,050.25**	2,050.24
Shares issued during the period / year	**3.70**	0.01
Balance at the end of the reporting period / year	**2,053.95**	2,050.25

(b) Other equity	Attributable to the owners of the Company						
	Equity Component of Compound Instrument	Employee stock option reserve	Capital Reserve	Securities Premium	General reserve	Retained earnings*	Total
Balance at April 1, 2023	**534.00**	**102.68**	**84.99**	**10,269.50**	**1,071.96**	**1,306.01**	**13,369.14**
Equity Component of Compound Instrument	**84.61**	-	-	-	-	-	**84.61**
Securities premium	-	-	-	**108.02**	-	-	**108.02**
Employee stock option reserve	-	**75.03**	-	-	-	-	**75.03**
Transferred to retained earnings	-	**(57.43)**	-	-	-	**57.43**	-
Profit for the period	-	-	-	-	-	**1,957.29**	**1,957.29**
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	**(3.97)**	**(3.97)**
Total comprehensive income for the period	**84.61**	**17.60**	-	**108.02**	-	**2,010.75**	**2,220.98**
Balance as at December 31, 2023	**618.61**	**120.28**	**84.99**	**10,377.52**	**1,071.96**	**3,316.76**	**15,590.12**
Balance at April 1, 2022	438.33	23.87	84.99	10,269.19	1,071.96	(526.04)	11,362.30
Equity Component of Compound Instrument	80.04	-	-	-	-	-	80.04
Employee stock option reserve	-	50.89	-	-	-	-	50.89
Transferred to retained earnings	-	(0.17)	-	-	-	0.17	-
Securities premium	-	-	-	0.31	-	-	0.31
Profit for the period	-	-	-	-	-	1,466.18	1,466.18
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	0.22	0.22
Total comprehensive income for the year	80.04	50.72	-	0.31	-	1,466.57	1,597.64
Balance as at December 31, 2022	518.37	74.59	84.99	10,269.50	1,071.96	940.53	12,959.94

*Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact) Rs 3,710.05 million (March 31, 2023 Rs 3,710.05 million)

**Amount less than million

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

Suhas Pai
Partner
Membership No. 119057

Mumbai
March 26, 2024

For and on behalf of the Board of Directors of
L55101MH1986PLC038538
Chalet Hotels Limited

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Neel C. Raheja
Director
(DIN. 00029010)

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
March 26, 2024

CHALET HOTELS LIMITED MUMBAI

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

1.1 Company background

The Unaudited condensed Consolidated interim Financial Statement comprises of consolidated financial statements of Chalet Hotels Limited ('the Company' or 'the Holding Company'), its subsidiary companies* (collectively, 'the Group'). The Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400 051. The Company was incorporated under the Companies Act, 1956 on January 6, 1986 and has been converted into a public company with effect from June 6, 2018.

The Group is primarily engaged in the business of hospitality (hotels), rental and annuity business *(formerly known as commercial and retail operations)* and real estate development. At December 31, 2023 the Group has, (a) Eight hotels (and one service apartment building) operating at Powai and Sahar (Mumbai), Vashi (Navi Mumbai), Pune, Khandala ,Bengaluru and 2 hotels in Hyderabad, (b) commercial property at Bengaluru and Sahar, Mumbai and (c) is engaged in construction and development of a residential property at Bengaluru.

On March 23, 2023 the Group has acquired stake in "The Dukes Retreat Private Limited" (Dukes) and "Sonmil Industries Private Limited" (SIPL) for a complete cash consideration. Consequent to such acquisition Dukes and SIPL have become the wholly owned subsidiary of the Group.

The Management has considered March 31, 2023 as acquisition date for the purpose of purchase price allocations/consolidation, since the financial performance of the entities acquired for the period from March 23, 2023 to March 31, 2023 are not material to the consolidated financial performance.

Refer Note 18 for the scheme of Amalgamation with the Holding Company.

*The Group as at December 31, 2023 includes the following subsidiaries:

Name of the entity	Country of Incorporation	% Holding As on December 31, 2023	% Holding As on March 31, 2023	% Holding As on December 31, 2022
Chalet Hotels & Properties (Kerala) Private Limited	India	90%	90%	90%
The Dukes Retreat Private Limited (w.e.f March 23, 2023)	India	100%	100%	-
Sonmil Industries Private Limited (W.e.f. March 23, 2023)	India	100%	100%	-
Chalet Airport Hotel Private Limited (w.e.f August 18, 2022)	India	100%	100%	100%
Belaire Hotels Private limited - (Refer Note 18)	India			
SeaPearl Hotels Private Limited – (Refer Note 18)	India			

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Notes to the Notes to the Unaudited condensed Consolidated interim Financial Statements *(Continued)*

1.2 Summary of Material Accounting Policies

Basis of preparation and presentation

These unaudited condensed consolidated interim financial statements which comprise the condensed consolidated balance sheet as at December 31, 2023 the condensed consolidated statement of profit and loss (including other comprehensive income), the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the nine months ended December 31, 2023 and a summary of the material accounting policies and other explanatory information (together herein after referred to as "unaudited condensed consolidated interim financial statements ") have been prepared in accordance with the principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India.

These unaudited condensed consolidated interim financial statements are not the statutory accounts for the purpose of any statutory compliances or for regulatory requirements in any jurisdiction. These unaudited condensed consolidated interim financial statements must be read in conjunction with the revised consolidated financial statements for the year ended March 31, 2023. They do not include all the information required for a complete set of Ind AS financial statements. However, selected explanatory notes are included to explain events and transactions that management believes are significant to an understanding of the changes in the Group's financial position and performance since the last annual revised consolidated financial statements.

These unaudited condensed consolidated interim financial statements for the nine months ended December 31, 2023 have been prepared by the Group solely in connection with the Proposed fund raising exercise, by way of issuance of equity shares under qualified institutions placement and its inclusion in the Preliminary Placement Document and Placement Document of the Group, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "Regulations").

The unaudited condensed consolidated interim financial statements of the Group for the nine months ended December 31, 2023 were approved by the Board of Directors and authorized for issue on March 23, 2024.

Use of estimates and judgements

The preparation of the condensed financial statements requires the use of certain critical accounting estimates and judgements. It also requires the Management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the condensed financial statements, or areas involving a higher degree of judgement or complexity, are the same as those disclosed in the Group's annual financial statements for the year ended March 31, 2023.

Accounting policies

Income Tax

Current income and deferred tax have been determined based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year as required under Ind AS 34.

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's latest annual financial statements and related notes included in the Group's Annual Report for the year ended March 31, 2023.

Recent pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During nine months period ended December 31, 2023 MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Note 2
Property, plant and equipment
Reconciliation of carrying amount
As at December 31, 2023

Rs. in million

Particulars	Gross block				Accumulated depreciation/ amortisation				Net block
	Opening balance as at April 1, 2023	Additions/ Transferred In	Deductions	Closing balance as at December 31, 2023	Opening balance as at April 1, 2023	For the period	Deductions	Closing balance as at December 31, 2023	As at December 31, 2023
Freehold land	8,609.05			8,609.05	-			-	8,609.05
Lease hold land	0.74			0.74	-			-	0.74
Buildings	14,961.95	738.24	14.55	15,685.64	4,783.90	386.65	11.84	5,158.71	10,526.93
Plant and machinery	4,902.38	399.38	25.68	5,276.08	3,497.36	204.83	22.85	3,679.34	1,596.74
Data processing equipments	270.01	38.51	4.49	304.03	253.85	14.92	4.49	264.28	39.75
Electrical installations	1,787.94	138.85	3.68	1,923.11	1,346.61	70.61	3.68	1,413.54	509.57
Furniture and fixtures	2,086.80	119.03	10.58	2,195.25	1,775.63	82.03	10.03	1,847.63	347.62
Vehicles	70.91		4.64	66.27	67.72	0.60	4.64	63.68	2.59
Office equipments	94.18	5.98	1.78	98.38	90.19	2.86	1.75	91.30	7.08
Total	32,783.96	1,439.99	65.40	34,158.55	11,815.26	762.50	59.28	12,518.48	21,640.07

Reconciliation of carrying amount
As at March 31, 2023

Rs. in million

Particulars	Gross block					Accumulated depreciation/ amortisation					Net block
	Opening balance as at April 1, 2022	Acquired in Business Combination (Refer Note 11)	Additions/ Transferred In	Deductions	Closing balance as at March 31, 2023	Opening balance as at April 1, 2022	Adjustments	For the year	Deductions	Closing balance as at March 31, 2023	As at March 31, 2023
Freehold land	7,756.67	781.57	80.01	9.20	8,609.05	-	-	-	-	-	8,609.05
Lease hold land	-	0.01	0.73	-	0.74	-	-	-	-	-	0.74
Buildings	13,883.23	207.05	872.86	1.19	14,961.95	4,250.02	83.46	450.47	0.05	4,783.90	10,178.05
Plant and machinery	4,738.28	8.78	226.73	71.41	4,902.38	3,248.15	51.64	265.98	68.41	3,497.36	1,405.02
Data processing equipments	275.52	-	8.83	14.34	270.01	249.30	-	18.85	14.30	253.85	16.16
Electrical installations	1,702.77	-	88.45	3.28	1,787.94	1,240.00	19.03	90.53	2.95	1,346.61	441.33
Furniture and fixtures	2,132.59	7.74	51.79	105.32	2,086.80	1,765.06	3.59	110.29	103.31	1,775.63	311.17
Vehicles	117.85	0.13	0.51	47.58	70.91	114.31	-	0.88	47.47	67.72	3.19
Office equipments	96.29	0.48	3.01	5.60	94.18	94.99	-	0.79	5.59	90.19	3.99
Total	30,703.20	1,005.76	1,332.92	257.92	32,783.96	10,961.83	157.72	937.79	242.08	11,815.26	20,968.70

1) Refer Note 8 and Note 9 for information on Property, plant and equipment pledged as security by the Group

2) Refer Note 12(II) for contractual commitments with respect to property plant and equipments

3) Refer Note 12 (c)

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement *(Continued)*
As at December 31, 2023
Note 2
Property, plant and equipment (*continued*)

4) The Group proposes to convert Bengaluru ALC commercial Building to Hotel Building, the assets pertaining to said Building has been transferred to Property, plant and Equipments from Investment Property (refer note 4A).
5) The title deeds of all immovable properties (other than immovable properties where the Holding Company is the lessee and the leases agreements are duly executed in favour of the lessee) as disclosed in the Note 2 and Note 4.

Details as on December 31, 2023

Description of item of property	Gross carrying value (In million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold land	880.97	Belaire Hotels Private Limited	NA	2007-08	Assets acquired by the holding company on account of merger and is in name of erstwhile company (Refer Note 18)
Buildings	1,716.47	Belaire Hotels Private Limited	NA	2013-14	Assets acquired by the holding company on account of merger and is in name of erstwhile company (Refer Note 18)

Details as on March 31.2023

Description of item of property	Gross carrying value (In million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold land	880.97	Belaire Hotels Private Limited	NA	2007-08	Assets acquired by the holding company on account of merger and is in name of erstwhile company (Refer Note 18)
Buildings	1,716.47	Belaire Hotels Private Limited	NA	2013-14	Assets acquired by the holding company on account of merger and is in name of erstwhile company (Refer Note 18)

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023

Note 3
Capital work-in-progress

1) Details of capital work-in-progress — **Rs. in million**

Particulars	December 31, 2023	March 31, 2023
Opening balance	1,035.45	322.27
Add: Additions during the year	721.97	1,070.45
Less: Capitalised during the year	(1,233.50)	(357.27)
Closing Balance	523.92	1,035.45
Less: Provision for impairment	(57.71)	(57.71)
Net balance	466.21	977.74

There was delay in implementation of International Convention Centre Complex (ICCC) Project as the Department of Tourism (DOT), Government of Kerala (GOK) is yet to contribute land for the project as its equity contribution in kind. The management believes the project to be viable. During the year ended 31 March 2020, as there were conditions of uncertainty, it had taken a prudent and conservative call to write off capital work in progress without prejudicing the going concern.
In view of this delay, the Group has further extended the performance guarantee given to the DOT, GOK, for a period up to March 12, 2024. The Group has ceased capitalisation of borrowing cost with effect from the financial year 2014-15.

2) Expenses (net) capitalised to capital work-in-progress during the period

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022
Legal and professional charges	24.54	6.83
Employee costs	13.65	2.21
Rates, taxes and license fees	8.72	3.01
Interest and other finance costs	22.04	29.82
Miscellaneous expenses	4.26	5.40
Total	73.21	47.27

3) Capital work in progress (CWIP) Ageing Schedule

As at December 31, 2023 — **Rs. in million**

Particulars	Capital work in progress ageing schedule as at December 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	178.81	282.29	-	-	461.10
Projects temporarily suspended	-	-	-	5.11	5.11
Total	178.81	282.29	-	5.11	466.21

Details of capital work in progress whose completion is overdue or has exceeded its cost as compared to its original plan:
As at December 31, 2023

Particulars	CWIP to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	-	-	-
Hotel at Powai, Mumbai	-	-	-	-
Hotel at Telangana		-	-	-
Projects temporarily suspended	-	-	-	5.11
Hotel at Navi Mumbai	-	-	-	5.11
Total	-	-	-	5.11

As at March 31, 2023 — Rs. in million

Particulars	Capital work in progress ageing schedule as at March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	694.38	150.28	124.85	-	969.51
Projects temporarily suspended	-	4.73	3.50	-	8.23
Total	694.38	155.01	128.35	-	977.74

Details of capital work in progress whose completion is overdue or has exceeded its cost as compared to its original plan:
As at March 31, 2023

Particulars	CWIP to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	695.68	-	-	-
Hotel at Powai, Mumbai	-	-	-	-
Hotel at Telangana	695.68	-	-	-
Projects temporarily suspended	-	-	-	5.11
Hotel at Navi Mumbai	-	-	-	5.11
Total	695.68	-	-	5.11

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023

Note 4
Investment property

A. Reconciliation of carrying amount

As at December 31, 2023 — **Rs. in million**

Particulars	Gross block: Opening balance as at April 1, 2023	Additions/ Transferred In	Deductions	Closing balance as at December 31, 2023	Accumulated depreciation / amortisation: Opening balance as at April 1, 2023	For the period	Deductions	Closing balance as at December 31, 2023	Net block: As at December 31, 2023
Cignus Whitefield I Bangalore	3,100.70	118.85	81.46	**3,138.09**	17.95	65.91	-	**83.86**	**3,054.23**
Commercial Block II Sahar, Mumbai	1,239.40	0.05	0.06	**1,239.39**	248.60	31.97	0.06	**280.51**	**958.88**
Commercial Block I Sahar, Mumbai	3,203.60	0.17	-	**3,203.77**	430.26	64.35	-	**494.61**	**2,709.16**
Cignus Whitefield II Bangalore	1,725.20	-	0.05	**1,725.15**	677.15	39.06	0.05	**716.16**	**1,008.99**
Total (A)	**9,268.90**	**119.07**	**81.57**	**9,306.40**	**1,373.96**	**201.29**	**0.11**	**1,575.14**	**7,731.26**
Investment property under construction									
Business centers and offices, Sahar, Mumbai									**7.27**
Cignus Powai I, Mumbai									**8,561.11**
Cignus Powai II, Mumbai									**1,206.13**
Cignus Whitefield I and II Bangalore									**224.14**
Total (B)									**9,998.65**
Total (A+B)									**17,729.91**

Note 4 (A) The Group proposed to convert Bengaluru ALC Commercial Building to Hotel Building, the assets pertaining to the said Building has been transferred to Property, Plant and Euipments from Investment Property.

As at March 31, 2023

Particulars	Gross block: Opening balance as at April 1, 2022	Additions	Deductions	Closing balance as at March 31, 2023	Accumulated depreciation: Opening balance as at April 1, 2022	For the year	Deductions	Closing balance as at March 31, 2023	Net block: As at March 31, 2023
Commercial complex, Bengaluru I	893.37	-	893.37	-	157.72	-	157.72	-	-
Cignus Whitefield I Bangalore		3,100.70		3,100.70		17.95		17.95	3,082.75
Commercial Block II Sahar, Mumbai	1,203.25	36.15	-	1,239.40	206.87	41.73	-	248.60	990.80
Commercial Block I Sahar, Mumbai	3,203.54	0.06	-	3,203.60	344.64	85.62	-	430.26	2,773.34
Cignus Whitefield II Bangalore	1,729.08	-	3.88	1,725.20	628.11	52.57	3.53	677.15	1,048.05
Total (A)	7,029.24	3,136.91	897.25	9,268.90	1,337.34	197.87	161.25	1,373.96	7,894.94
Investment property under construction									
Business centers and offices, Sahar, Mumbai									0.01
Cignus Powai I, Mumbai									7,317.56
Cignus Powai II, Mumbai									1,167.28
Cignus Whitefield I Bangalore									15.93
Cignus Whitefield II Bangalore									78.13
Total (B)									8,578.91
Total (A+B)									16,473.85

Notes:

1) Refer Note 8 and Note 9 for information on Property, plant and equipment pledged as security by the Group

2. Borrowing cost aggregating to Rs.477.60 million (March 31, 2023 Rs.589.36 million) are capitalised under investment property under construction

3. Details of investment property under construction

Rs. in million

Particulars	December 31, 2023	March 31, 2023
Opening Balance	8,578.91	7,868.50
Add: Additions during the period / year	1,456.31	3,847.59
Less: Capitalised during the period / year	(36.57)	(3,137.18)
Closing Balance	**9,998.65**	8,578.91

Note 4
Investment property *(Continued)*

4) Expenses (net) capitalised to Investment Property under Construction during the period

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022
Legal and professional charges	24.09	47.09
Employee costs	51.27	62.95
Rates, taxes and license fees	13.46	111.52
Interest and other finance costs	477.60	436.30
Miscellaneous expenses	24.74	17.71
Other income/ sale of scrap	-	(0.10)
Total	**591.16**	675.47

B. Fair value measurement

i. Fair value hierarchy **Rs. in million**

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 December 31, 2023	Fair Value as on March 31, 2023
Commercial Block II Sahar, Mumbai	2,085.60	1,902.17
Commercial Block I, Sahar, Mumbai	7,978.80	7,911.42
Cignus Whitefield II Bangalore	1,779.00	1,771.83
Cignus Whitefield I Bangalore	5,155.00	4,246.94

The independent valuer registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

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 years, occupancy rate, lease incentive costs such as rent-free years and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. The land of Commercial Complex, Bengaluru is valued by residual method. The valuation of Retail block, Sahar, Mumbai considers change in end use to commercial purpose.

Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties	Valuation technique	Significant unobservable Inputs	Range December 31, 2023	Range March 31, 2023
Commercial Block II Sahar, Mumbai	DCF Method	Occupancy Range	96% to100%	94% to100%
		Base Rent (Rs /sqft/m)	60 - 382 for Retailers	120 for Retailers
			120 - 130 for Commercials	130 for Commercials
		Escalation %	4.77% p.a	4.77% p.a
		WAAC	12.28%	12.10%
		Growth Rate	4.50%	4.00%
Commercial Block I Sahar, Mumbai	DCF Method	Occupancy Range	96% to100%	100%
		Base Rent (Rs./sqft/m)	197	197
		Escalation %	4.77% p.a	4.77% p.a
		WAAC	12.40%	12.30%
		Growth Rate	4.25%	4.00%

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023
Investment property *(Continued)*

Cignus Whitefield II Bangalore	DCF Method	Occupancy Range	97% to100%	94% to100%
		Base Rent (Rs./sqft/m)	57.00 - 61.00	57.00
		Escalation %	4.77% p.a.	4.77% p.a.
		WAAC	12.40%	12.30%
		Growth Rate	4.25%	4.00%
Cignus Whitefield I Bangalore	DCF Method	Occupancy Range	97% to 100%	96% to100%
		Base Rent (Rs./sqft/m)	60.00 - 64.00	60.00
		Escalation %	4.77% p.a.	4.77% p.a.
		WAAC	12.40%	12.30%
		Growth Rate	4.25%	4.00%

C. Information regarding income and expenditure of investment property

Particulars	December 31, 2023	March 31, 2023
Rental income derived from investment properties	779.69	886.77
Direct operating expenditure (including repairs and maintenance) generating rental income	82.57	77.09
Direct operating expenditure that did not generate rental income	8.21	-
Profit arising from investment properties before depreciation and indirect expenses	688.91	809.68
Depreciation	201.29	197.87
Profit arising from investment properties before indirect expenses	487.62	611.81

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

E. Investment properties under construction (IPUC) Ageing Schedule

As at December 31, 2023 **Rs. in million**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,126.00	2,595.84	3,191.76	2,085.05	9,998.65
Projects temporarily suspended	-	-	-	-	-
Total	**2,126.00**	**2,595.84**	**3,191.76**	**2,085.05**	**9,998.65**

As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,611.84	3,191.76	2,085.05	690.26	8,578.91
Projects temporarily suspended	-	-	-	-	-
Total	**2,611.84**	**3,191.76**	**2,085.05**	**690.26**	**8,578.91**

F. Details of the Investment Property Uunder Construction ('IPUC'), whose completion is overdue or has exceeded its cost compared to its original plan, following IPUC completion schedule shall be given:

As at December 31, 2023 **Rs. in million**

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**8,785.25**	-	-	**1,206.13**
Cignus Powai I, Mumbai	8,561.11	-	-	-
Cignus Whitefield II Bangalore	224.14	-	-	-
Cignus Powai II, Mumbai	-	-	-	1,206.15
Projects temporarily suspended				
Project 1	-	-	-	-
Project 2	-	-	-	-
Total	**8,785.25**	-	-	**1,206.15**

As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**7,324.40**	-	-	**1,167.33**
Cignus Powai I, Mumbai	7,308.93	-	-	-
Cignus Whitefield II Bangalore	15.47	-	-	-
Cignus Powai II, Mumbai	-	-	-	1,167.33
Projects temporarily suspended				
Project 1	-	-	-	-
Project 2	-	-	-	-
Total	**7,324.40**	-	-	**1,167.33**

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023

Note 4
Investment property *(Continued)*

G. Asset wise breakup of investment property is as follows:

As at December 31, 2023 — **Rs. in million**

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at April 1, 2023	Additions/ Transferred In	Deductions	**Closing balance as at December 31, 2023**	Opening balance as at April 1, 2023	For the period	Deductions	**Closing balance as at December 31, 2023**	**As at December 31, 2023**
Tangible assets									
Freehold land	913.33	-	-	913.33	-			-	913.33
Buildings	6,422.62	21.79	32.92	6,411.49	743.27	110.96	-	854.23	5,557.26
Plant and machinery	1,436.59	95.53	45.01	1,487.11	423.50	67.70	-	491.20	995.91
Computers	2.39	1.03	0.11	3.31	2.28	0.06	0.11	2.23	1.08
Electrical installations	460.93	-	3.53	457.40	177.50	21.75	-	199.25	258.15
Furniture and fixtures	30.82	0.72	-	31.54	25.45	0.74	-	26.19	5.35
Office equipments	1.68			1.68	1.45	0.07		1.52	0.16
	9,268.36	**119.07**	**81.57**	**9,305.86**	**1,373.45**	**201.28**	**0.11**	**1,574.62**	**7,731.24**
Intangible assets									
Software	0.54	-	-	0.54	0.51	0.01	-	0.52	0.02
	0.54	-	-	0.54	0.51	0.01	-	0.52	0.02
Total	**9,268.90**	**119.07**	**81.57**	**9,306.40**	**1,373.96**	**201.29**	**0.11**	**1,575.14**	**7,731.26**

As at March 31, 2023 — **Rs. in million**

Particulars	Gross block				Accumulated depreciation				Net block
	Opening balance as at April 1, 2022	Additions/ Transferred In	Deductions	Closing balance as at March 31, 2023	Opening balance as at April 1, 2022	For the year	Deductions	Closing balance as at March 31, 2023	As at March 31, 2023
Tangible assets									
Freehold land	813.66	179.68	80.01	913.33	-	-	-	-	913.33
Buildings	4,718.81	2,336.83	633.02	6,422.62	717.60	109.13	83.46	743.27	5,679.35
Plant and machinery	1,063.11	505.91	132.43	1,436.59	412.57	64.14	53.21	423.50	1,013.09
Computers	2.33	0.06	-	2.39	2.22	0.06	-	2.28	0.11
Electrical installations	391.60	114.43	45.10	460.93	173.62	22.91	19.03	177.50	283.43
Furniture and fixtures	37.46	-	6.64	30.82	29.51	1.45	5.51	25.45	5.37
Office equipments	1.68	-	-	1.68	1.28	0.17	-	1.45	0.23
	7,028.65	3,136.91	897.20	9,268.36	1,336.80	197.86	161.21	1,373.45	7,894.91
Intangible assets									
Software	0.59	-	0.05	0.54	0.54	0.01	0.04	0.51	0.03
	0.59	-	0.05	0.54	0.54	0.01	0.04	0.51	0.03
Total	7,029.24	3,136.91	897.25	9,268.90	1,337.34	197.87	161.25	1,373.96	7,894.94

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023

Note 5
Other intangible assets

As at December 31, 2023 — **Rs. in million**

Particulars	Gross block: Opening balance as at April 1, 2023	Gross block: Additions/ Transferred In	Gross block: Deductions	Gross block: **Closing balance as at December 31, 2023**	Accumulated depreciation / amortisation: Opening balance as at April 1, 2023	Accumulated depreciation / amortisation: For the period	Accumulated depreciation / amortisation: Deductions	Accumulated depreciation / amortisation: **Closing balance as at December 31, 2023**	Net block: **As at December 31, 2023**
Trade marks	0.04	-	-	0.04	0.04	-	-	0.04	-
Computer software	106.76	17.75	0.18	124.33	98.51	7.85	-	106.36	17.97
Brands	23.00	-	-	23.00	-	4.30	-	4.30	18.70
Total	**129.80**	**17.75**	**0.18**	**147.37**	**98.55**	**12.15**	-	**110.70**	**36.67**

As at March 31, 2023 — **Rs. in million**

Particulars	Gross block: Opening balance as at April 1, 2022	Gross block: Acquired in Business Combination	Gross block: Additions/ Transferred In	Gross block: Deductions	Gross block: Closing balance as at March 31, 2023	Accumulated depreciation / amortisation: Opening balance as at April 1, 2022	Accumulated depreciation / amortisation: Charged for the year	Accumulated depreciation / amortisation: Deductions	Accumulated depreciation / amortisation: Closing balance as at March 31, 2023	Net block: As at March 31, 2023
Trade marks	0.04	-	-	-	0.04	0.04	-	-	0.04	-
Brands	-	23.00	-	-	23.00	-	-	-	-	23.00
Computer software	104.69	-	2.07	-	106.76	88.21	10.30	-	98.51	8.25
Total	104.73	23.00	2.07	-	129.80	88.25	10.30	-	98.55	31.25

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
as at December 31, 2023

Note 6
Tax expense
Deferred tax assets includes, recognition of Rs. 584.21 million during the period ended December 31, 2023 (March 31, 2023: - Nil) in pursuant to the merger of wholly owned subsidiary company ('transferor company') with the Holding Company ('transferee company'). The transferee company has recognized deferred tax asset on the brought forward business losses (including unabsorbed depreciation) pertaining to transferor company which has been recognized considering the relevant facts and circumstances to the extent that the Holding Company has convincing evidence based on its business plans and budgets the unutilized tax losses /credit will be realized.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023

Note 7
Share capital

(a) Details of the authorised, issued, subscribed and fully paid-up share capital as below:

Rs. in million

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
(i) Authorised		
382,100,000 (March 31, 2023: 229,100,000) equity shares of the par value of Rs. 10 each	3,821.00	2,291.00
(ii) Issued, subscribed and paid-up		
205,394,704 (March 31, 2023: 205,024,864) equity shares of the par value of Rs. 10 each	2,053.95	2,050.25
Total	**2,053.95**	2,050.25

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	December 31, 2023		March 31, 2023	
	Number	Amount	Number	Amount
Equity shares				
Number of equity shares outstanding at the beginning of the period / year	20,50,24,864	2,050.25	20,50,23,864	2,050.24
Fresh issue of equity shares	3,69,840	3.70	1,000	0.01
Number of equity shares outstanding at the end of the period / year	**20,53,94,704**	**2,053.95**	20,50,24,864	2,050.25

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

Particulars	December 31, 2023		March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Casa Maria Properties LLP	1,64,96,280	8.03%	1,64,96,280	8.05%
Capstan Trading LLP	1,64,95,680	8.03%	1,64,95,680	8.05%
Raghukool Estate Development LLP	1,64,95,680	8.03%	1,64,95,680	8.05%
Touchstone Properties and Hotels Private Limited	1,45,00,000	7.06%	1,45,00,000	7.07%
Anbee Construction LLP	1,31,16,180	6.39%	1,31,16,180	6.40%
Cape Trading LLP	1,31,16,180	6.39%	1,31,16,180	6.40%
K Raheja Private Limited	1,24,00,000	6.04%	1,24,00,000	6.05%
Neel Raheja	1,03,26,318	5.03%	1,03,26,318	5.04%
Total	**11,29,46,318**	54.99%	11,29,46,318	55.09%

d) Details of shares held by Promoters
As at December 31, 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the period	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Neel Chandru Raheja	1,03,26,318	-	1,03,26,318	5.03%	0%
	Ravi Chandru Raheja	51,63,159	-	51,63,159	2.51%	0%
	Jyoti Chandru Raheja	77,80,300	-	77,80,300	3.79%	0%
	Sumati Ravi Raheja	51,63,159	-	51,63,159	2.51%	0%
	Ivory Properties And Hotels Private Ltd	35,71,533	-	35,71,533	1.74%	0%
	K Raheja Private Limited	1,24,00,000	-	1,24,00,000	6.04%	0%
	K Raheja Corp Private Limited	37,85,824	-	37,85,824	1.84%	0%
	Touchstone Properties And Hotels Pvt Ltd	1,45,00,000	-	1,45,00,000	7.06%	0%
	Genext Hardware And Parks Private Ltd	8,00,000	-	8,00,000	0.39%	0%
	Cape Trading LLP	1,31,16,180	-	1,31,16,180	6.39%	0%
	Casa Maria Properties LLP	1,64,96,280	-	1,64,96,280	8.03%	0%
	Capstan Trading LLP	1,64,95,680	-	1,64,95,680	8.03%	0%
	Palm Shelter Estate Development LLP	76,92,387	3,60,000	80,52,387	3.92%	5%
	Raghukool Estate Developement LLP	1,64,95,680	-	1,64,95,680	8.03%	0%
	Anbee Constructions LLP	1,31,16,180	-	1,31,16,180	6.39%	0%
Total		14,69,02,680	3,60,000.00	14,72,62,680	71.70%	
Total Number of Equity Shares		**20,50,24,864**		**20,53,94,704**		

As at March 31, 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Neel Chandru Raheja	1,03,26,318	-	1,03,26,318	5.04%	0.00%
	Ravi Chandru Raheja	51,63,159	-	51,63,159	2.52%	0.00%
	Jyoti Chandru Raheja	77,80,300	-	77,80,300	3.79%	0.00%
	Sumati Ravi Raheja	51,63,159	-	51,63,159	2.52%	0.00%
	Ivory Properties And Hotels Private Ltd	35,71,533	-	35,71,533	1.74%	0.00%
	K Raheja Private Limited	1,24,00,000	-	1,24,00,000	6.05%	0.00%
	K Raheja Corp Private Limited	37,85,824	-	37,85,824	1.85%	0.00%
	Touchstone Properties And Hotels Pvt Ltd	1,45,00,000	-	1,45,00,000	7.07%	0.00%
	Genext Hardware And Parks Private Ltd	8,00,000	-	8,00,000	0.39%	0.00%
	Cape Trading LLP	1,31,16,180	-	1,31,16,180	6.40%	0.00%
	Casa Maria Properties LLP	1,64,96,280	-	1,64,96,280	8.05%	0.00%
	Capstan Trading LLP	1,64,95,680	-	1,64,95,680	8.05%	0.00%
	Palm Shelter Estate Development LLP	76,92,387	-	76,92,387	3.75%	0.00%
	Raghukool Estate Developement LLP	1,64,95,680	-	1,64,95,680	8.05%	0.00%
	Anbee Constructions LLP	1,31,16,180	-	1,31,16,180	6.40%	0.00%
Total		14,69,02,680	-	14,69,02,680	71.65%	
Total Number of Equity Shares		20,50,23,864		20,50,24,864		

CHALET HOTELS LIMITED
MUMBAI

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

(d) Rights, preferences and restrictions attached to equity shares.

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

f) Employee stock option plan
Number of shares reserved for ESOP is 12,84,729
Term attached to stock options granted to employees are described in Note 17

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023

Rs in million

Note 8
Long-term borrowings

Particulars	**As at December 31, 2023 (Unaudited)**	As at March 31, 2023 (Audited)
Borrowings		
Secured		
Rupee term loans		
i) From bank (refer note A)	**17,262.29**	10,811.11
ii) From financial institutions (refer note A)	**2,248.57**	9,023.71
Preference share liability		
Non-cumulative redeemable preference shares (refer note B)	**1,967.55**	1,858.93
Unsecured		
From related parties	**994.30**	383.37
	22,472.71	22,077.12

	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Secured (Gross)		
Opening Balance	25,624.97	23,624.54
Proceeds from long-term borrowings	1,982.29	9,976.13
Repayment of long-term borrowings	(2,433.96)	(7,980.16)
Exchange loss on foreign currency loan	-	4.46
Other adjustments	(127.02)	(148.07)
Interest accrued but not due	139.87	91.31
Transferred to Current maturity of long term debt (Refer Note 9)	(5,675.29)	(5,733.39)
Closing Balance	**19,510.86**	19,834.82
Break up of long term borrowings		
Secured		
From Bank	17,262.29	10,811.11
From financial institutions	2,248.57	9,023.71
	19,510.86	19,834.82
Preference share liability		
Opening Balance	1,858.93	1,746.67
Proceeds	-	250.00
Other adjustments	108.62	(137.74)
Closing Balance	**1,967.55**	1,858.93
Unsecured loan		
From related parties		
Opening Balance	383.37	-
Proceeds	650.00	450.00
Other adjustments	(39.07)	(66.63)
Closing Balance	**994.30**	383.37

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023

Note 8
Long-term borrowings (*continued*)

A) Terms of repayment

Particulars	Sanction Amount	Loan Outstanding as at December 31, 2023 / (March 31, 2023*)	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs in million	Rs in million	As at December 31, 2023	As at March 31, 2023		
TERM LOANS- Rupee Loans						
Standard Chartered Bank Limited	2,000.00	- (1,295.42)	-	7.75% to 7.85%	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.
HDFC Bank Limited	2,500 (Term loan - Rs 2,300 million with Rs 200 million OD as a sub-limit of term loan)	1,997.58 (2,008.00)	8.20 to 8.70%	7.55% to 8.20%	Repayable in quarterly 30 instalments from December 2021 to March 2029.	
HSBC Limited	1,150 (Term loan - Rs 1,130 million with Rs 20 million OD as a sub-limit of term loan)	858.00 (931.98)	8.50% to 8.95%	7.05% to 8.50%	Repayable in monthly installments starting from January 2020 to December 2029.	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.
Standard Chartered Bank	645.00	604.83 (645.16)	8.94% to 8.77%	6.66% to 8.94%	Repayable in 48 monthly installments starting October, 2023	It is secured by (i) Second Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii)Second 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.
HDFC Bank Limited	1,350.00	1,190.28 (1,360.06)	9.00%	6.60% to 9.00%	Repayable in 48 monthly installments starting July, 2023	

* Previous year information are disclosed in brackets

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023
Note 8

Long-term borrowings (*continued*)

Particulars	Sanction Amount	Loan Outstanding as at December 31, 2023 / (March 31, 2023*)	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. in million	Rs in million	As at December 31, 2023	As at March 31, 2023		
ICICI Bank Limited	2,500.00	2,238.02 (2,346.67)	8.30% to 9.55%	8.30% to 8.70%	Repayable in 36 Quarterly installments starting from Jan-22	First pari passu charge on the immovable & movable fixed assets of the Marriott hotel, Bengaluru ("Hotel") First pari passu charge on current assets of the Hotel First pari passu charge on receivables of the Hotel
ICICI Bank Limited	1,900.00	289.64 (447.20)	8.60% to 9.55%	8.25% to 8.60%	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
Federal Bank Limited	3,000.00	2,976.13 (2,976.13)	8.30%	8.30%	Bullet repayment in February, 2024	First and exclusive charge on immovable and movable property and receivables pertaining to commercial properties located in Whitefield, Bangalore
Axis Bank Limited	4500 (Term loan - 420 million with Rs 300 million OD as a sub-limit of term loan)	2,761.89 (964.07)	8.95%	8.95%	Repayable in quarterlu installments starting from Jane 2023 to March 2033	First and exclusive charge on immovable and movable property and receivables pertaining to Westin Hyderabad hotel
DBS Bank Limited	1,320.00	1,182.38 (1,259.45)	7.45%	7.45%	Repayable in Monthly instalments from July 2022 to Sept 2025	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present and future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai
DBS Bank Limited	3,250(Term Loan - Rs 2,900 million, DSRA OD Rs 150 million and OD Rs 200 million)	2,343.64 (2,492.17)	7.45%	7.00% to 7.45%	Repayable in Monthly instalments from April 2020 to Sept 2025	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present and future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai
Bajaj Finance Limited	5,000.00	399.74 (426.40)	7.45%	7.00% to 7.45%	Repayable in Monthly instalments from April 2020 to Sept 2025	

* Previous year information are disclosed in brackets

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023
Note 8
Long-term borrowings (*continued*)

Particulars	Sanction Amount	Loan Outstanding as at December 31, 2023 / (March 31, 2023*)	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. in million	Rs in million	As at December 31, 2023	As at March 31, 2023		
From Financial Institutions						
Housing Development Finance Corporation Limited	1,350.00	- (132.80)	-	6.75% to 9.35%	Repayable in 120 monthly instalment from loan drawn out date i.e. October 2014.	It is secured by (i) Exclusive charge on immovable property and receivables at Four Points By Sheraton, Vashi (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Four Points By Sheraton, Vashi (iii) Guarantee by related party.
Housing Development Finance Corporation Limited	2,500 (Line of Credit)	1,200.89 (1,200.00)	8.50% to 8.80%	6.75% to 9.25%	Line of credit to be reduced every year starting 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	2,000.00	1,836.48 (1,996.63)	8.50% to 8.80%	6.75% to 9.35%	Loan to be repaid in Equated Monthly Installments over a period of 120 months starting April 2024	It is secured by (i) Exclusive 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.
International Financial corporation (IFC)	3,750.00	2,035.45 (1,983.31)	9.49%	7.27% to 9.49%	Semi annual repayments from Jul-24 to Jan-32.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations.
Housing Development Finance Corporation Limited	3,600.00	- (1129.96)	-	6.75% to 9.35%	Repayable in 120 monthly instalment from loan drawn out date i.e. December 2015.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Westin Hotel (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Westin Hotel.
Housing Development Finance Corporation Limited	6,000.00	3,271.20 (3,268.25)	9.00% to 9.30%	7.25% to 9.85%	Loan to be repaid in Equated Monthly Installments over a period of 120 months starting July 2026	It is secured by (i) Exclusive charge charge on immovable property and receivables (both present and future) from Commercial project located in Powai (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 project located in Powai

* Previous year information are disclosed in brackets

CHALET HOTELS LIMITED
MUMBAI

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023
Note 8
Long-term borrowings (*continued*)
Unsecured
From related parties
The Holding Company accorded approval for raising further funds upto Rs 1,000 million from the Promoters of the Company or their nominees by way of Unsecured Loans or Inter Corporate Deposits or any combination thereof in addition to the earlier approval of Rs 1,000 million, on an interest-free basis, in accordance with the terms and conditions set out in the Subscription Agreement dated June 4, 2018 and any amendment thereto to be executed between the Company and the Promoters viz. Mr. Ravi C. Raheja and Mr. Neel C. Raheja, if necessary. In this regard, the Group has borrowed Rs 1,100 million as at December 31, 2023 (March 31, 2023: Rs 450 million).

There are no material breaches of the covenants associated with the borrowings.

B) Preference Share Capital

(a) Details of the Authorised, Issued, Subscribed and Paid-up Preference Share Capital as below:

Rs. in million

Particulars	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
(i) Authorised		
1,600 (March 31, 2023: 1600) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each	160.00	160.00
10,000 (March 31, 2023: 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each- Series A	1,000.00	1,000.00
10,000 (March 31, 2023: 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each- Series B	1,000.00	1,000.00
(ii) Issued, Subscribed and paid-up		
1,600 (March 31, 2023: 1600) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each	160.00	160.00
20,000 (March 31, 2023: 20,000) (Series A 10,000 and Series B 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares Series A: Fully-paid up Rs. 100,000 each (Fully paid up Rs 100,000 each in year ended March 31, 2023) and Series B: Fully-paid up Rs 100,000 each (Partly paid up Rs. 75,000 each in year ended March 31, 2023)	1,807.55	1,698.93
Total	1,967.55	1,858.93

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

Particulars	As at December 31, 2023 Number	As at December 31, 2023 Amount	As at March 31, 2023 Number	As at March 31, 2023 Amount
1,600, 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each				
Number of Preference shares outstanding at the beginning of the period	1,600	160.00	1,600	160.00
Issued during the year	-	-	-	-
Number of Preference shares outstanding at the end of the period	**1,600**	**160.00**	1,600	160.00
10,000 (March 31, 2023: 10,000) (Series A) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and fully paid up of Series A Rs 100,000 each.				
Number of Preference shares outstanding at the beginning of the period	10,000	842.01	10,000	921.56
Adjustments* / Issued during the period	-	(83.19)	-	-79.55
Number of Preference shares outstanding at the end of the period	**10,000**	**758.82**	10,000	842.01
10,000 (March 31, 2023: 10,000) (Series B) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and fully paid up of Series B Rs. 1,00,000 each.				
Number of Preference shares outstanding at the beginning of the period	10,000	856.92	10,000	665.11
Adjustments* / Issued during the period**	-	191.81	-	191.81
Number of Preference shares outstanding at the end of the period	**10,000**	**1,048.73**	10,000	856.92
Total	**21,600**	**1,967.55**	**21,600**	**1,858.93**

*Adjustments represents notional interest on debt components of Preferences share
** Call made against issued Series B Non-cumulative, Non-convertible redeemable preference shares

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2023
Note 8
Long-term borrowings (*continued*)
(c) Shareholder holding more than 5% Preference shares in the Group is set out below:

Particulars	As at December 31, 2023		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each				
Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja*	1,600	100%	1,600	100%
*Held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust				
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs.100,000 each subscribed and fully paid up (March 31, 2023:10,000 fully paid up Rs.100,000 each)				
Series A				
Mr Ravi Chandru Raheja	2,325	23.25%	2,325	23.25%
Mr Neel Chandru Raheja	2,325	23.25%	2,325	23.25%
K Raheja Corp Private Limited	4,500	45.00%	4,500	45.00%
Ivory Properties and Hotels Private Limited	850	8.50%	850	8.50%
Total	10,000	100%	10,000	100%
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs.100,000 each subscribed and fully paid up of Rs 1,00,000 each. (March 31, 2023:10,000 partly paid up Rs. 75,000 each)				
Series B				
Mr Ravi Chandru Raheja	2,325	23.25%	2,325	23.25%
Mr Neel Chandru Raheja	2,325	23.25%	2,325	23.25%
K Raheja Corp Private Limited	4,500	45.00%	4,500	45.00%
Ivory Properties and Hotels Private Limited	850	8.50%	850	8.50%
Total	10,000	100%	10,000	100%

(d) Rights, Preferences and restrictions attached to preference shares.

The Group has two classes of preference shares having a par value of Rs 100,000 each per share
1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each

Rights, Preferences and restrictions attached to 0.00% Non-cumulative redeemable preference shares The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the Group for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of Re.1 per preference share per year.

Preference shares issued by the Group are due for redemption at par. Accordingly, the preference shares are liable to be redeemed at any time at the option of the Group but not later than December 21, 2026 (March 31, 2023 : December 21, 2023).
In the event of liquidation of the Group before redemption of the equity shares, holders of the preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

20,000 0.00%(Series A) Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each.
20,000 0.00%(Series B) Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each.

Rights, Preferences and restrictions attached to 0.00 % (Series A & Series B) Non-cumulative, Non-convertible redeemable preference shares
The preference shares do not carry any voting rights.

With respect to the Residential project at Bengaluru ("Project"), w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Group either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0.00% Non Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Group of Rs. 2,000 million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Group has a paid up preference share capital of Rs. 2,000 million as at December 31, 2023 (March 31, 2023: Rs 2,000.00 million).

The Preference Shares do not carry any voting rights whatsoever in any meetings of the shareholders of the Group or of members of any class of shares of the Group.
Subject to applicable laws, other than the amounts payable for redemption, no amounts shall be payable to the Preference Shareholders, whether by way of dividend or in any other manner whatsoever.
In the event of liquidation of the Group before redemption of the equity shares, holders of the preference shares will have priority over equity shares in the payment of dividend and repayment of capital.
On August 14, 2023 amount of Rs. 1,600/- was paid as preference dividend to 1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each.

Note 9
Short-term borrowings

Rs. in million

Particulars	**As at December 31, 2023 (Unaudited)**	As at March 31, 2023 (Audited)
Secured		
Over draft accounts from banks	**239.76**	90.24
Unsecured		
From related parties	**39.43**	37.96
Current maturity of long term debt (Refer Note 8)	**5,675.29**	5,733.39
	5,954.48	**5,861.59**

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
as at December 31, 2023

Note 9
Short-term borrowings (*continued*)
A) Terms of repayment
Rate of interest

Particulars	Sanction Amount Rs. in million	Carrying rate of Interest As at December 31, 2023	Carrying rate of Interest As at March 31, 2023	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	500 (Including two sub limit of 20 millionn each)	8.50% to 9.80%	7.25% to 7.90%	Renewal every year	Secured against land parcel admeasuring 6,826 sq. mtrs. at Powai (including future receivables)
ICICI Bank Ltd	3,080 (Term Loan - Rs. 2,285 million with Rs. 300 million OD as a sub-limit of term loan) OD 300 (Including four sublimit 20 million, 20 million 10 million and 5 millionn)	-	8.30%	Renewal every year and maturity is in September 2026 in line with the Term loan.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
DBS Bank Ltd	3,250(Term Loan - Rs. 2,900 million, DSRA OD Rs.150 million and OD Rs. 200 million)	9.50% to 9.60%	7.25% to 9.50%	Renewal every year and maturity is in September 2025 in line with the Term loan.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.

Note 22
Borrowings *(Continued)*

Particulars	Sanction Amount Rs. in million	Carrying rate of Interest As at December 31, 2023	Carrying rate of Interest As at March 31, 2023	Repayment/ Modification of terms	Security Details
Indian Overseas Bank	50.00	11.55%	11.55%	Renewal every year	Cash Credit is secured by hypothecation of inventories, crockery, cutlery, and linen held by the Company at its property in Powai, both present and future
ICICI Bank Ltd	1,900 (Term Loan - 1,530 million and OD 150 million)	9.45% to 9.70%	8.30% to 9.70%	Renewal every year and maturity is in June 2025 in line with the Term loan	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
HDFC Bank Ltd*	2,500 (Term loan - Rs.2,300 million with Rs 200 million OD as a sub-limit of term loan)	9.60%	8.25% to 9.60%	Overdraft to be reduced on a proportionate basis in line with term loan repayment.	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.
Axis Bank Ltd	4,500 (Term loan - 420 million with Rs.300 million OD as a sub-limit of term loan)	8.95%	8.95%	Overdraft to be reduced in proportion of last 30 Cr repayment of term loan	First and exclusive charge on immovable and movable property and receivables pertaining to Westin Hyderabad hotel
HSBC Ltd	1,150 (Term loan - Rs 1,130 million with Rs 20 million OD as a sub-limit of term loan)	9.25% to 9.30%	7.40% to 8.85%	Renewal every year	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
Standard Chartered Bank	900 (Term Loan - Rs. 750 million and OD Rs. 150 million)	-	7.25% to 7.70%	Overdraft to be reduced on a proportionate basis in line with term loan repayment.	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. 50.00 million

*the bank has confirmed that no event of default has been called due to the breach of covenants during the period ended December 31, 2023 and financial year 2022-23.

There are no material breaches of the covenants associated with the borrowings and none of the borrowings were called back during the period and in the previous year.

From Related Parties

K Raheja Corp Private Limited	NA	8.50%	8.50%	Repayable on demand	Unsecured

B S R & Co. LLP
14th Floor, Central B Wing and North C Wing Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Note 10
Earnings Per Share (EPS)

Rs. in million

	For the quarter ended December 31, 2023 (Unaudited)	For the quarter ended December 31, 2022 (Unaudited)	**For the nine months ended December 31, 2023 (Unaudited)**	For the nine months ended December 31, 2022 (Unaudited)
Profit attributable to equity shareholders	**706.21**	1,023.39	**1,957.29**	1,466.18
Calculation of weighted average number of equity shares				
Number of shares at the beginning of the period	**20,50,24,864.00**	20,50,24,864.00	**20,50,24,864.00**	20,50,24,864.00
Add: Shares issued during the period	**3,69,840.00**	-	**3,69,840.00**	-
Number of equity shares outstanding at the end of the period	**20,53,94,704.00**	20,50,24,864.00	**20,53,94,704.00**	20,50,24,864.00
Weighted average number of equity shares outstanding during the period	**20,50,24,864.00**	20,50,24,864.00	**20,51,83,558.98**	20,50,24,864.00
Total Number of potential Equity Shares	**1,38,376.00**	36,290.00	**1,38,376.00**	54,476.00
Weighted average number of equity shares outstanding during the period (Diluted)	**20,51,63,240.00**	20,50,61,154.00	**20,53,21,934.98**	20,50,79,340.00
Earnings per equity share - Continuing operations (Face value of Rs 10 each)				
Basic (* not annualised)	*** 3.44**	* 4.99	*** 9.54**	* 7.15
Diluted (* not annualised)	*** 3.44**	* 4.99	*** 9.53**	* 7.15

Note:
Weighted average number of shares is the number of equity shares outstanding at the beginning of the period/ period adjusted by the number of equity shares issued during period, 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 period.

The impact of dilution on account of ESOP will not be considered if they are anti-dilutive.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Note 11
A. Acquisition of The Dukes Retreat Private Limited and Sonmil Industries Hotels Private Limited.

During the year ended March 31, 2023, the Group had acquired 100% stake in "The Dukes Retreat Private Limited" (Dukes) and "Sonmil Industries Private Limited" (SIPL) for a complete cash consideration of Rs 829.11 mn and Rs 756.46 mn respectively. Consequent to such acquisition Dukes and SIPL has become the wholly owned subsidiaries of the Group.

The Management has considered March 31, 2023 as acquisition date for the purpose of purchase price allocations/consolidation, since the financial performance of the entities acquired for the period from March 23, 2023 to March 31, 2023 are not material to the consolidated financial performance.
If the acquisition had occured on April 01, 2022, the management estimated that consolidated revenue from operation would have been Rs 11,599.58 Million and consolidated profit after tax would have been Rs 1,902.69 Million.
In determining these accounts the management has assumed that the fair value adjustment determine, that arose on the date of acquisition would have been same if the acquisition had occured on April 01, 2022.

B. Fair value of consideration transferred

The Dukes Retreat Private Limited

Effective purchase consideration of Rs 817.56 mn has been discharged as under :

Particulars	Rs. in million
Equity shares	817.56
Total consideration transferred for Business combination	**817.56**

Sonmil Industries Private Limited

Effective purchase consideration of Rs.746.45 mn has been discharged as under :

Particulars	Rs. in million
Equity shares	746.45
Total consideration transferred for Business combination	**746.45**

C. The Fair Value of identifiable assets acquired and liabilities assumed as on the acquisition date

Particulars	Rs. in million
Non-current assets	
Property, plant and equipment	1,005.76
Financial assets	
Other Investments	-
Total non-current assets	**1,005.76**
Current assets	
Inventories	5.34
Financial assets	
(i) Trade receivables	7.10
(ii) Cash and cash balances*	234.00
(iii) Loans and advances	8.20
Other current assets	0.10
Total current assets	**254.74**
Total Assets	**1,260.50**
EQUITY AND LIABILITIES	
Equity	
Equity share capital	-
Other equity	-
Total equity	-
Liabilities	
Non-current liabilities	
Deferred tax liabilities	
Current liabilities	30.25
Total Liabilities	**30.25**

* Above includes cash and cash equivalents of Rs. 17.53 millions.

D. Amounts recognised as Goodwill and Dukes Brand for:

The Dukes Retreat Private Limited & Sonmil Industries Private Limited

Particulars	Rs. in million
Fair Value of the consideration transferred	1,564.25
Fair Value of the net assets acquired	1,230.25
Goodwill on consolidation	**311.00**
Dukes Brand	**23.00**

E. Acquisition related costs
During the current year, acquisition related costs of Rs.21.31 million had been recognised as acquisition related cost in the revised Consolidated Statement of Profit & Loss. The stamp duty of Rs.0.24 million have been added to cost of investments.

Rs. in million

Note 12

Contingent liabilities and commitments (to the extent not provided for)

(I) Contingent Liabilities

	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Contingent liabilities		
Claims against the Group not acknowledged as debts		
Disputed service tax demands	**94.65**	69.74
Disputed income tax demands	**175.45**	401.54
Disputed VAT demands	**13.08**	13.08
Disputed provident funds demands	**7.82**	5.80
Labour Dispute	**12.21**	12.21
Transportation Charges	-	0.08
Power Facilitation Agreement	**36.17**	36.17
Contractors Claim	-	184.87
Performance Guarantees given to Department of Tourism of Kerala	**50.00**	50.00
EPCG obligation	**5.11**	4.78
SFIS/SEIS Scheme	**17.95**	17.27

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 Holding 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). The Holding Company has been operating Four Points By Sheraton, Navi Mumbai, Vashi 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 above consolidated financial results. The balance of prepaid lease rental in relation to such leasehold land as of December 31, 2023 is ₹ 47.64 million (March 31, 2023: ₹ 48.54 million) and carrying value of property, plant and equipment as at December 31, 2023 is ₹ 366.11 million (March 31, 2023: ₹ 348.46 million).

d.Show Cause Notice issued by CGST & Central Excise Division, Bhopal in July 2019 with reference to utilisation of SFIS benefits by the Company for purchase of glass and a demand to make payment of Excise Duty of Rs. Nil in million. The Company has filed a reply in the matter, requesting to not precipitate the matter in view of the existing Court Order of Gujarat High Court. Personal Hearings were held on October 10, 2020 on behalf of the Company and former director, Mr. Ramesh Valecha however no orders have been passed.

e. The Group has considered as at December 31, 2023 Rs. 31.41 million (March 31, 2023: Rs. 31.41 million) towards service tax refund receivable against cancellations of flats. One of the Holding company's claim was rejected by the Customs, Excise & Service Tax Appellate Tribunal, Regional Bench, Bangalore on grounds of time limitations. The Holding company had filed appeal with Honourable High Court of Karnataka in this regard and has received favorable order for same. Based on the High Court order the company has filed application for refund of the said amount with GST authorities.

f. Refer Note 19

g. Refer Note 21(a)

(II) Commitments

	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**2,096.78**	1,930.07

BSR & Co LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
for the period ended December 31, 2023

Note 13

Disclosure under Ind AS 115, Revenue from Contracts with Customers

Details of contract balances **Rs. in million**

Particulars	**As at December 31, 2023**	As at March 31, 2023
Details of Contract Balances:		
Balance as at beginning of the period / year	**(1,664.42)**	(1,660.47)
Trade receivables as on March 31, 2023	-	-
Collection during the period / year	**(663.62)**	-
Significant change due to other reasons	**(1.23)**	(3.95)
Balance as on December 31, 2023	**(2,329.27)**	(1,664.42)

As on December 31, 2023 revenue recognised in the current period from performance obligations satisfied/ partially satisfied in the previous year is Rs Nil.

Information on performance obligations in contracts with Customers:

Real Estate Development Project:
The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects for the quarter and nine months ended December 31, 2023.

Particulars	**2024**	**2025-2026**	**Beyond 2027**	**Total**
Contract Revenue	**2,139.83**	**1,923.98**	-	**4,063.81**
Contract Expense	**2,139.83**	**897.24**	-	**3,037.07**
Total	-	**1,026.74**	-	**1,026.74**

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects for the year ended March 31, 2023

Particulars	2024	2025-2026	Beyond 2027	Total
Contract Revenue	-	2,117.94	-	2,117.94
Contract Expense	-	2,106.83	-	2,106.83
Total	-	11.11	-	11.11

Hospitality and Commercial & Retail
The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)

as at December 31, 2023

Rs. in million

Note 14

Financial instruments - Fair values and risk management

(A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
December 31, 2023	**FVTPL**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets							
Investment in equity shares	68.59	-	68.59	-	-	68.59	68.59
Other investments	-	0.13	0.13	-	-	0.13	0.13
Other non-current financial assets	-	788.88	788.88	-	-	-	-
Current financial assets			-				
Investments	501.18	-	501.18	501.18	-	-	501.18
Trade receivables	-	550.18	550.18	-	-	-	-
Cash and cash equivalents	-	448.53	448.53	-	-	-	-
Other bank balances	-	478.50	478.50	-	-	-	-
Other current financial assets	-	145.57	145.57	-	-	-	-
Derivative asset	-	-	-	-	-	-	-
	569.77	2,411.79	2,981.56	501.18	-	68.72	569.90
Non-current financial liabilities							
Borrowings	-	22,472.71	22,472.71	-	-	-	-
Lease liabilities		512.59	512.59	-	-	-	-
Other non-current financial liabilities	-	245.94	245.94	-	-	-	-
Current financial liabilities			-				-
Borrowings	-	5,954.48	5,954.48	-	-	-	-
Lease liabilities	-	47.09	47.09	-	-	-	-
Trade payables	-	1,548.64	1,548.64	-	-	-	-
Other financial liabilities		1,129.07	1,129.07	-	-	-	-
	-	31,910.52	31,910.52	-	-	-	-

	Carrying amount			Fair value			
March 31, 2023	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in equity shares	68.34		68.34	-	-	68.34	68.34
Other investments	-	0.13	0.13	-	-	0.13	0.13
Other non-current financial assets	-	587.83	587.83	-	-	-	-
Current financial assets							
Trade receivables	-	589.51	589.51	-	-	-	-
Cash and cash equivalents	-	444.54	444.54	-	-	-	-
Other bank balances	-	775.26	775.26	-	-	-	-
Loans	-	0.00	0.00	-	-	-	-
Other current financial assets	-	129.23	129.23	-	-	-	-
Derivative asset	0.75	-	0.75	-	-	-	-
	69.09	2,526.50	2,595.59	-	-	68.47	68.47
Non-current financial liabilities							
Borrowings	-	22,077.12	22,077.12	-	-	-	-
Other non-current financial liabilities	-	252.74	252.74	-	-	-	-
Lease liabilities	-	548.56	548.56		-		-
Current financial liabilities							
Borrowings	-	5,861.59	5,861.59	-	-	-	-
Trade payables	-	1,501.85	1,501.85	-	-	-	-
Other financial liabilities	-	1,047.01	1,047.01	-	-	-	-
Lease liabilities		42.91	42.91		-		-
	-	31,331.79	31,331.79	-	-	-	-

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Note 14
Financial instruments - Fair values and risk management *(Continued)*

(i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :
- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach, and for certain equity shares equals to the cost.
- the fair value for the currency swap is determined using forward exchange rate for balance maturity.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

The investments included in level 3 of the fair value hierarchy have been valued using the discounted cash flow technique to arrive at the fair value.

(ii) Fair value measurements using significant unobservable inputs (level 3)

Reconciliation of level 3 fair values

	Amount
Balance at March 31, 2023	68.34
Additions / Deletions during the period	0.25
Balance at December 31, 2023	**68.59**

(iii) Sensitivity analysis

The Group has invested in equity shares of entities engaged in generation of hydro power for securing the supply of renewable energy. The Group does not have any exposure or rights to variable returns. Hence no sensitivity is required for such equity shares.

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.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
as at December 31, 2023

Note 14
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 hospitality business. For other segments the company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

Rs. in million

Particulars	December 31, 2023	March 31, 2023
(a) Trade Receivables considered good - Secured;		
(b) Trade Receivables considered good - Unsecured;		
Neither past due not impaired		
Past due not impaired		
Less than 6 months	**551.12**	571.84
More than 6 months	**20.71**	31.02
Total	**571.83**	602.86
(c) Trade Receivables which have significant increase in Credit Risk; and	-	2.25
(d) Trade Receivables - credit impaired	**12.58**	13.67

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

Particulars	December 31, 2023	March 31, 2023
Balance as at March 31, 2023	**(29.27)**	47.75
Impairment loss recognised / (reversed)	**(4.96)**	(77.02)
Balance as at December 31, 2023	**(34.23)**	(29.27)

(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.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
as at December 31, 2023

Rs. in million

Note 14

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				
December 31, 2023	**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)	**28,148.00**	**35,475.95**	**9,590.57**	**7,955.15**	**12,541.39**	**5,388.84**
Security deposits and retention money	**245.94**	**245.94**	**0.73**	-	**242.04**	**3.17**
Current, non derivative financial liabilities						
Borrowings (excluding current maturity of long term debt)	**279.19**	**279.19**	**279.19**	-	-	-
Trade payables	**1,548.64**	**1,548.64**	**1,548.64**	-	-	-
Other current financial liabilities (excluding derivative contracts)	**1,129.07**	**1,129.07**	**1,129.07**	-	-	-
Total	**31,350.84**	**38,678.79**	**12,548.20**	**7,955.15**	**12,783.43**	**5,392.01**

		Contractual cash flows				
March 31, 2023	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)	27,810.51	35,949.92	5,661.79	5,608.49	18,887.60	5,792.04
Security deposits	252.74	252.74	-	1.51	70.54	180.68
Current, non derivative financial liabilities						
Borrowings	128.20	128.20	128.20	-	-	-
Trade payables	1,501.85	1,501.85	1,501.85	-	-	-
Other current financial liabilities (excluding derivative contracts)	1,047.01	1,047.01	1,047.01	-	-	-
Derivative financial assets						
Forward exchange contract (gross settled)						
- Outflow	373.05	373.05	373.05	-	-	-
- Inflow	(369.45)	(369.45)	(369.45)	-	-	-
Total	30,743.91	38,883.32	8,342.45	5,610.00	18,958.14	5,972.72

The Group has sufficient current assets comprising of Trade Receivables, Cash & Cash Equivalents, Other Bank Balances (other than restricted balances), Loans and Other Current Financial Assets to manage the liquidity risk, if any in relation to current financial liabilities. The Group has overdraft facilities, general corporate borrowings, which are used to ensure that the financial obligations are met as they fall due in case of any deficit.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
as at December 31, 2023

Note 14
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 years and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recognised liabilities. The Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

Particulars	Buy / Sell	Currency	Cross Currency	December 31, 2023		March 31, 2023	
Forward contract	Buy	USD	INR	USD	Nil	USD	4.5 million

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

The amounts reflected in the table below represent the exposure to respective currency in Indian Rupees :

Particulars	December 31, 2023			March 31, 2023		
	USD	EUR	GBP	USD	EUR	GBP
Financial liabilities						
Foreign currency loans (including interest accrued)	-	-	-	-	-	-
Trade payables	569.63	0.10	0.12	637.37	-	0.10
	569.63	0.10	0.12	637.37	-	0.10
Derivatives						
Foreign currency forward exchange contract	-	-	-	(369.45)	-	-
	-	-	-	(369.45)	-	-
Net exposure	569.63	0.10	0.12	267.92	-	0.10

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at December 31, 2023 and March 31, 2023 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.

Particulars	Profit or loss before tax			
	December 31, 2023		March 31, 2023	
Effect in INR (before tax)	**Strengthening**	**Weakening**	Strengthening	Weakening
USD (1% movement)	5.70	(5.70)	2.68	(2.68)

BSR & Co. LLP
14th Floor,
Central B Wing and
North C Wing,
Nesco IT Park4,
Nesco Center,
Western Express Highway,
Goregaon (East),
Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Note 14
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

December 31, 2023	NIL
March 31, 2023	NIL

Exposure to interest rate risk
The interest rate profile of the Group's interest-bearing financial instruments is as follows.

Rs. in million

Particulars	*Carrying amount*	
	December 31, 2023	March 31, 2023
Fixed-rate instruments		
Non current borrowings		
Non-cumulative redeemable preference shares	**1,967.55**	1,858.93
From related parties	**994.30**	383.37
Current borrowings		
Loan from related parties other than directors	**39.43**	37.96
Total	**3,001.28**	2,280.26
Variable-rate instruments		
Non current borrowings		
Rupee term loans from banks	**17,262.29**	10,811.11
Rupee term loans from financial institutions	**2,248.57**	9,023.71
Current borrowings		
Cash credit/overdraft accounts from banks	**239.76**	90.24
Current maturity of long term debt	**5,675.29**	5,733.39
Total	**25,425.91**	25,658.45
TOTAL	**28,427.19**	27,938.71

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 property, plant and equipments, the impact indicated below may affect the Group's income statement over the remaining life of the related property, plant and equipments.

Particulars	Profit or loss before tax	
	100 bps increase	100 bps decrease
December 31, 2023	**(254.26)**	**254.26**
March 31, 2023	(256.58)	256.58

CHALET HOTELS LIMITED MUMBAI

B S R & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai 400 063 Chartered Accountants

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
as at December 31, 2023

Note 14
Financial instruments – Fair values and risk management (*Continued*)

Rs. in million

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 at is as follows:

Particulars	December 31, 2023	March 31, 2023
Total borrowings	**28,427.19**	27,938.71
Less: Cash and cash equivalents	**448.53**	444.54
Less: Bank Balances other than cash and cash equivalents	**478.50**	775.26
Adjusted net debt	**27,500.16**	26,718.91
Total equity	**17,640.12**	15,415.33
Adjusted net debt to adjusted equity ratio	**1.56**	1.73

BSR & Co LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
as at December 31, 2023

Note 15 **Rs in million**

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
Rental / Annuity Business *(formerly known as Retail & Commercial)*

B. Information about reportable segments **Rs in million**

For the quarter ended December 31, 2023	Reportable segments				
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Unallocated**	**Total**
Revenue					
External Customers	3,436.65	-	301.97	60.25	3,798.87
Inter-segment	-	-	-	-	-
Total Revenue	3,436.65	-	301.97	60.25	3,798.87
Segment profit / (loss) before tax	1,310.26	(30.31)	173.87	-	1,453.82
Less: (i) Finance Cost	-	-	-	482.46	482.46
(ii) Other un-allocable expenditure net off un-allocable income	-	-	-	84.84	84.84
Profit before Taxation	-	-	-	-	886.52
Tax expenses	-	-	-	-	180.10
Profit after taxation	-	-	-	-	706.42

Rs in million

For the quarter ended December 31, 2022	Reportable segments				
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Unallocated**	**Total**
Revenue					
External Customers	2,655.53	-	243.76	318.72	3,218.01
Inter-segment					-
Total Revenue	2,655.53	-	243.76	318.72	3,218.01
Segment profit / (loss) before tax	859.79	563.45	144.77	-	1,568.01
Less: (i) Finance Cost	-	-	-	368.12	368.12
(ii) Other un-allocable expenditure net off un-allocable income	-	-	-	(211.26)	(211.26)
Profit before Taxation	-	-	-	-	1,411.15
Tax expenses					387.63
Profit after taxation					1,023.52

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
as at December 31, 2023
Note 15
Segment reporting (*continued*)

Rs in million

For the period ended December 31, 2023	Reportable segments				
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Unallocated**	**Total**
Revenue					
External Customers	9,102.72	-	887.16	136.43	10,126.31
Inter-segment	-	-	-	-	-
Total Revenue	9,102.72	-	887.16	136.43	10,126.31
Segment profit / (loss) before tax	3,081.71	(86.29)	514.75	-	3,510.17
Less: (i) Finance Cost	-	-	-	1,437.89	1,437.89
(ii) Other un-allocable expenditure net off un-allocable income	-	-	-	369.01	369.01
Profit before Taxation	-	-	-	-	1,703.27
Tax expenses	-	-	-	-	(254.14)
Profit after taxation	-	-	-	-	1,957.41
Segment assets	24,925.08	5,197.01	18,811.98	3,865.63	52,799.70
Segment liabilities	2,882.82	2,592.46	969.01	28,715.29	35,159.58
Other disclosures					
Capital expenditure	724.96	-	1,456.30	-	2,181.25
Depreciation and amortisation	791.21	0.66	215.43	5.24	1,012.54
Non cash expenses other than depreciation and amortisation	-	-	-	5.64	5.64

Rs in million

For the period ended December 31, 2022	Reportable segments				
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Unallocated**	**Total**
Revenue					
External Customers	7,186.87	-	719.06	415.78	8,321.71
Inter-segment					-
Total Revenue	7,186.87	-	719.06	415.78	8,321.71
Segment profit / (loss) before tax	2,132.62	498.33	423.27	-	3,054.22
Less: (i) Finance Cost	-	-	-	1,139.43	1,139.43
(ii) Other un-allocable expenditure net off un-allocable income	-	-	-	(98.91)	(98.91)
Profit before Taxation	-	-	-	-	2,013.70
Tax expenses					547.11
Profit after taxation					1,466.59

As at March 31, 2023	Reportable Segment				
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Unallocated**	**Total**
Segment assets	25,018.83	4,179.73	17,471.95	2,637.24	49,307.75
Segment liabilities	2,854.34	1,811.00	1,002.01	28,225.07	33,892.42
Other disclosures					
Capital expenditure	655.47	-	710.41	-	1,365.88
Depreciation and amortisation	944.13	0.42	205.69	22.85	1,173.09
Non cash expenses other than depreciation and amortisation	92.95	-	-	7.61	100.56

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Note 16

Related Party Disclosures, as required by Indian Accounting Standard 24 are given below:

List of related parties

Relationship	**Name of party** **December 31, 2023**	**March 31, 2023**
Subsidiary	Chalet Hotels & Properties (Kerala) Private Limited Chalet Airport Hotel Private Limited (Incorporated on August 18, 2022) The Dukes Retreat Private Limited (w.e.f. March 23, 2023) Sonmil Industries Private Limited(w.e.f. March 23, 2023)	Chalet Hotels & Properties (Kerala) Private Limited Chalet Airport Hotel Private Limited (Incorporated on August 18, 2022) The Dukes Retreat Private Limited (w.e.f. March 23, 2023) Sonmil Industries Private Limited(w.e.f. March 23, 2023)
Key Managerial Personnel / Relative (KMP)	Sanjay Sethi -Managing Director & CEO Milind Wadekar, CFO	Sanjay Sethi -Managing Director & CEO Milind Wadekar, CFO
Non- Executive directors/Relative	Ravi C Raheja Neel C Raheja	Ravi C Raheja Neel C Raheja
Independent directors	Arthur De Haast Joseph Conrad D'Souza Hetal Gandhi Radhika Piramal	Arthur De Haast Joseph Conrad D'Souza Hetal Gandhi Radhika Piramal
Other KMP as per Companies Act, 2013	Rajneesh Malhotra, Chief Operating Officer (w.e.f October 28th, 2021) Christabelle Baptista, Company Secretary	Rajneesh Malhotra, Chief Operating Officer (w.e.f October 28th, 2021) Christabelle Baptista, Company Secretary
Enterprises Controlled / Jointly controlled by Non-executive directors	Brookfields Agro & Development Private Limited Cavalcade Properties Private Limited Convex Properties Private Limited Grange Hotels And Properties Private Limited Immense Properties Private Limited Novel Properties Private Limited Pact Real Estate Private Limited Paradigm Logistics & Distribution Private Limited Sustain Properties Private Limited Aqualine Real Estate Private Limited Feat Properties Private Limited Carin Properties Private Limited Asterope Properties Private Limited (erstwhile Flabbergast Properties Private Limited) Sundew Real Estate Private Limited K Raheja Corp Advisory Services (Cyprus) Private Limited Content Properties Private Limited Grandwell Properties And Leasing Private Limited K Raheja Corp Investment Managers LLP	Brookfields Agro & Development Private Limited Cavalcade Properties Private Limited Convex Properties Private Limited Grange Hotels And Properties Private Limited Immense Properties Private Limited Novel Properties Private Limited Pact Real Estate Private Limited Paradigm Logistics & Distribution Private Limited Sustain Properties Private Limited Aqualine Real Estate Private Limited Feat Properties Private Limited Carin Properties Private Limited Asterope Properties Private Limited (erstwhile Flabbergast Properties Private Limited) Sundew Real Estate Private Limited K Raheja Corp Advisory Services (Cyprus) Private Limited Content Properties Private Limited Grandwell Properties And Leasing Private Limited K Raheja Corp Investment Managers LLP
Shareholders of the Company	Anbee Constructions LLP Cape Trading LLP Capstan Trading LLP Casa Maria Properties LLP Ivory Properties And Hotels Private Limited K. Raheja Corp Private Limited K. Raheja Private Limited Palm Shelter Estate Development LLP Raghukool Estate Development LLP Touchstone Properties And Hotels Private Limited Ivory Property Trust Genext Hardware & Parks Private Limited Jyoti C. Raheja Sumati R. Raheja	Anbee Constructions LLP Cape Trading LLP Capstan Trading LLP Casa Maria Properties LLP Ivory Properties And Hotels Private Limited K. Raheja Corp Private Limited K. Raheja Private Limited Palm Shelter Estate Development LLP Raghukool Estate Development LLP Touchstone Properties And Hotels Private Limited Ivory Property Trust Genext Hardware & Parks Private Limited Jyoti C. Raheja Sumati R. Raheja
Other Related parties	Imperial Serviced Offices & Property Management Private Limited Inorbit Malls (India) Private Limited K Raheja Corporate Services Private Limited K Raheja IT Park (Hyderabad) Limited Intime Properties Private Limited Mindspace Business Parks Private Limited Sundew Properties Limited Trion Properties Private Limited Newfound Properties & Leasing Private Limited Nakshtra Logistics Private Limited Pranam Properties Private Limited Nirankar Properties Private Limited	Imperial Serviced Offices & Property Management Private Limited Inorbit Malls (India) Private Limited K Raheja Corporate Services Private Limited K Raheja IT Park (Hyderabad) Limited Intime Properties Private Limited Mindspace Business Parks Private Limited Sundew Properties Limited Trion Properties Private Limited Newfound Properties & Leasing Private Limited Nakshtra Logistics Private Limited Pranam Properties Private Limited Nirankar Properties Private Limited
Other Related parties #	Genext Hardware And Parks Private Limited Gigaplex Estate Private Limited Horizonview Properties Private Limited Inorbit Malls (India) Private Limited K Raheja Corp Investment Managers LLP K Raheja Corp Private Limited K Raheja Corporate IT Park (Hyderabad) Ltd K Raheja Pvt Ltd K Raheja Corporate Services Private Limited Mindspace Business Parks Pvt. Ltd. Pact Real Estate Private Limited Paradigm Logistics & Distribution Pvt. Ltd. Sundew Properties Limited Sycamore Properties Pvt. Ltd Trion Properties Private Limited Shoppers Stop Ltd. Inorbit Malls (India) Private Limited	Genext Hardware And Parks Private Limited Gigaplex Estate Private Limited Horizonview Properties Private Limited Inorbit Malls (India) Private Limited K Raheja Corp Investment Managers LLP K Raheja Corp Private Limited K Raheja Corporate IT Park (Hyderabad) Ltd K Raheja Pvt Ltd K Raheja Corporate Services Private Limited Mindspace Business Parks Pvt. Ltd. Pact Real Estate Private Limited Paradigm Logistics & Distribution Pvt. Ltd. Sundew Properties Limited Sycamore Properties Pvt. Ltd Trion Properties Private Limited Shoppers Stop Ltd. Inorbit Malls (India) Private Limited
Member of K. Raheja Corp Group	K Raheja Corporate Services Private Limited	K Raheja Corporate Services Private Limited

The above mentioned parties are not related to the Company, viz. Chalet Hotels Limited as per the definition under IND AS 24. These parties have been reported on the basis of their classification as Related Party under the Companies Act 2013.

BSR & Co LLP
14th Floor
Central B Wing and
North C Wing,
Nesco IT Park4,
Nesco Center,
Western Express Highway,
Goregaon (East)
Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Note 16

Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below (*continued*):

Rs. in million

		For the quarter ended December 31, 2023 (Unaudited)		For the nine months ended December 31, 2023 (Unaudited)	
Sr.no	**Particulars**	**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**	**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**
1	Sales of services - Rooms income, Food, beverages and smokes	-	2.82	-	9.11
2	Other Income & Management Fee	-	3.58	-	12.96
3	Other expenses	-	57.14	0.39	168.61
4	Director sitting fees	0.88	-	4.28	-
5	Salaries, wages and bonus (Including ESOP)	50.32	-	121.08	-
6	Loan Taken	100.00	-	650.00	-
7	Equity share capital (ESOP Exercised)	-	-	111.72	-
8	Sale of Assets	-	0.26	-	0.26
9	Directors' Commission	5.03	-	5.03	-
10	Interest Expenses	-	-	-	1.64

Sr.no	**Particulars**	**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**	**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**
1	**Sales of services - Rooms income, Food, beverages and smokes**				
	Inorbit Malls (India) Pvt. Ltd.	-	0.03	-	1.65
	Shoppers Stop Limited	-	0.07	-	0.34
	K Raheja Corp Investment Managers Private Limited	-	0.55	-	0.56
	K Raheja Corp Pvt. Ltd.	-	0.11	-	2.02
	K Raheja Corp Real Estate Private Limited	-	0.54	-	0.89
	K Raheja Corporate Services Private Limited	-	-	-	0.64
	K Raheja IT Park (Hyderabad) Limited	-	0.07	-	0.08
	Juhu Beach Resorts Limited	-	0.03	-	0.35
	Asterope Properties Private Limited	-	-	-	0.01
	Mindspace Business Parks Private Limited	-	1.13	-	1.54
	Mindspace Business Parks Reit	-	0.13	-	0.13
	Cavalcade Properties Private Limited	-	0.05	-	0.24
	Sustain Properties Private Limited	-	-	-	0.01
	Trion Properties Private Limited	-	0.06	-	0.60
	Pact Real Estate Private Limited	-	0.01	-	0.01
	Genext Hardware & Parks Private Limited	-	0.04	-	0.04
		-	2.82	-	9.11

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Note 16
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below (*continued*):

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
2	**Other Income & Management Fee**				
	K Raheja Corp Private Limited	-	1.45	-	4.36
	Juhu Beach Resorts Limited	-	2.13	-	8.61
			3.58	-	12.96
3	**Other expenses**				
	Arthur De Haast	-	-	0.39	-
	Inorbit Malls (India) Pvt. Ltd	-	0.09	-	0.36
	Juhu Beach Resorts Limited	-	0.86	-	1.64
	K Raheja Corp Investment Managers Private Limited	-	0.24	-	1.13
	K Raheja Corporate Services Private Limited	-	9.19	-	58.19
	Newfound Properties and Leasing Private Limited	-	7.90	-	14.32
	Sundew Properties Limited	-	22.17	-	76.29
	K. Raheja Corporate Real Estate Private Limited	-	16.68	-	16.68
		-	57.14	0.39	168.61
4	**Director sitting fees**				
	Arthur De Haast	0.18	-	0.83	-
	Hetal Gandhi	0.15	-	0.73	-
	Joseph Conrad D' Souza	0.18	-	0.85	-
	Neel C Raheja	0.13	-	0.65	-
	Radhika Dilip Piramal	0.10	-	0.60	-
	Ravi C Raheja	0.15	-	0.63	-
		0.88	-	4.28	-
5	**Salaries, wages and bonus (Including ESOP)**				
	Christabelle Baptista	1.56	-	4.19	-
	Milind Wadekar	4.54	-	12.37	-
	Rajneesh Malhotra	5.55	-	15.16	-
	Sanjay Sethi	20.50	-	58.10	-
	Shwetank Singh	18.17	-	31.26	-
		50.32	-	121.08	-
6	**Loan Taken**				
	Neel C Raheja	50.00	-	325.00	-
	Ravi C Raheja	50.00	-	325.00	-
		100.00	-	650.00	-
7	**Equity share capital (ESOP Exercised)**				
	Sanjay Sethi	-	-	111.72	-
		-	-	111.72	-
8	**Sale of Assets**				
	K Raheja Corp Pvt. Ltd	-	0.02	-	0.02
	Inorbit Malls India Private Limited	-	0.01	-	0.01
	K Raheja Corp Investment Managers Private Limited	-	0.04	-	0.04
	Trion Properties Pvt Ltd	-	0.01	-	0.01
	K. Raheja Corporate Real Estate Private Limited	-	0.19	-	0.19
		-	0.26	-	0.26
9	**Directors' Commission**				
	Arthur De Haast	1.65	-	1.65	-
	Hetal Gandhi	1.13	-	1.13	-
	Joseph Conrad D' Souza	1.13	-	1.13	-
	Radhika Dilip Piramal	1.13	-	1.13	-
		5.03	-	5.03	-
10	**Interest Expenses**				
	K Raheja Corp Private Limited	-	-	-	1.64
		-	-	-	1.64

BSR & Co LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
for the nine months period ended 31 December 2023

Note 16
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below (*continued*):

Rs. in million

		For the quarter ended December 31, 2022 (Unaudited)		For the nine months ended December 31, 2022 (Unaudited)	
Sr.no	**Particulars**	**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**	**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**
1	Sale of Property, Plant & Equipment			-	0.13
2	Sales of services - Rooms income, Food, beverages and smokes	-	5.14	-	9.68
3	Other Income	-	1.38	-	4.15
4	Other expenses	-	63.28	1.83	156.26
5	Purchase of material	-	-	-	1.18
6	Director sitting fees	1.03	-	2.45	-
7	Salaries, wages and bonus (Including ESOP)	42.98	-	98.42	-

Sr.no	**Particulars**			**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**
1	**Sale of Property, Plant & Equipment**				
	Trion Properties Pvt Ltd			-	0.13
				-	0.13
2	**Sales of services - Rooms income, Food, beverages and smokes**				
	Genext Hardware & Parks P	-	-	-	0.06
	Horizon View Properties Ltd	-	-	-	0.02
	Inorbit Malls (India) Pvt. Ltd.	-	0.05	-	0.42
	JUHU BEACH RESORTS LIMITED-IND	-	2.88	-	2.88
	K Raheja Corp Investment Managers LLP	-	0.23	-	0.73
	K Raheja Corp Pvt. Ltd	-	0.01	-	0.11
	K Raheja Corp Real Estate Pvt. Ltd	-	-	-	-
	K Raheja Corporate Services Pvt Ltd	-	1.55	-	3.55
	K RAHEJA IT PARK HYD	-	0.03	-	0.05
	K Raheja Pvt. Ltd.	-	-	-	0.06
	KRC Infrastructure & Projects Pvt. Ltd.	-	0.04	-	0.13
	Mindspace Business Parks Pvt. Ltd.	-	-	-	0.16
	New Found Properties & Leasing Pvt Ltd	-	0.01	-	0.04
	Paradigm Logistics & Distribution Private Limited	-	-	-	0.02
	Shoppers Stop Ltd	-	0.16	-	0.99
	Sundew Properties Limited	-	0.02	-	0.10
	Sustain Properties Private Limited	-	0.06	-	0.12
	Sycamore Properties Pvt Limited	-	0.01	-	0.06
	Trion Properties Pvt Ltd	-	0.09	-	0.14
	Asterope Properties Private Limited	-	-	-	0.04
	Pact Real Estate Pvt. Ltd.	-	-	-	0.01
		-	5.14	-	9.68
3	**Other Income**				
	Belaire Hotels Private Limited	-	-	-	-
	Chalet Hotels & Properties (Kerala) Private Limited	-	-	-	-
	Chalet Airport Hotel Private Limited	-	-	-	-
	K Raheja Corp Private Limited	-	1.38	-	4.15
		-	1.38	-	4.15
4	**Other expenses**				
	Arthur De Haast	-	-	1.83	-
	Inorbit Malls (India) Pvt. Ltd.	-	0.09	-	0.26
	K Raheja Corp Investment Managers LLP	-	16.35	-	16.35
	K Raheja Corporate Services Pvt Ltd	-	19.63	-	58.00
	KRC Infrastructure & Projects Pvt. Ltd.	-	0.61	-	1.82
	Sundew Properties Limited	-	26.61	-	79.83
		-	63.28	1.83	156.26
5	**Purchase of material**				
	K Raheja IT Park Hyderabad Limited	-	-	-	1.18
		-	-	-	1.18
6	**Director sitting fees**				
	Arthur De Haast	0.50	-	0.40	-
	Hetal Gandhi	0.15	-	0.53	-
	Joseph Conrad D' Souza	0.18	-	0.60	-
	Neel C Raheja	0.10	-	0.40	-
	Radhika Dilip Piramal	-	-	0.23	-
	Ravi C Raheja	0.10	-	0.30	-
		1.03	-	2.45	-
7	**Salaries, wages and bonus (Including ESOP)**				
	Christabelle Baptista	1.96		4.44	-
	Milind Wadekar	6.16		14.07	-
	Rajneesh Malhotra	7.24		17.16	-
	Sanjay Sethi	27.62		62.76	-
		42.98		98.42	-

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)

for the nine months period ended December 31, 2023

Note 16

Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below (*continued*):

Related party disclosures as at December 31, 2023

Rs. in million

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
	Balances outstanding as at the period-end		
1	Trade payables	-	6.53
2	Trade Receivables	-	7.06
3	Deposit receivable	-	108.59
4	Preference shares outstanding	840.52	1,127.04
5	Loan Payable	1,100.00	25.69
6	Interest Payable	-	13.75

The Company has issued a letter of undertaking to provide need based financial support to

1 Chalet Hotels & Properties (Kerala) Private Limited,

2 Chalet Airport & Hotels Private Limited,

Related party disclosures as at December 31, 2023

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	**Trade payables**		
	Inorbit Malls (India) Pvt. Ltd.	-	0.12
	Newfound Properties and Leasing Private Limited	-	-
	K. Raheja Corporate Services Private Limited	-	6.41
		-	6.53
2	**Trade Receivables**		
	Inorbit Malls (India) Pvt. Ltd.	-	0.05
	Shoppers Stop Limited	-	0.01
	Juhu Beach Resorts Limited	-	2.05
	K Raheja Corp Investment Managers Private Limited	-	0.60
	K Raheja Corp Pvt. Ltd.	-	1.59
	K Raheja Corp Real Estate Private Limited	-	0.89
	K Raheja IT Park (Hyderabad) Limited	-	0.06
	K Raheja Corporate Services Private Limited	-	0.28
	Asterope Properties Private Limited	-	0.01
	Mindspace Business Parks Private Limited	-	1.14
	Sustain Properties Private Limited	-	0.01
	Trion Properties Private Limited	-	0.15
	Cavalcade Properties Private Limited	-	0.10
	Mindspace Business Parks Reit	-	0.11
		-	7.06
3	**Deposit receivable**		
	K.Raheja Corporate Services Private Limited	-	14.25
	Sundew Properties Limited	-	44.33
	Mindspace Business Parks Private Limited	-	50.00
		-	108.59
4	**Preference shares outstanding**		
	Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja * * held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust	-	160.00
	Ivory Properties and Hotels Private Limited	-	153.64
	K Raheja Corp Private Limited	-	813.40
	Neel C.Raheja	420.26	-
	Ravi C.Raheja	420.26	-
		840.52	1,127.04
5	**Loan Payable**		
	Neel C.Raheja	550.00	-
	Ravi C.Raheja	550.00	-
	K Raheja Corp Private Limited	-	25.69
		1,100.00	25.69
6	**Interest Payable**		
	K Raheja Corp Private Limited	-	13.75
		-	13.75

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
for the nine months period ended December 31, 2023

Note 16
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below (*continued*):

Related party disclosures as at March 31, 2023

Rs. in million

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
	Balances outstanding as at the year-end		
1	Trade payables	0.05	0.32
2	Trade Receivables	-	4.78
3	Interest Payable	-	12.27
4	Deposit receivable	-	108.59
5	Preference shares outstanding	930.00	1,070.00
6	Loan Payable	450.00	25.69

Related party disclosures as at March 31, 2023

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	**Trade payables**		
	Neel C.Raheja	0.05	-
	Shoppers Stop Ltd	-	0.04
	Inorbit Malls (India) Pvt. Ltd.	-	0.06
	Hillside Investments Private Limited		0.22
2	**Trade Receivables**		
	Juhu Beach Resorts Ltd.	-	2.32
	K Raheja Corp Investment Managers LLP	-	0.31
	K Raheja Corp Pvt. Ltd.	-	0.58
	K Raheja Corp Real Estate Pvt Ltd	-	0.02
	K Raheja Corp Real Estate Pvt. Ltd	-	0.02
	K Raheja Corporate Services Pvt Ltd	-	1.04
	K Raheja Pvt. Ltd.	-	0.02
	Inorbit Malls (India) Pvt. Ltd.		0.09
	Mindspace Business Parks Pvt. Ltd.	-	0.14
	Asterope Properties Private Limited		0.01
	Paradigm Logistics & Distribution Private Limited	-	0.20
	Trion Properties Pvt Ltd	-	0.04
3	**Interest Payable**		
	K Raheja Corp Private Limited	-	12.27
4	**Deposit receivable**		
	K.Raheja Corporate Services Private Limited	-	14.25
	Mindspace Business Parks Private Limited	-	50.00
	Sundew Properties Limited	-	44.33
5	**Preference shares outstanding**		
	Ivory Properties and Hotels Private Limited	-	170.00
	K Raheja Corp Private Limited	-	900.00
	Neel C.Raheja	465.00	-
	Ravi C.Raheja	465.00	-
6	**Loan Payable**		
	Neel C.Raheja	225.00	
	Ravi C.Raheja	225.00	-
	K Raheja Corp Private Limited		25.69

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

for the period ended December 31, 2023 Rs in million

Note 17

Employee Stock Option Schemes

Description of share-based payment arrangements:

At December 31, 2023, Company had following share-based payment arrangements:

Employee Stock Option Plan 2018:

The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company. The plan is established is with efffect from 12 June 2018 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (Rs) per share
'Chalet Hotels Limited'-'Amended Employee Stock Option Plan'- 2018	2,00,000	For the Options to vest, the Grantee has to be in employment of the Company on the date of the vesting.	The exercise year for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise.	3 years	26-Jun-18	One year from vesting year	320.00

Reconciliation of Outstanding share options

The number and weighted-average exercise price of share options under the share option plans are as follows:

Particulars	As at December 31, 2023		As at March 31, 2023	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	**320**	**1,33,000**	320	1,34,000
Granted during the year	-	-	-	-
Exercised during the year	**320**	**1,33,000**	320	1,000
Lapsed/ forfeited /surrendered	-	-	-	-
Outstanding at the end of the year	-	-	320	1,33,000
Exercisable at the end of the year	-	-	320	1,33,000

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the Statement of Profit and Loss over the vesting year. The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	Unit	Chalet Hotels Limited' 'Employee Stock Option Plan'-	Description of inputs used
Fair value of the option at grant date	Rs/share	49.31 - 60.23	As per Black Scholes Model
Exercise price	Rs/share	320	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	45.61% - 49.45%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	1.01 - 1.51	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0.00%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	5.69% - 6.14%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at December 31, 2023 have an exercise price of Rs 320 and a weighted average remaining contractual life of 0 year.

The expense recognised for the year ended December 31, 2023 is Rs.Nil (March 31, 2023 is Rs.Nil)

* *calculated considering simple average method*

B S R & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)

for the period ended December 31, 2023 **Rs in million**

Note 17

Employee Stock Option Schemes (*continued*)

Employee Stock Option Plan 2022:

The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company. The plan is established is with efffect from 22 July 2022 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (Rs) per share
CHL Employee Stock Option Plan 2022	12,17,831	For the Options to vest, the Grantee has to be in employment of the Group on the date of the vesting.	The Exercise Period in respect of a Vested Option shall be a maximum period of 5 (Five) years from the date of Vesting of Options.	3 years	July 22, 2022	One year from vesting year	292.00

Reconciliation of Outstanding share options

The number and weighted-average exercise price of share options under the share option plans are as follows:

Particulars	As at December 31, 2023		As at March 31, 2023	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	291.52	12,17,831	-	-
Granted during the year	-	-	291.52	12,17,831
Exercised during the year	292.00	2,36,840	-	-
Lapsed/ forfeited /surrendered	-	-	-	-
Outstanding at the end of the year	292.00	9,80,991	291.52	12,17,831
Exercisable at the end of the year	292.00	1,69,104	291.52	12,17,831

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the Statement of Profit and Loss over the vesting year. The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	Unit	Chalet Hotels Limited' 'Employee Stock Option Plan'-	Description of inputs used
Fair value of the option at grant date	Rs/share	142.37 - 176.26	As per Black Scholes Model
Exercise price	Rs/share	291.52	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	47.21%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	3.48 - 5.48	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	6.83% - 7.08%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at December 31, 2023 have an exercise price of Rs 291.52

The expense recognised for the period ended December 31, 2023 is Rs.60.27 Million (March 31, 2023 is Rs 78.28 Million)

* *calculated considering simple average method*

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)

for the period ended December 31, 2023 **Rs in million**

Note 17
Employee Stock Option Schemes (*continued*)

Employee Stock Option Plan 2023:

The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company. The plan is established with effect from 04 September 2023 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (Rs) per share
CHL Employee Stock Option Plan 2023	3,03,738	For the Options to vest, the Grantee has to be in employment of the Group on the date of the vesting.	The Exercise Period in respect of a Vested Option shall be a maximum period of 5 (Five) years from the date of Vesting of Options.	3 years	September 04, 2023	One year from vesting year	528.00

Reconciliation of Outstanding share options
The number and weighted-average exercise price of share options under the share option plans are as follows:

Particulars	As at December 31, 2023		As at March 31, 2023	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	528.00	3,03,738	-	-
Exercised during the year	-	-	-	-
Lapsed/ forfeited /surrendered	-	-	-	-
Outstanding at the end of the year	528.00	3,03,738	-	-
Exercisable at the end of the year	-	-	-	-

Measurement of Fair value
The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the Statement of Profit and Loss over the vesting year.
The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	Unit	Chalet Hotels Limited*	Description of inputs used
Fair value of the option at grant date	Rs/share	231.56 - 280.76	As per Black Scholes Model
Exercise price	Rs/share	528	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	43.87% - 46.41%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	3.50 - 5.50	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	7.06% - 7.07%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at December 31, 2023 have an exercise price of Rs 528.00
The expense recognised for the period ended December 31, 2023 is Rs.14.76 Million (March 31, 2023 is Rs.Nil)
* *calculated considering simple average method*

BSR & Co. LLP 4th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
as at December 31, 2023

Note 18
Scheme of Amalgamation with wholly owned subsidiary
On August 11, 2020, the Holding company had filed a scheme of Amalgamation of Belaire Hotels Private Limited and Seapearl Hotels Private Limited with the Holding Company at National Company Law Tribunal ('NCLT') with appointed date being April 01, 2020.

During the year ended March 31, 2023, basis the certified copy of the NCLT order dated May 19, 2023, (filed with the Registrar of Companies, Maharashtra on June 19, 2023), the Group has given effect to the Scheme of Arrangement of amalgamation of Belaire Hotels Private Limited and Seapearl Hotels Private Limited with the Holding Company ("the Scheme") in the earlier approved consolidated financial statements for the year ended March 31, 2023 from the Appointed date of April 1, 2020 by revising the consolidated financial statements approved by the Board of Directors on May 9, 2023. The manner in which Scheme has been given effect to and revision of consolidated financial statements has been explained in detail below.

These consolidated financial statements for the year ended March 31, 2023 have been prepared pursuant to the Scheme from the specified retrospective appointed date of April 1, 2020. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor company have been transferred to and vested in the Holding Company with effect from the appointed date at their carrying values and the financial information in the revised consolidated financial statements has been restated from April 1, 2020 as per requirements of Appendix C to Ind AS 103.

The details of transferor companies and their merger are as below:

Name of the transferor company	Belaire Hotels Private Limited ("BHPL") and Seapearl Hotels Private Limited ("SHPL") [collectively referred to as 'Transferor Companies']
General nature of business	Hospitality services
Appointed Date of the Scheme	01-Apr-20
Description and number of shares issued	Nil
% of Company's equity shares exchanged	Nil

Pursuant to the approved Scheme of Merger, the Company has accounted for merger in its books with effect from 1 April 2020 as per the applicable accounting principles prescribed under under Appendix C to Ind AS 103 for common control business combinations.

Accounting treatment
i. All of the assets, liabilities and reserves in the books of account of the Transferee upon the Scheme becoming effective, the audited financial statements of the Transferor Companies as on the close of business on the day immediately preceding the Appointed Date shall be forwarded to the Transferee Company by the Transferor Companies;

ii. The Book Value of all the assets, liabilities (excluding the Belaire FCCD's and Belaire ICD) and reserves of Transferor Companies as recorded in the financial statements have been recorded in the books of accounts of the Transferee Company as such, subject to suitable adjustments being made, if any, to ensure uniformity of accounting policies;

iii. Investments in the Share Capital of the Transferor Companies in the books of accounts of the Transferee Company, whether held directly or indirectly through nominees, stand cancelled;

iv. Surplus arising as a result of amalgamation of the Transferor Companies into and with the Transferee Company, in terms of this Scheme, after adjustment of the amount of investment of the Transferee Company in the Transferor Companies due to cancellation of the share capital of the Transferor Company, have been adjusted to capital reserves in the books of the Transferee Company;

v. Identity of the reserves of the Transferor Companies, have been preserved and appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Companies, as on the Appointed Date;

vi. All outstanding balances (including the Belaire FCCD's and Belaire ICD) as on the Appointed date between the Transferor Companies and the Transferee Company stand cancelled and there are no further obligation in that behalf;

vii. The financial statements of Transferee reflect the financial position on the basis of consistent accounting policies.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
as at December 31, 2023

Note 18

Scheme of Amalgamation with wholly owned subsidiary (*continued*)

The book value of assets and liabilities taken over from the Transferor Companies as on the Appointed date i.e. 1 April 2020 are as below:

Belaire Hotels Private Limited

Rs. in million

Particulars	Amount
Non-current assets	
Property, plant and equipment	2,955.43
Other Financial assets	29.75
Other non-current assets	1.59
Non-current tax assets (net)	22.89
Total non-current assets	**3,009.66**
Current assets	
Inventories	4.78
Financial assets	
(i) Trade receivables	27.48
(ii) Cash and cash equivalents	32.17
Other current assets	20.04
Total current assets	**84.47**
Total Assets (A)	**3,094.13**
Non current liabilities	
Financial liabilities	
(i) Borrowings	1,149.13
Provisions	2.91
Current liabilities	
Financial liabilities	
(i) Borrowing	575.50
(ii) Trade payables	52.46
(iii) Other financial liabilities	5.63
Other current liabilities	24.66
Provisions	0.30
Total Liabilities (B)	**1,810.59**
Total identified assets acquired (C)= (A)-(B)	1,283.54
Cost of investments in merged undertaking (D)	1,193.32
Net impact transferred to Capital reserve (G)= (C)-(D)	90.22*

***Surplus arising as result of the sanction of the scheme after adjustment of cost of investments shall be adjusted and credited to Capital Reserve Account.**

Seapearl Hotels Private Limited

Rs. in million

Particulars	Amount
Current assets	
Financial assets	
(i) Cash and cash equivalents	0.25
(ii) Loans	575.50
Total Assets (A)	**575.75**
Current liabilities	
Financial liabilities	
(i) Trade payables	1.05
Other current liabilities*	0.00
Provisions*	0.00
Total Liabilities (B)	**1.06**
Total identified assets acquired (C)= (A)-(B)	574.69
Cost of investments in merged undertaking (D)	574.69
Net impact transferred to Capital reserve (E)= (C)-(D)	-

***Amount less than one million**

Notes:

1. All related financial captions (as applicable) of financial statements has been eleminated.
2. Post considering the tax impact in the computation of income on account of merger in revised financial statement amounting of Rs. 26.51 million for the year ended March 31, 2023.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
as at December 31, 2023

Note 19
Goods and Services Tax (GST) Investigation Department, Maharashtra State (GST Authorities) had conducted search proceedings pursuant to Section 67 of the Goods and Services Tax Act 2017. The Goods and Services Tax (GST) officials have identified certain matters relating to input tax credit pertaining to the period July 2017 to Financial year 2022-23, which the Authority believes are ineligible for such claims. Accordingly, the Holding Company evaluated the same and made a payment of Goods and Services Tax (GST) amounting ₹ 107.54 million during the nine months ended 31 December 2023. The business operations of the Holding Company continue as usual and are not impacted. The proceedings have not yet concluded and any further outcome from such proceedings will be appropriately dealt with in the subsequent period.

Note 20
During the period December 31, 2023, pursuant to the shareholding agreement the Holding Company has acquired 26% stake in TP Agastya Limited ('TPAL'). The group has not consolidated this investment as an 'Associate' as management believes that it doesn't have control nor the power to participate in the financial and operating policy decision. The Group neither has exposure nor rights to variable return. These investment is solely to obtain captive solar power supply for one of its hotel units.

Note 21
Events after the Balance Sheet date
a) One of the Contractor had raised certain claims during course of execution of the Commercial Complex project at Powai in earlier years on account of unprecedented increase in prices of material, planters labour charges and overhead expenses for extended stay for completion of work. The same has been settled on January 25, 2024 for Rs 84.70 Million (excluding GST).

b) The group has acquired 100% capital in Ayushi and Poonam Estates LLP, owning entity of Courtyard by Marriott, Aravalli Resort on February 29, 2024 for purchase consideration of Rs.3,150 Million (Enterprise Value), adjusted for Net Current Assets including cash.
The existing partners have assigned their capital and profit in Ayushi and Poonam Estates LLP to Chalet Hotels Limited (CHL) and Sonmil Industries Private Limited (SIPL) (wholly owned subsidiary of CHL), as a result of which group owns 100% of the capital and 100% of the profit.

c) The Holding Company, through Postal Ballot, has sought approval of the shareholders for further issuance of equity shares and other eligible convertible securities through public or private offerings (including through a Qualified Institutional Placement), for an amount not exceeding Rs 20,000 Million.

Note 22
The Group had commenced the project after obtaining requisite approvals. During the year 2013-14, Hindustan Aeronautics Limited ("HAL") had raised an objection with regard to permissible height of the buildings. The Group and HAL after discussions, signed terms for an amicable settlement of all the disputes between the parties. Based on this settlement the Group would undertake demolition of already constructed structures above 932 meters Above Mean Sea Level 'AMSL'. Final orders in the matter have been passed by the Court on 26 October, 2021 and as per the said settlement terms, the litigation stands disposed. Demolition work of the area above 932 meters Above Mean Sea Level 'AMSL' for all the 9 buildings has been completed in April 2022, and the NOC from HAL and approval from BBMP has been received.

During the period ended 31 December, 2022, the Group had reversed the provision for interest in relation to potential cancellations for the flats above 10th floor and the same has been reflected as exceptional items.

During the period ended 31 December 2023, the Group has received Occupational Certificate for certain towers of the residential project at Bengaluru.

As per our audit report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No. 119057

Mumbai
March 26, 2024

For and on behalf of the Board of Directors of
Chalet Hotels Limited
L55101MH1986PLC038538

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Neel C. Raheja
Director
(DIN. 00029010)

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
March 26, 2024

CHALET HOTELS LIMITED MUMBAI

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai – 400 063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Independent Auditors' Report on review of Unaudited Condensed Consolidated Interim Financial Statements

To the Board of Directors of Chalet Hotels Limited

Introduction

We have reviewed the accompanying Unaudited Condensed Consolidated Interim Balance Sheet of Chalet Hotels Limited (hereinafter referred to as "the Holding Company" or to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") as at 31 December 2022, the Unaudited Condensed Consolidated Interim statement of profit and loss (including other comprehensive income) for the quarter and nine months period then ended, Unaudited Condensed Consolidated Interim statement of changes in equity and the Unaudited Condensed Consolidated Interim statement of cash flows for the period then ended on that date and notes to the interim financial statements , including a summary of the material accounting policies ('herein after referred to as "the Unaudited Condensed Consolidated Interim financial statements"),. Management is responsible for the preparation and fair presentation of these Unaudited Condensed Consolidated Interim Financial Statements in accordance with the Indian Accounting Standards (Ind AS) 34, ''Interim Financial Reporting''. Our responsibility is to express a conclusion on these unaudited condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Consolidated Interim Financial Statements, as at and for the period and quarter ended 31 December 2022, are not prepared, in all material aspects, in accordance with Ind AS 34, Interim Financial Reporting.

Emphasis of Matter

We draw attention to Note 2(3) to the Unaudited Condensed Consolidated Interim financial statements regarding the ongoing litigation in respect of leasehold rights to proportionate undivided interest in land and building at Vashi (Navi Mumbai) purchased from K Raheja Corp Private Limited, on which the Holding Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K Raheja Corp Private Limited has been challenged under two public interest litigation. On 21 November 2014, the Honourable High Court at Bombay ordered K Raheja Corp Private Limited to restore the land to its original condition (which would inter alia require the buildings thereon to be demolished) and hand over the vacant possession thereof to CIDCO within six months of the date of judgement. K Raheja Corp Private Limited has filed a special leave petition against the abovementioned order in the Honourable Supreme Court of India. The Hon'ble Supreme Court of India on 21 January 2015 has passed Status Quo Order and the matter is currently pending with it. The agreement for purchase of leasehold rights between the Holding Company and K Raheja Corp Private Limited was subject to the outcome of the litigation and the management does not except any potential material loss to be borne by the Group. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in these Unaudited Condensed Consolidated Interim financial statements as at 31 December 2022 to the carrying value of the leasehold rights (reflected as prepayments) aggregating to Rs 48.84 million (31 March 2022: Rs 49.74 million) and the hotel assets thereon (reflected as property, plant and equipment) aggregating to Rs 352.00 million as at 31 December 2022 (31 March 2022: Rs 372.12 million). Our conclusion is not modified in respect of this matter.

Other Matter

Corresponding figures in the Unaudited Condensed Consolidated Interim Statements for the three months period from 1 October 2021 to 31 December 2021 and nine months period from 1 April 2021 to 31 December 2021 have not been subjected to any audit or review.

Our Conclusion is not modified in respect of the above matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner

Place: Mumbai
Date: 26 March 2024

Membership No.:119057
ICAI UDIN: 24119057BKFIAP2394

Chalet Hotels Limited

Unaudited Condensed Consolidated Interim Balance Sheet
As at December 31, 2022

Rs. in million

	Note	As at December 31, 2022 (Unaudited)	As at March 31, 2022 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	2	19,160.78	19,741.37
Right of Use assets		540.67	589.55
Capital work-in-progress	3	898.62	322.27
Investment property	4	16,018.55	13,560.39
Goodwill		226.11	226.11
Other intangible assets	5	10.47	16.48
Financial assets			
(i) Other investments		62.76	62.79
(ii) Others		477.86	387.04
Deferred tax assets (net)		1,794.16	2,352.68
Non-current tax assets (net)		368.68	207.67
Other non-current assets		726.45	343.70
Total non-current assets		40,285.11	37,810.05
Current assets			
Inventories		4,084.21	3,934.97
Financial assets			
(i) Trade receivables		432.62	436.02
(ii) Cash and cash equivalents		136.75	245.23
(iii) Bank balances other than (ii) above		401.65	753.22
(iv) Loans		5.00	-
(v) Others		110.08	150.63
Other current assets		949.16	901.89
Total current assets		6,119.47	6,421.96
TOTAL ASSETS		46,404.58	44,232.01
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	2,050.25	2,050.24
Other equity		12,959.94	11,362.30
Equity attributable to owners of the Company		15,010.19	13,412.54
Non controlling interests		(3.76)	(2.62)
Total equity		15,006.43	13,409.92
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	7	22,193.60	21,428.13
(ia) Lease liabilities		559.68	591.47
(ii) Others		219.18	159.59
Provisions		90.04	80.41
Deferred tax liabilities (net)		-	11.93
Other non-current liabilities		141.16	139.80
Total non-current liabilities		23,203.66	22,411.33
Current liabilities			
Financial liabilities			
(i) Borrowings	8	3,477.25	3,911.69
(ia) Lease liabilities		42.18	39.70
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises and		73.66	89.83
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises		1,279.17	776.95
(iii) Other financial liabilities		829.45	623.78
Current tax liabilities		195.00	-
Other current liabilities		2,211.14	2,116.72
Provisions		86.64	852.09
Total current liabilities		8,194.49	8,410.76
TOTAL EQUITY AND LIABILITIES		46,404.58	44,232.01

Summary of Significant Accounting Policies	1
Notes to the Unaudited Condensed Consolidated Interim Financial Statements	2 - 19

The notes referred to above form an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

Suhas Pai
Partner
Membership No. 119057

Mumbai
March 26, 2024

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No. L55101MH1986PLC038538)

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Neel C. Raheja
Director
(DIN. 00029010)

Milind Wadekar
Chief Financial officer
(Membership No: 116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
March 26, 2024

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Unaudited Condensed Consolidated Interim Statement of Profit and Loss
for the nine months period ended December 31, 2022

Rs. in million

	Note	For the quarter ended December 31, 2022 (Unaudited)	For the quarter ended December 31, 2021 (Unaudited)	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Income from Continuing operations					
Revenue from operations		2,897.45	1,641.80	7,905.93	3,597.95
Other income		320.56	15.15	415.78	164.25
Total income (A)		3,218.01	1,656.95	8,321.71	3,762.20
Expenses from Continuing operations					
Real estate development cost		21.26	21.72	63.79	200.27
Changes in inventories of finished good and construction work in progress		-	-	-	(12.80)
Food and beverages consumed		259.31	196.98	743.02	372.49
Operating supplies consumed		117.88	85.82	289.13	170.31
Employee benefits expense		394.25	260.75	1,098.28	723.98
Other expenses		969.83	672.24	2,707.16	1,473.20
Total expenses (B)		1,762.53	1,237.51	4,901.38	2,927.45
Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items from Continuing operations (C) (A-B)		1,455.48	419.44	3,420.33	834.75
Depreciation and amortisation expenses		281.21	284.65	874.67	881.54
Finance costs		368.12	336.56	1,139.43	1,088.17
Profit / (Loss) before exceptional items and tax from Continuing operations (D)		806.15	(201.77)	1,406.23	(1,134.96)
Exceptional items (E)	16	605.00	(9.03)	607.47	(34.49)
Profit / (Loss) before income from Continuing operations (F) (D+E)		1,411.15	(210.80)	2,013.70	(1,169.45)
Tax expense (G)		387.63	(119.82)	547.11	(534.69)
Current tax (includes tax for the earlier years)		0.41	0.26	0.62	0.76
MAT credit entitlement		-	-	-	-
Deferred tax (credit)		387.22	(120.08)	546.49	(535.45)
Profit / (Loss) for the year from Continuing operations (H) (F-G)		1,023.52	(90.98)	1,466.59	(634.76)
Discontinued Operations					
(Loss) from discontinued operations before tax		-	(52.86)	-	(65.37)
Tax expense of discontinued operations		-	-	-	-
(Loss) from discontinued operations (I)		-	(52.86)	-	(65.37)
Profit / (Loss) for the year (J) (H + I)		1,023.52	(143.84)	1,466.59	(700.13)
Other comprehensive income / (expense)					
Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit plans		0.11	(0.17)	0.33	(0.50)
Income tax Credit on above		(0.04)	0.06	(0.11)	0.17
Other comprehensive income / (expense) for the period / year, net of tax (K)		0.07	(0.11)	0.22	(0.33)
Total comprehensive income / (expense) for the period / year (L) (K+J)		1,023.59	(143.95)	1,466.81	(700.46)
Profit / (Loss) attributable to :					
Owners of the company		1,023.39	(146.54)	1,466.18	(699.67)
Non-controlling interests		0.13	2.70	0.41	(0.46)
Other comprehensive income / (expense) attributable to :					
Owners of the company		0.07	(0.11)	0.22	(0.33)
Non-controlling interests		-	-	-	-
Total comprehensive income / (expense) attributable to :					
Owners of the company		1,023.46	(146.65)	1,466.40	(700.00)
Non-controlling interests		0.13	2.70	0.41	(0.46)
Earnings per equity share - Continuing operations (Face value of Rs 10 each)					
Basic (* not annualised)	9	*4.99	*(0.46)	* 7.15	* (3.10)
Diluted (* not annualised)	9	*4.99	*(0.46)	* 7.15	* (3.10)
Earnings per equity share - Discontinued operations (Face value of Rs 10 each)					
Basic (* not annualised)	9	-	*(0.26)	-	* (0.31)
Diluted (* not annualised)	9	-	*(0.26)	-	* (0.31)
Earnings per equity share - Continuing and Discontinued operations (Face value of Rs 10 each)					
Basic (* not annualised)	9	*4.99	*(0.71)	* 7.15	* (3.41)
Diluted (* not annualised)	9	*4.99	*(0.71)	* 7.15	* (3.41)
Summary of Significant Accounting Policies	1				
Notes to the Unaudited Condensed Consolidated Interim Financial Statements	2 - 19				

The notes referred to above form an integral part of the Unaudited Condensed Consolidated Interim Financial Statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

Suhas Pai
Partner
Membership No. 119057

Mumbai
March 26, 2024

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No. L55101MH1986PLC038538)

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Neel C. Raheja
Director
(DIN. 00029010)

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
March 26, 2024

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Unaudited Condensed Consolidated Interim Statement of Cash Flows

for the nine months period ended December 31, 2022

Rs. in million

		For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit /(Loss) before tax from Continuing operations	2,013.70	(1,169.45)
	(Loss) before tax from discontinued operations	-	(65.37)
	Adjustments for :		
	Interest income from instruments measured at amortised cost	(298.53)	(48.33)
	Depreciation and amortisation expenses	874.67	881.54
	Finance costs	1,139.43	1,088.17
	Unrealised exchange (gain) / loss	27.98	-
	Provision for estimated cost	(607.47)	-
	Profit on sale of property, plant and equipment (net)	(0.95)	(0.43)
	Property, plants and equipment written off	3.90	0.45
	Provision for doubtful debts, Advances and Bad debt written off	3.79	-
	Employee stock option expense	50.72	1.02
	Sundry balance written back	(21.52)	-
	Export benefits and entitlements	(30.02)	-
	Total	1,142.00	1,922.42
	Operating Profit before working capital changes	3,155.70	687.60
	Adjustments		
	(Increase) in trade receivables and current assets	(161.09)	(245.23)
	(Increase) in inventories	(149.24)	(8.46)
	Increase / (Decrease) in trade payables and current liabilities	(71.58)	23.83
	Total	(381.91)	(229.86)
	Income Taxes (net of refund)	27.65	(76.41)
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	2,801.44	381.33
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of property, plant and equipment, Right of Use assets (including capital work in progress, capital creditors and capital advances)	(695.06)	(298.35)
	Proceeds from sale of property, plants and equipments and investment property	2.18	14.32
	Purchase of investments (including investment property and investment property under construction)	(2,638.81)	(2,452.36)
	Loans given	(5.00)	-
	Interest income received	918.70	39.27
	Receipt of Intercorporate Deposit given	1.48	2.63
	Fixed deposits matured / (placed) (net)	554.47	(62.77)
	Margin money matured / (placed) (net)	(245.21)	93.30
	NET CASH USED IN INVESTING ACTIVITIES (B)	(2,107.25)	(2,663.96)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Issue of equity shares	0.32	-
	Issue of preference shares	250.00	500.00
	Proceeds from long-term borrowings	4,320.00	4,265.00
	Repayment of long-term borrowings	(4,919.94)	(1,620.23)
	Payment of lease liability	(73.15)	(15.79)
	Intercorporate Deposit taken	350.00	-
	Proceeds from short-term borrowings	(1.48)	-
	Interest and finance charges paid	(1,200.56)	(1,003.84)
	NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)	(1,274.81)	2,125.14
	NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	(580.62)	(157.48)
	CASH AND CASH EQUIVALENTS - OPENING BALANCE	231.51	(539.18)
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE	(349.11)	(696.66)

BSR & Co LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Unaudited Condensed Consolidated Interim Statement of Cash Flows

for the nine months period ended December 31, 2022

Rs. in million

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

	As at December 31, 2022 (Unaudited)	As at December 31, 2021 (Unaudited)
Cash and cash equivalents *	**136.75**	81.98
Less: Over draft accounts from banks *	**(485.86)**	(778.64)
Cash and cash equivalents as per Unaudited Condensed Consolidated Interim Statement of Cash Flows	**(349.11)**	(696.66)

3 The movement of borrowings as per Ind AS 7 is as follows:

	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Opening borrowings	**25,326.10**	19,775.04
Proceeds from long-term borrowings**	**4,570.00**	4,765.00
Repayment of long-term borrowings	**(4,919.94)**	(1,620.23)
Proceeds from short-term borrowings	**(1.48)**	-
Non-cash adjustments	**(113.42)**	22.11
	24,861.26	22,941.92

* Cash and cash equivalents includes bank overdrafts that are payable on demand and form an integral part of the Company cash management.

** Includes issue of preference shares

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No. 119057

Mumbai
March 26, 2024

For and on behalf of the Board of Directors of
L55101MH1986PLC038538
Chalet Hotels Limited

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Neel C. Raheja
Director
(DIN. 00029010)

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
March 26, 2024

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Unnudited Condensed Consolidated Interim Statement of Changes in Equity

for the nine months period ended December 31, 2022

CHALET

Rs. in million

(a) Equity share capital

	As at December 31, 2022 (Unaudited)	As at March 31, 2022 (Audited)
Balance at the beginning of the reporting period	2,050.24	2,050.24
Shares issued during the period	0.01	-
Balance at the end of the reporting period	2,050.25	2,050.24

(b) Other equity

	Attributable to the owners of the Company						
	Equity Component of Compound Instrument	Employee stock option reserve	Capital Reserve	Securities Premium	General reserve	Retained earnings*	Total
Balance at April 1, 2022	438.33	23.87	84.99	10,269.19	1,071.96	(526.04)	11,362.30
Total comprehensive income for the period							
Adjustments:							
Equity Component of Compound Instrument	80.04	-	-	-	-	-	80.04
Securities Premium	-	-	-	0.31	-	-	0.31
Employee stock option reserve	-	50.89	-	-	-	-	50.89
Transferred to retained earnings	-	(0.17)	-	-	-	0.17	-
Profit for the period	-	-	-	-	-	1,466.18	1,466.18
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	0.22	0.22
Total comprehensive income for the period	80.04	50.72	-	0.31	-	1,466.57	1,597.64
Balance as at December 31, 2022	518.37	74.59	84.99	10,269.50	1,071.96	940.53	12,959.94
Balance at April 1, 2021	373.48	32.29	84.99	10,269.19	1,071.96	278.31	12,110.22
Total comprehensive income for the period							
Equity Component of Compound Instrument	64.85	-	-	-	-	-	64.85
Employee stock option reserve	-	1.02	-	-	-	-	1.02
Loss for the period	-		-	-	-	(699.67)	(699.67)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	(0.33)	(0.33)
Total comprehensive income for the period	64.85	1.02	-	-	-	(700.00)	(634.13)
Balance as at December 31, 2021	438.33	33.31	84.99	10,269.19	1,071.96	(421.69)	11,476.09

*Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact) Rs 3,710.05 million (March 31, 2023 Rs 3,710.05 million)

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No. 119057

Mumbai
March 26, 2024

For and on behalf of the Board of Directors of
L55101MH1986PLC038538
Chalet Hotels Limited

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Neel C. Raheja
Director
(DIN. 00029010)

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
March 26, 2024

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

1.1 Company background

The Unaudited condensed Consolidated interim Financial Statement comprises of consolidated financial statements of Chalet Hotels Limited ('the Company' or 'the Holding Company'), its subsidiary companies* (collectively, 'the Group'). The Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400 051. The Company was incorporated under the Companies Act, 1956 on January 6,1986 and has been converted into a public company with effect from June 6, 2018.

The Group is primarily engaged in the business of hospitality (hotels), rental and annuity business *(formerly known as commercial and retail operations)* and real estate development. At December 31, 2022, the Group has, (a) Six hotels (and one service apartment building) operating at Powai and Sahar (Mumbai), Vashi (Navi Mumbai), Pune, Bengaluru and Hyderabad, (b) commercial property at Bengaluru and Sahar, Mumbai and (c) is engaged in construction and development of a residential property at Bengaluru.

Refer Note 16 for the scheme of Amalgamation with the Holding Company.

*The Group as at December 31, 2022 includes the following subsidiaries:

Name of the entity	**Country of Incorporation**	**% Holding As on December 31, 2022**	**% Holding As on March 31, 2022**	**% Holding As on December 31, 2021**
Chalet Hotels & Properties (Kerala) Private Limited	India	90%	90%	90%
Chalet Airport Hotel Private Limited (w.e.f August 18, 2022)	India	100%	-	-
Belaire Hotels Private limited - (Refer Note 16)	India			
SeaPearl Hotels Private Limited – (Refer Note 16)	India			

1.2 Summary of Significant Accounting Policies

Basis of preparation and presentation

These unaudited condensed consolidated interim financial statements which comprise the unaudited condensed consolidated interim balance sheet as at December 31, 2022, the unaudited condensed consolidated interim statement of profit and loss (including other comprehensive income), the unaudited condensed consolidated interim statement of changes in equity and the unaudited condensed consolidated interim statement of cash flows for the nine months ended December 31, 2022 and a summary of the significant accounting policies and other explanatory information (together herein after referred to as "unaudited condensed consolidated interim financial statements ") have been prepared in accordance with the principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India.

These unaudited condensed consolidated interim financial statements are not the statutory accounts for the purpose of any statutory compliances or for regulatory requirements in any jurisdiction. These unaudited condensed consolidated interim financial statements must be read in conjunction with the consolidated financial statements for the year ended March 31, 2022. They do not include all the information required for a complete set of Ind AS financial statements. However, selected explanatory notes are included to explain events and transactions that management believes are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

These unaudited condensed consolidated interim financial statements for the nine months ended December 31, 2022, have been prepared by the Group solely in connection with the Proposed fund raising exercise, by way of issuance of equity shares under qualified institutions placement and its inclusion in the Preliminary Placement Document and Placement Document of the Group, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "Regulations").

The unaudited condensed consolidated interim financial statements of the Group for the nine months ended December 31, 2022, were approved by the Board of Directors and authorized for issue on March 23, 2024. Corresponding figures in these Unaudited Condensed Consolidated Interim Financial Statements have not been subjected to any audit or review by the auditors.

Use of estimates and judgements

The preparation of the unaudited condensed consolidated interim financial statements requires the use of certain critical accounting estimates and judgements. It also requires the Management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the unaudited condensed consolidated interim financial statements, or areas involving a higher degree of judgement or complexity, are the same as those disclosed in the Group's annual financial statements for the year ended March 31, 2022.

Accounting policies

Income Tax

Current income and deferred tax have been determined based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year as required under Ind AS 34.

Notes to the Notes to the Unaudited condensed Consolidated interim Financial Statements *(Continued)*

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's latest annual financial statements and related notes included in the Group's Annual Report for the year ended March 31, 2022.

Recent pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During nine months period ended December 31, 2022, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Note 2
Property, plant and equipment
Reconciliation of carrying amount
As at December 31, 2022

Rs. in million

Particulars	Gross block: Opening balance as at April 1, 2022	Gross block: Additions/ Transferred In	Gross block: Deductions	Gross block: Closing balance as at December 31, 2022	Accumulated depreciation/ amortisation: Opening balance as at April 1, 2022	Accumulated depreciation/ amortisation: For the period	Accumulated depreciation/ amortisation: Deductions	Accumulated depreciation/ amortisation: Closing balance as at December 31, 2022	Net block: As at December 31, 2022
Freehold land	7,756.66		-	7,756.66	-	-	-	-	7,756.66
Buildings	13,883.23	48.66	-	13,931.89	4,250.02	324.96	-	4,574.98	9,356.91
Plant and machinery	4,738.27	44.34	70.90	4,711.71	3,248.15	195.57	68.26	3,375.46	1,336.25
Data processing equipments	275.52	5.76	13.74	267.54	249.28	16.08	13.71	251.65	15.89
Electrical installations	1,702.77	8.10	3.28	1,707.59	1,240.00	64.41	2.95	1,301.46	406.13
Furniture and fixtures	2,132.60	1.64	105.32	2,028.92	1,765.06	83.54	103.33	1,745.27	283.65
Vehicles	117.85	-	0.38	117.47	114.31	0.67	0.38	114.60	2.87
Office equipments	96.29	1.57	5.58	92.28	95.00	0.44	5.58	89.86	2.42
Total	30,703.19	110.07	199.20	30,614.06	10,961.82	685.67	194.21	11,453.28	19,160.78

Reconciliation of carrying amount
As at March 31, 2022

Rs. in million

Particulars	Gross block: Opening balance as at April 1, 2021	Gross block: Additions/ Transferred In	Gross block: Deductions	Gross block: Closing balance as at March 31, 2022	Accumulated depreciation/ amortisation: Opening balance as at April 1, 2021	Accumulated depreciation/ amortisation: For the period	Accumulated depreciation/ amortisation: Deductions	Accumulated depreciation/ amortisation: Closing balance as at March 31, 2022	Net block: As at March 31, 2022
Freehold land	8,134.77	-	378.10	7,756.66	-	-	-	-	7,756.66
Buildings	13,733.57	235.17	85.51	13,883.23	3,915.77	416.67	82.42	4,250.02	9,633.21
Plant and machinery	4,684.98	101.51	48.21	4,738.27	3,017.13	264.56	33.54	3,248.15	1,490.13
Data processing equipments	252.43	24.00	0.91	275.52	224.71	25.44	0.87	249.28	26.24
Electrical installations	1,662.36	41.34	0.93	1,702.77	1,156.45	84.49	0.94	1,240.00	462.78
Furniture and fixtures	2,092.01	60.04	19.46	2,132.60	1,658.74	125.70	19.38	1,765.06	367.53
Vehicles	134.32	-	16.47	117.85	129.81	0.97	16.47	114.31	3.54
Office equipments	96.81	0.14	0.66	96.29	94.57	0.96	0.54	95.00	1.29
Total	30,791.25	462.21	550.26	30,703.19	10,197.18	918.79	154.15	10,961.82	19,741.37

1) Refer Note 7 and Note 8 for information on Property, plant and equipment pledged as security by the Group.

2) Refer Note 10 (II) for contractual commitments with respect to property plant and equipments.

3) Refer Note 10 (c)

4) The Group proposes to convert Bengaluru ALC commercial Building to Hotel Building, the assets pertaining to said Building has been transferred to Property, plant and Equipments from Investment Property (refer note 4A).

5) Assets pertaining to the Commercial complex, Powai, Mumbai have been transferred from Property, plant and equipment to Investment property under construction with net block of Rs. Nil (March 31, 2022: Rs 378.10 million) based on change of intended use of such assets.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Note 3
Capital work-in-progress

1) Details of capital work-in-progress **Rs. in million**

Particulars	December 31, 2022	March 31, 2022
Opening balance	379.98	416.19
Add: Additions during the period / year	641.87	434.08
Less: Capitalised during the period / year	(65.52)	(438.50)
Less: Cost incurred for Commercial complex, Powai, Mumbai transfered to Investment property under construction	-	(31.79)
Closing Balance	956.33	379.98
Less: Provision for impairment -Refer note 3 (b)	(57.71)	(57.71)
Net balance	898.62	322.27

Note: 3 (a) Assets pertaining to the Commercial complex, Powai, Mumbai have been transferred from Property, plant and equipment to Investment property under construction based on change of intended use of such assets.

3 (b) Capital Work in Progress includes expenditure incurred by a subsidiary, "Chalet Hotels & Properties (Kerala) Private Limited" aggregating to Rs 57.71 Million (March 31, 2022: Rs 57.71 Million) in accordance with the agreement entered into with the Department of Tourism, Government of Kerala with regard to the International Convention Centre Complex (ICCC) Project. The Department of Tourism (DOT) is required to contribute the land for the project as its equity in kind and the Group and K Raheja Corp Private Limited, the joint bidders for the project are required to bring equity for the project in cash. Pending execution of the lease deed on the requisite project land and due to abnormal delays in the execution of the project the subsidiary has stopped capitalisation of borrowing costs. The management believes the project to be viable. During the period ended December 31, 2022, as there were conditions of uncertainty, the management had taken a prudent and conservative call to write off capital work in progress without prejudicing the going concern.

2) Expenses (net) capitalised to capital work-in-progress during the period

Particulars	December 31, 2022	December 31, 2021
Legal and professional charges	6.83	11.09
Employee costs	2.21	-
Rates, taxes and license fees	3.01	641.05
Interest and other finance costs	29.82	24.25
Depreciation	21.68	16.35
Miscellaneous expenses	5.40	0.34
Total	68.95	693.08

3) Capital work in progress (CWIP) Ageing Schedule

As at December 31, 2022 **Rs. in million**

Particulars	Capital work in progress ageing schedule as at December 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	849.20	44.31	-	-	893.51
Projects temporarily suspended	-	-	-	5.11	5.11
Total	849.20	44.31	-	5.11	898.62

Details of capital work in progress whose completion is overdue or has exceeded its cost as compared to its original plan:
As at December 31, 2022

Particulars	CWIP to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	-	-	-
Hotel at Powai, Mumbai	-	-	-	-
Hotel at Telangana		-	-	-
Projects temporarily suspended	-	-	-	5.11
Hotel at Navi Mumbai	-	-	-	5.11
Total	-	-	-	5.11

As at March 31, 2022 Rs. in million

Particulars	Capital work in progress ageing schedule as at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	44.31	1.24	-	-	45.55
Projects temporarily suspended	149.23	127.50	-	-	276.73
Total	193.53	128.74	-	-	322.27

Details of capital work in progress whose completion is overdue or has exceeded its cost as compared to its original plan:
As at March 31, 2022

Particulars	CWIP to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	21.41			
Hotel at Powai, Mumbai	21.14	-	-	-
Hotel at Pune	0.27			
Projects temporarily suspended		271.62	-	5.11
Hotel at Telangana	-	271.62	-	-
Hotel at Navi Mumbai	-	-	-	5.11
Total	21.41	271.62	-	5.11

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Note 4
Investment property

A. Reconciliation of carrying amount

As at December 31, 2022 — **Rs. in million**

Particulars	Gross block: Opening balance as at April 1, 2022	Gross block: Additions/ Transferred In	Gross block: Deductions	Gross block: Closing balance as at December 31, 2022	Accumulated depreciation / amortisation: Opening balance as at April 1, 2022	Accumulated depreciation / amortisation: For the period	Accumulated depreciation / amortisation: Deductions	Accumulated depreciation / amortisation: Closing balance as at December 31, 2022	Net block: As at December 31, 2022
Commercial complex, Bengaluru I	893.37	-	-	893.37	157.72	19.45		177.17	716.20
Commercial Block II Sahar, Mumbai *(formerly known as Retail block, Sahar Mumbai)*	1,203.25	27.98	-	1,231.23	206.87	31.21	-	238.08	993.15
Commercial block, Sahar, Mumbai	3,203.54	-	-	3,203.54	344.64	64.51	-	409.15	2,794.39
Commercial Complex III ,Bengaluru *(formerly known as Retail block, Bengaluru)*	1,729.08	-	2.05	1,727.03	628.11	39.73	1.96	665.88	1,061.15
Total (A)	7,029.24	27.98	2.05	7,055.17	1,337.34	154.90	1.96	1,490.28	5,564.88
Investment property under construction									
Business centers and offices, Sahar, Mumbai									9.91
Commercial complex, Powai, (Phase 3), Mumbai									6,710.61
Commercial complex, Powai, (Phase 4) Mumbai									1,128.62
Commercial complex, Bengaluru II									2,555.32
Commercial Complex III ,Bengaluru *(formerly known as Retail block, Bengaluru)*									49.21
Total (B)								-	10,453.67
Total (A+B)									16,018.55

Note 4 (A) The Group proposed to convert Bengaluru ALC Commercial Building to Hotel Building, the assets pertaining to the said Building has been transferred to Property, Plant and Euipments from Investment Property.

As at March 31, 2022

Particulars	Gross block: Opening balance as at April 1, 2021	Gross block: Additions	Gross block: Deductions	Gross block: Closing balance as at March 31, 2022	Accumulated depreciation: Opening balance as at April 1, 2021	Accumulated depreciation: For the period	Accumulated depreciation: Deductions	Accumulated depreciation: Closing balance as at March 31, 2022	Net block: As at March 31, 2022
Commercial complex, Bengaluru I	893.37	-	-	893.37	131.95	25.77	-	157.72	735.65
Commercial Block II Sahar, Mumbai *(formerly known as Retail block, Sahar Mumbai)*	1,196.15	7.10	-	1,203.25	166.53	40.34	-	206.87	996.39
Commercial block, Sahar, Mumbai	3,203.54	-	-	3,203.54	259.02	85.62	-	344.64	2,858.90
Commercial Complex III ,Bengaluru *(formerly known as Retail block, Bengaluru)*	1,809.46	0.79	81.17	1,729.08	630.83	59.52	62.24	628.11	1,100.97
Total (A)	7,102.52	7.89	81.17	7,029.24	1,188.33	211.26	62.24	1,337.34	5,691.90
Investment property under construction									
Business centers and offices, Sahar, Mumbai									19.85
Commercial complex, Powai, (Phase 3), Mumbai									4,924.95
Commercial complex, Powai, (Phase 4) Mumbai									1,038.44
Commercial complex, Bengaluru II									1,882.06
Commercial Complex III ,Bengaluru *(formerly known as Retail block, Bengaluru)*									3.20
Total (B)									7,868.49
Total (A+B)									13,560.39

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East) Mumbai - 400 063 Chartered Accountants

Note 4
Investment property (continued)

Notes:
1) Refer Note 7 and Note 8 for information on Property, plant and equipment pledged as security by the Group.

2. Borrowing cost aggregating to Rs.436.30 million (March 31, 2022 Rs.364.10 million) are capitalised under investment property under construction.

3. Details of investment property under construction

Rs. in million

Particulars	December 31, 2022	March 31, 2022
Opening Balance	7,868.50	4,036.52
Add: Additions during the period/ year	2,613.12	3,429.98
Add: Cost incurred for Commercial complex, Powai, Mumbai transfered from Capital work-in-progress (refer note 2 and 3)	-	409.89
Less: Capitalised during the period/ year	(27.98)	(7.89)
Closing Balance	10,453.64	7,868.50

4. Expenses (net) capitalised to investment property under construction during the period

Particulars	For the period ended	
	December 31, 2022	December 31, 2021
Legal and professional charges	47.09	15.28
Employee costs	62.95	116.21
Rates, taxes and license fees	111.52	591.55
Land*	-	-
Interest and other finance costs	436.30	257.92
Miscellaneous expenses	17.71	-
Other income/sale of scrap	-	(55.19)
Total	675.57	925.77

*Includes Freehold Land cost of Rs. 378.01 mn as on March 31, 2023 transferred from Property plant and equipment to Investment Property Under Construction

B. Fair value measurement

i. Fair value hierarchy **Rs. in million**

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	Fair Value as on
	December 31, 2022 #	March 31, 2022
Commercial complex, Bengaluru I*	-	800.00
Commercial Block II Sahar, Mumbai**	1,750.00	1,750.00
Commercial Block I, Sahar, Mumbai**	7,838.49	7,838.49
Cignus Whitefield II Bangalore**	1,762.46	1,762.46
Cignus Whitefield I Bangalore**	-	-

*The independent valuer is not registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
**The independent valuer registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
As on December 31, 2022, the Group has not done any valuation from the independent valuer hence considered March 31, 2022 figure as its fair value for the properties.

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 period, occupancy rate, lease incentive costs such as rent-free period 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 is valued by residual method. The valuation of Retail block, Sahar, Mumbai considers change in end use to commercial purpose.

BSR & Co LLP 14th Floor Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022
Note 4
Investment property (continued)

Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties	Valuation technique	Significant unobservable Inputs	Range	
			December 31, 2022	March 31, 2022
Commercial complex, Bengaluru 1	Depreciable Replacement method	NA	NA	NA
Commercial Block II Sahar, Mumbai	DCF Method	Occupancy Range	94% to100%	94% to100%
		Base Rent (Rs.)	120 for Retailers 130 for Commercials	120 for Retailers 130 for Commercials
		Escalation %	4.77% p.a.	4.77% p.a.
		WAAC	12.10%	12.10%
		Growth Rate	4.00%	4.00%
Commercial Block I Sahar, Mumbai	DCF Method	Occupancy Range	100%	100%
		Base Rent (Rs.)	197	133
		Escalation %	4.77% p.a.	4.77% p.a.
		WAAC	12.30%	12.10%
		Growth Rate	4.00%	4.00%
Cignus Whitefield II Bangalore	DCF Method	Occupancy Range	94% to100%	94% to100%
		Base Rent (Rs.)	57.00	54.00
		Escalation %	4.77% p.a.	4.77% p.a.
		WAAC	12.30%	12.10%
		Growth Rate	4.00%	4.00%
Cignus Whitefield I Bangalore	DCF Method	Occupancy Range	96% to100%	-
		Base Rent (Rs.)	60.00	-
		Escalation %	4.77% p.a.	-
		WAAC	12.30%	-
		Growth Rate	4.00%	-

C. Information regarding income and expenditure of investment property

Rs. in million

Particulars	December 31, 2022	March 31, 2022
Rental income derived from investment properties	636.56	933.64
Direct operating expenditure (including repairs and maintenance) generating rental	64.76	83.44
Direct operating expenditure that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	571.80	850.20
Depreciation	154.87	211.26
Profit arising from investment properties before indirect expenses	416.93	638.94

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

E. Investment properties under construction (IPUC) Ageing Schedule

As at December 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,189.61	3,809.02	2,358.87	1,096.17	**10,453.67**
Projects temporarily suspended	-	-	-	-	-
Total	**3,189.61**	**3,809.02**	**2,358.87**	**1,096.17**	**10,453.67**

As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,837.00	2,358.87	1,096.17	576.45	7,868.49
Projects temporarily suspended	-	-	-	-	-
Total	3,837.00	2,358.87	1,096.17	576.45	7,868.49

F. Details of the Investment Property Uunder Construction ('IPUC'), whose completion is overdue or has exceeded its cost compared to its original plan, following IPUC completion schedule shall be gi

As at December 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**6,759.81**	-	-	**1,128.60**
Cignus Powai I, Mumbai	6,710.61	-	-	-
Cignus Whitefield II Bangalore	49.20	-	-	-
Cignus Powai II, Mumbai	-	-	-	1,128.60
Projects temporarily suspended				
Project 1	-	-	-	-
Project 2	-	-	-	-
Total	**6,759.81**	-	-	**1,128.60**

As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	4,919.72	1,881.59	-	-
Cignus Powai I, Mumbai	4,919.72	-	-	-
Cignus Whitefield I Bangalore	-	1,881.59	-	-
Cignus Whitefield II Bangalore	-	-	-	-
Projects temporarily suspended	-	-	-	-
Project 1	-	-	-	-
Project 2	-	-	-	-
Total	4,919.72	1,881.59	-	-

B S R & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Note 4
Investment property *(Continued)*

G. Asset wise breakup of investment property is as follows:

As at December 31, 2022

Rs. in million

Particulars	Gross block: Opening balance as at April 1, 2022	Additions/ Transferred In	Deductions	Closing balance as at December 31, 2022	Accumulated depreciation / amortisation: Opening balance as at April 1, 2022	For the period	Deductions	Closing balance as at December 31, 2022	Net block: As at December 31, 2022
Tangible assets									
Freehold land	813.67	-		813.67	-	-	-	-	813.67
Buildings	4,718.80	9.93	-	4,728.73	717.59	85.44	-	803.03	3,925.70
Plant and machinery	1,063.12	17.23	-	1,080.35	412.58	49.37	-	461.95	618.40
Computers	2.33	-	-	2.33	2.23	0.05	-	2.28	0.05
Electrical installations	391.60	0.81	-	392.41	173.64	18.26	-	191.90	200.51
Furniture and fixtures	37.46	-	2.05	35.41	29.49	1.60	1.96	29.13	6.28
Office equipments	1.67	-	-	1.67	1.28	0.14	-	1.42	0.25
	7,028.65	27.97	2.05	7,054.57	1,336.80	154.86	1.96	1,489.71	5,564.86
Intangible assets									
Software	0.59	-	-	0.59	0.54	0.03	-	0.57	0.02
	0.59	-	-	0.59	0.54	0.03	-	0.57	0.02
Total	7,029.24	27.97	2.05	7,055.16	1,337.35	154.89	1.96	1,490.28	5,564.88

As at March 31, 2022

Rs. in million

Particulars	Gross block: Opening balance as at April 1, 2021	Additions/ Transferred In	Deductions	Closing balance as at March 31, 2022	Accumulated depreciation: Opening balance as at April 1, 2021	For the year	Deductions	Closing balance as at March 31, 2022	Net block: As at March 31, 2022
Tangible assets									
Freehold land	813.67	-	-	813.67	-	-	-	-	813.67
Buildings	4,729.84	5.23	16.27	4,718.80	613.85	113.53	9.79	717.59	4,001.21
Plant and machinery	1,082.06	2.66	21.61	1,063.12	358.34	67.24	13.00	412.58	650.54
Computers	2.33	-	-	2.33	2.06	0.17	-	2.23	0.10
Electrical installations	399.34	-	7.74	391.60	154.47	24.62	5.46	173.64	217.97
Furniture and fixtures	73.02	-	35.56	37.46	58.05	5.44	33.99	29.49	7.97
Office equipments	1.67	-	-	1.67	1.03	0.25	-	1.28	0.39
	7,101.93	7.89	81.17	7,028.65	1,187.80	211.24	62.24	1,336.80	5,691.85
Intangible assets									
Software	0.59	-	-	0.59	0.53	0.01	-	0.54	0.05
	0.59	-	-	0.59	0.53	0.01	-	0.54	0.05
Total	7,102.52	7.89	81.17	7,029.24	1,188.33	211.26	62.24	1,337.35	5,691.90

CHALET HOTELS LIMITED MUMBAI

S R & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Note 5
Other intangible assets

As at December 31, 2022

Rs. in million

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at April 1, 2022	Additions/ Transferred In	Deductions	Closing balance as at December 31, 2022	Opening balance as at April 1, 2022	For the period	Deductions	Closing balance as at December 31, 2022	As at December 31, 2022
Trade marks	0.04	-	-	0.04	0.04	-	-	0.04	-
Computer software	104.69	1.93	0.05	106.57	88.21	7.89	-	96.10	10.47
Total	**104.73**	**1.93**	**0.05**	**106.61**	**88.25**	**7.89**	-	**96.14**	**10.47**

As at March 31, 2022

	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at April 1, 2021	Additions/ Transferred In	Deductions	Closing balance as at March 31, 2022	Opening balance as at April 1, 2021	For the year	Deductions	Closing balance as at March 31, 2022	As at March 31, 2022
Trade marks	0.04	-	-	0.04	0.04	-	-	0.04	-
Computer software	103.39	1.54	0.24	104.69	77.51	10.94	0.24	88.21	16.48
Total	**103.43**	**1.54**	**0.24**	**104.73**	**77.55**	**10.94**	**0.24**	**88.25**	**16.48**

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Note 6
Share capital

(a) Details of the authorised, issued, subscribed and fully paid-up share capital as below:

Rs. in million

Particulars	**As at December 31, 2022 (Unaudited)**	As at March 31, 2022 (Audited)
(i) Authorised		
229,100,000 (March 31, 2022: 229,100,000) equity shares of the par value of Rs. 10 each	**2,291.00**	2,291.00
(ii) Issued, subscribed and paid-up		
205,024,864 (March 31, 2022: 205,023,864) equity shares of the par value of Rs. 10 each	**2,050.25**	2,050.24
Total	**2,050.25**	2,050.24

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period / year:

Particulars	**December 31, 2022**		March 31, 2022	
	Number	**Amount**	Number	Amount
Equity shares				
Number of equity shares outstanding at the beginning of the period/ year	**20,50,23,864**	**2,050.24**	20,50,23,864	2,050.24
Fresh issue of equity shares	**1,000**	**0.01**		
Number of equity shares outstanding at the end of the period/ year	**20,50,24,864**	**2,050.25**	20,50,23,864	2,050.24

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

Particulars	**December 31, 2022**		March 31, 2022	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Casa Maria Properties LLP	1,64,96,280	8.05%	1,64,96,280	8.05%
Capstan Trading LLP	1,64,95,680	8.05%	1,64,95,680	8.05%
Raghukool Estate Development LLP	1,64,95,680	8.05%	1,64,95,680	8.05%
Touchstone Properties and Hotels Private Limited	1,45,00,000	7.07%	1,45,00,000	7.07%
Anbee Construction LLP	1,31,16,180	6.40%	1,31,16,180	6.40%
Cape Trading LLP	1,31,16,180	6.40%	1,31,16,180	6.40%
K Raheja Private Limited	1,24,00,000	6.05%	1,24,00,000	6.05%
Neel Raheja	1,03,26,318	5.04%	1,03,26,318	5.04%
	11,29,46,318	55.09%	11,29,46,318	55.09%

(d) Rights, preferences and restrictions attached to equity shares.

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

(e) Details of shares held by promoters

As at December 31, 2022

S. No.	**Promoter Name**	**No. of shares at the beginning of the year**	**Change during the period**	**No. of shares at the end of the period**	**% of Total Shares**	**% change during the period**
Equity shares of INR 10 each fully paid	Neel Chandru Raheja	1,03,26,318	-	1,03,26,318	5.04%	0%
	Ravi Chandru Raheja	51,63,159	-	51,63,159	2.52%	0%
	Jyoti Chandru Raheja	77,80,300	-	77,80,300	3.79%	0%
	Sumati Ravi Raheja	51,63,159	-	51,63,159	2.52%	0%
	Ivory Properties And Hotels Private Ltd	35,71,533	-	35,71,533	1.74%	0%
	K Raheja Private Limited	1,24,00,000	-	1,24,00,000	6.05%	0%
	K Raheja Corp Private Limited	37,85,824	-	37,85,824	1.85%	0%
	Touchstone Properties And Hotels Pvt Ltd	1,45,00,000	-	1,45,00,000	7.07%	0%
	Genext Hardware And Parks Private Ltd	8,00,000	-	8,00,000	0.39%	0%
	Cape Trading LLP	1,31,16,180	-	1,31,16,180	6.40%	0%
	Casa Maria Properties LLP	1,64,96,280	-	1,64,96,280	8.05%	0%
	Capstan Trading LLP	1,64,95,680	-	1,64,95,680	8.05%	0%
	Palm Shelter Estate Development LLP	76,92,387	-	76,92,387	3.75%	0%
	Raghukool Estate Developement LLP	1,64,95,680	-	1,64,95,680	8.05%	0%
	Anbee Constructions LLP	1,31,16,180	-	1,31,16,180	6.40%	0%
Total		14,69,02,680	-	14,69,02,680	71.65%	
Total Number of Equity Shares		**20,50,23,864**		**20,50,24,864**		

As at March 31, 2022

S. No.	**Promoter Name**	**No. of shares at the beginning of the year**	**Change during the year**	**No. of shares at the end of the year**	**% of Total Shares**	**% change during the year**
Equity shares of INR 10 each fully paid	Neel Chandru Raheja	1,03,26,318	-	1,03,26,318	5.04%	0.00%
	Ravi Chandru Raheja	1,03,26,318	(51,63,159)	51,63,159	2.52%	-2.52%
	Jyoti Chandru Raheja	-	77,80,300	77,80,300	3.79%	3.79%
	Sumati Ravi Raheja	-	51,63,159	51,63,159	2.52%	2.52%
	Ivory Properties And Hotels Private Ltd	1,13,51,833	(77,80,300)	35,71,533	1.74%	-3.79%
	K Raheja Private Limited	1,24,00,000	-	1,24,00,000	6.05%	0.00%
	K Raheja Corp Private Limited	37,85,824	-	37,85,824	1.85%	0.00%
	Touchstone Properties And Hotels Pvt Ltd	1,45,00,000	-	1,45,00,000	7.07%	0.00%
	Genext Hardware And Parks Private Ltd	8,00,000	-	8,00,000	0.39%	0.00%
	Cape Trading LLP	1,31,16,180	-	1,31,16,180	6.40%	0.00%
	Casa Maria Properties LLP	1,64,96,280	-	1,64,96,280	8.05%	0.00%
	Capstan Trading LLP	1,64,95,680	-	1,64,95,680	8.05%	0.00%
	Palm Shelter Estate Development LLP	76,92,387	-	76,92,387	3.75%	0.00%
	Raghukool Estate Developement LLP	1,64,95,680	-	1,64,95,680	8.05%	0.00%
	Anbee Constructions LLP	1,31,16,180	-	1,31,16,180	6.40%	0.00%
Total		14,69,02,680	-	14,69,02,680	71.65%	
Total Number of Equity Shares		20,50,23,864		20,50,23,864		

f) Employee stock option plan
Number of shares reserved for ESOP is 13,50,831
Term attached to stock options granted to employees are described in Note 15

Rs in million

Note 7
Long-term borrowings

Particulars	As at December 31, 2022 (Unaudited)	As at March 31, 2022 (Audited)
Borrowings		
Secured		
Rupee term loans		
i) From bank (refer note A)	**11,001.85**	11,385.24
ii) From financial institutions (refer note A)	**9,074.52**	7,633.46
Foreign currency term loans		
i) From bank	-	662.76
Preference share liability		
Non-cumulative redeemable preference shares (refer note B)	**1,824.50**	1,746.67
Unsecured		
From related parties	**292.73**	-
	22,193.60	21,428.13

	As at December 31, 2022 (Unaudited)	As at March 31, 2022 (Audited)
Secured Borrowings (Gross)		
Opening Balance	23,624.54	18,628.40
Proceeds from long-term borrowings	4,320.00	7,515.00
Repayment of long-term borrowings	(4,919.94)	(2,543.49)
Exchange loss on foreign currency loan	4.46	21.87
Other adjustments	(132.60)	(120.55)
Interest accrued but not due	133.83	42.21
Transferred to Current maturity of long term debt (Refer Note 8)	(2,953.92)	(3,861.98)
Closing Balance	**20,076.37**	**19,681.47**
Break up of long term borrowings		
Secured		
From Bank	11,001.85	11,385.24
From financial institutions	9,074.52	7,633.46
Foreign currency term loans		
From Bank	-	662.76
	20,076.37	**19,681.46**
Preference share liability		
Opening Balance	1,746.67	1,194.61
Proceeds from long-term borrowings	250.00	500.00
Non-cash adjustments	(172.17)	52.06
Closing Balance	**1,824.50**	**1,746.67**
Unsecured loan		
From related parties		
Opening Balance	-	-
Proceeds from long-term borrowings	350.00	-
Non-cash adjustments	(57.27)	-
Closing Balance	**292.73**	-

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Note 7
Long-term borrowings

A) Terms of repayment

Particulars	Sanction Amount Rs in million	Loan Outstanding as at December 31, 2022 / (March 31, 2022*) Rs in million	Carrying rate of Interest As at December 31, 2022	Carrying rate of Interest As at March 31, 2022	Repayment/ Modification of terms	Security Details
TERM LOANS- Rupee Loans						
Standard Chartered Bank **	2,000.00	449.50 (998.01)	7.75% to 7.65%	8.80% to 7.75%	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.
HDFC Bank Ltd **	2,500 (Term loan - Rs.2,300 million with Rs 200 million OD as a sub-limit of term loan)	2,073.22 (2,235.13)	7.55% to 8.20%	7.75% to 7.55%	Repayable in quarterly 30 instalments from December 2021 to March 2029.	
HSBC Ltd	1,150 (Term loan - Rs.1,130 million with Rs 20 million OD as a sub-limit of term loan)	955.06 (1010.01)	7.05% to 8.45%	7.90% to 7.05%	Repayable in monthly installments starting from January 2020 to December 2029.	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.
ICICI Bank Ltd	3,080 (Term Loan - Rs. 2,285 million with Rs. 300 million OD as a sub-limit of term loan)	- (1,004.31)	-	8.40% to 8.25%	Repayable quarterly instalment starting from December 2017 to September 2025. This loan fully paid on April 22.	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.
Standard Chartered Bank	645.00	645.16 (645.00)	6.66% to 8.94%	6.66%	Repayable in 48 monthly installments starting October, 2023	It is secured by (i) Second Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii)Second 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.
HDFC Bank Ltd	1,350.00	1,359.15 (1,350.00)	6.50% to 8.75%	6.50%	Repayable in 48 monthly installments starting July, 2023	
Standard Chartered Bank	900 (Term Loan - Rs. 750 million and OD Rs. 150 million)	587.98 (626.18)	7.40% to 7.45%	8.80% to 7.40%	Repayable monthly instalment over 144 months starting from July 2017 to July 2029. This loan was fully paid on March 2023.	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.
ICICI Bank Ltd	2,500.00	2,383.26 (2,455.42)	8.35% to 8.70%	8.45% to 8.35%	Repayable in 36 Quarterly installments starting from Jan-22	First pari passu charge on the immovable & movable fixed assets of the Marriott hotel, Bengaluru ("Hotel") First pari passu charge on current assets of the Hotel First pari passu charge on receivables of the Hotel

* Previous year information are disclosed in brackets

** The bank has confirmed that no event of default has been called due to the breach of covenants during the year 2021-22.

BSR & Co. LLP Chartered Accountants 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022
Note 7

Long-term borrowings (*continued*)

Particulars	Sanction Amount	Loan Outstanding as at December 31, 2022 / (March 31, 2022*)	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs in million	Rs in million	As at December 31, 2022	As at March 31, 2022		
ICICI Bank Ltd	1,900.00	499.77 (653.68)	8.25% to 8.60%	8.40% to 8.25%	Repayable quarterly instalment from September 2016 to June 2025.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield.
DBS Bank Ltd	1,320.00	1,281.85 (-)	7.45%	-	Repayable in Monthly instalments from July 2022 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present and future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Axis Bank Ltd	120.00	- (6.40)	12.65%	12.65% to 12.00%	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024. The loan is fully repaid in May 2022.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company. iii. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and
DBS Bank Ltd	3,250(Term Loan - Rs. 2,900 million, DSRA OD Rs.150 million and OD Rs. 200 million)	2,537.64 (2,656.83)	7.45%	7.85% to 7.02%	Repayable in Monthly instalments from April 2020 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present and future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Bajaj Finance Ltd	5,000.00	434.40 (456.26)	7.45%	7.85% to 7.02%	Repayable in Monthly instalments from April 2020 to Sept 2025.	

* Previous year information are disclosed in brackets

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022
Note 7
Long-term borrowings (*continued*)

Particulars	Sanction Amount	Loan Outstanding as at December 31, 2022 / (March 31, 2022*)	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. in million	Rs in million	As at December 31, 2022	As at March 31, 2022		
From Financial Institutions						
Housing Development Finance Corporation Limited	1,350.00	185.82 (340.60)	6.75% to 8.75%	7.50% to 7.20%	Repayable in 120 monthly instalment from loan drawn out date i.e. October 2014	It is secured by (i) Exclusive charge on immovable property and receivables at Four Points By Sheraton. Vashi (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Four Points By Sheraton, Vashi (iii) Guarantee by related party.
Housing Development Finance Corporation Limited	2,500 (Line of Credit)	1,592.15 (1,600.00)	6.75% to 8.65%	7.50% to 7.20%	Line of credit to be reduced every year starting 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	2,000.00	1,996.48 (1,996.00)	6.75%	6.75% to 9.35%	Loan to be repaid in Equated Monthly Installments over a period of 120 months starting April 2024	It is secured by (i) Exclusive 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.
International Financial corporation (IFC)	3,750.00	2,033.98 (-)	7.27% to 8.71%	-	Semi annual repayments from Jul-24 to Jan-32.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations.
Housing Development Finance Corporation Limited	3,600.00	1,247.48 (1,598.62)	6.75% to 8.75%	7.50% to 7.20%	Repayable in 120 monthly instalment from loan drawn out date i.e, December 2015.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Westin Hotel (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Westin Hotel.
Housing Development Finance Corporation Limited	6,000.00	2,767.39 (2,765.16)	7.25% to 9.25%	7.95%	Loan to be repaid in Equated Monthly Installments over a period of 120 months starting July 2026	It is secured by (i) Exclusive charge charge on immovable property and receivables (both present and future) from Commercial project located in Powai (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 project located in Powai

* Previous year information are disclosed in brackets

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022
Note 7
Long-term borrowings (*continued*)

Particulars	Sanction Amount	Loan Outstanding as at December 31, 2022 / (March 31, 2022*)	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. in million	Rs in million	As at December 31, 2022	As at March 31, 2022		
Foreign Currency Loans						
From Banks						
ICICI Bank Ltd - Bahrain	USD 48 million (drawn down USD 12.2 million)	- (550.61)	-	4.00% fixed plus 3 month libor	Repayable quarterly from June 2018 to March 2027. This loan was fully paid on April 2022.	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.
Axis Bank Ltd	USD 35 million (drawn down USD 31.15 million)	- (590.51)	-	4.5% + 6 months LIBOR	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024. The loan is fully paid in May 2022.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company. iii. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and

Unsecured
From related parties
The Holding Company accorded to raise funds from the Promoters of the Company or their nominees by way of Unsecured Loans or Inter Corporate Deposits or any combination thereof upto an amount not exceeding Rs.1,000 million on an interest-free basis, in accordance with the terms and conditions set out in the Subscription Agreement dated June 4, 2018 and the amendment thereto to be executed between the Company and the Promoters viz. Mr. Ravi C. Raheja and Mr. Neel C. Raheja, if necessary. In this regard, the Group has borrowed Rs. 350 million as at December 31, 2022 (March 31, 2022: Rs.Nil).

* Previous year information are disclosed in brackets

There are no material breaches of the covenants associated with the borrowings as mentioned above.

B) Preference Share Capital

(a) Details of the Authorised, Issued, Subscribed and Paid-up Preference Share Capital as below:

Rs. in million

Particulars	As at December 31, 2022	As at March 31, 2022
(i) Authorised		
1,600 (March 31, 2022: 1600) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each	160.00	160.00
10,000 (March 31, 2022: 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each- Series A	1,000.00	1,000.00
10,000 (March 31, 2022: 10,000) 0.00% Non-cumulaive, Non-convertible redeemable preference shares of Rs 100,000 each- Series B	1,000.00	1,000.00
(ii) Issued, Subscribed and paid-up		
1,600 (March 31, 2022: 1600) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each	160.00	160.00
20,000 (March 31, 2022: 20,000) (Series A 10,000 and Series B 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares. Series A: Fully-paid up Rs. 100,000 each (Fully paid up Rs.100,000 each in year ended March 31, 2022) and Series B: Fully-paid up Rs.100,000 each (Partly paid up Rs. 75,000 each in year ended March 31, 2022).	1,664.50	1,586.67
Total	**1,824.50**	1,746.67

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022
Note 7
Long-term borrowings (*continued*)

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

Particulars	As at December 31, 2022		As at March 31, 2022	
	Number	Amount	Number	Amount
1,600, 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each				
Number of Preference shares outstanding at the beginning of the period/ year	1,600	160.00	1,600	160.00
Issued during the period/ year	-	-	-	-
Number of Preference shares outstanding at the end of the period/ year	**1,600**	**160.00**	1,600	160.00
10,000 (March 31, 2022: 10,000) (Series A) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and fully paid up of Series A Rs 100,000 each.				
Number of Preference shares outstanding at the beginning of the period/ year	10,000	921.56	10,000	828.00
Adjustments* / Issued during the period/ year	-	(79.55)	-	93.56
Number of Preference shares outstanding at the end of the period/ year	**10,000**	**842.01**	10,000	921.56
10,000 (March 31, 2022: 10,000) (Series B) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and fully paid up of Series B Rs. 1,00,000 each.				
Number of Preference shares outstanding at the beginning of the period/ year	10,000	665.11	10,000	206.61
Adjustments* / Issued during the period/ year**	-	157.38	-	458.50
Number of Preference shares outstanding at the end of the period/ year	**10,000**	**822.49**	10,000	665.11
Total	21,600	1,824.50	21,600	1,746.67

*Adjustments represents notional interest on debt components of Preferences share
** Call made against issued Series B Non-cumulative, Non-convertible redeemable preference shares

With respect to the Residential project at Bengaluru ("Project"), w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Holding Company, either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0% Non- Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Holding Company of upto Rs. 2,000 million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Holding Company has a paid up preference share capital of Rs 2,000 million as at December 31, 2022 (31 March 2022: Rs 1,750 Million).

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Rs. is million

Note 8
Short-term borrowings

Particulars	As at December 31, 2022 (Unaudited)	As at March 31, 2022 (Audited)
Borrowings		
Secured		
Over draft accounts from banks	485.86	13.72
Unsecured		
From related parties	37.47	35.99
Current maturity of long term debt (Refer Note 7)	2,953.92	3,861.98
	3,477.25	3,911.69

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Note 8

Short-term borrowings (*continued*)

A) Terms of repayment

Rate of interest

Particulars	Sanction Amount Rs. in million	Carrying rate of Interest As at December 31, 2022	Carrying rate of Interest As at March 31, 2022	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	500 (Including two sub limit of 20 millionn each)	7.25% to 7.90%	9.55% to 7.25%	Renewal every year	Secured against land parcel admeasuring 6,826 sq. mtrs. at Powai (including future receivables)
ICICI Bank Ltd	3,080 (Term Loan - Rs. 2,285 million with Rs. 300 million OD as a sub-limit of term loan) OD 300 (Including four sublimit - 20 million, 20 million 10 million and 5 millionn)	0%	8.35% to 8.30%	Renewal every year and maturity is in September 2026 in line with the Term loan	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
DBS Bank Ltd	3,250(Term Loan - Rs. 2,900 million, DSRA OD Rs.150 million and OD Rs. 200 million)	9.50% to 9.60%	7.2% to 7.25%	Renewal every year and maturity is in September 2025 in line with the Term loan.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre at Sahar, Mumbai (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Indian Overseas Bank	50.00	11.55%	11.55%	Renewal every year	Cash Credit is secured by hypothecation of inventories, crockery, cutlery, and linen held by the Company at its property in Powai, both present and future
ICICI Bank Ltd	1,900 (Term Loan - 1,530 million and OD 150 million)	8.30% to 9.70%	8.35% to 8.30%	Renewal every year and maturity is in June 2025 in line with the Term loan.	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
HDFC Bank Ltd*	2,500 (Term loan - Rs.2,300 million with Rs 200 million OD as a sub-limit of term loan)	8.25% to 9.60%	8.30% to 8.25%	Overdraft to be reduced on a proportionate basis in line with term loan repayment.	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.
Axis Bank Ltd	4,500 (Term loan - 420 million with Rs.300 million OD as a sub-limit of term loan)	8.95%	-	Overdraft to be reduced in proportion of last 30 Cr repayment of term loan	First and exclusive charge on immovable and movable property and receivables pertaining to Westin Hyderabad hotel
HSBC Ltd	1,150 (Term loan - Rs 1,130 million with Rs 20 million OD as a sub-limit of term loan)	7.40% to 8.85%	8.25% to 7.40%	Renewal every year	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
Standard Chartered Bank	900 (Term Loan - Rs. 750 million and OD Rs. 150 million)	7.25% to 7.70%	7.60% to 7.25%	Overdraft to be reduced on a proportionate basis in line with term loan repayment.	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. 50.00 million

*the bank has confirmed that no event of default has been called due to the breach of covenants during the period ended December 31, 2022 and financial year 2021-22

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/ year.

From Related Parties

K Raheja Corp Private Limited	NA	8.50%	8.50%	Repayable on demand	Unsecured

BSR & Co. LLP
14th Floor,
Central B Wing and
North C Wing,
Nesco IT Park4,
Nesco Center,
Western Express Highway,
Goregaon (East),
Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Note 9
Earnings Per Share (EPS)

Rs. in million

Particulars	For the quarter ended December 31, 2022 (Unaudited)	For the quarter ended December 31, 2021 (Unaudited)	For the nine months ended December 31, 2022 (Unaudited)	For the nine months ended December 31, 2021 (Unaudited)
Profit attributable to equity shareholders from Continued operations	1,023.39	(93.68)	1,466.18	(634.30)
Profit attributable to equity shareholders from Discontinued operations	-	(52.86)	-	(65.37)
Profit attributable to equity shareholders from Continued and discontinued operations	1,023.39	(146.54)	1,466.18	(699.67)
Calculation of weighted average number of equity shares				
Number of shares at the beginning of the period	20,50,23,864	20,50,23,864	20,50,23,864	20,50,23,864
Add: Shares issued during the period	1,000		1,000	-
Number of equity shares outstanding at the end of the period	20,50,24,864	20,50,23,864	20,50,24,864	20,50,23,864
Weighted average number of equity shares outstanding during the period	20,50,24,864	20,50,23,864	20,50,24,864	20,50,23,864
Total Number of potential Equity Shares	36,290	-	54,476	-
Weighted average number of equity shares outstanding during the period (Diluted)	20,50,61,154	20,50,79,340	20,50,79,340	20,50,23,864
Earnings per equity share - Continuing operations (Face value of Rs 10 each)				
Basic (* not annualised)	*4.99	*(0.46)	* 7.15	* (3.10)
Diluted (* not annualised)	*4.99	*(0.46)	* 7.15	* (3.10)
Earnings per equity share - Discontinued operations (Face value of Rs 10 each)				
Basic (* not annualised)	-	*(0.26)	-	* (0.31)
Diluted (* not annualised)	-	*(0.26)	-	* (0.31)
Earnings per equity share - Continuing and Discontinued operations (Face value of Rs 10 each)				
Basic (* not annualised)	*4.99	*(0.71)	* 7.15	* (3.41)
Diluted (* not annualised)	*4.99	*(0.71)	* 7.15	* (3.41)

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

The impact of dilution on account of ESOP will not be considered if they are anti-dilutive.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)

As at December 31, 2022

Rs. in million

Note 10

(I) Contingent liabilities and commitments (to the extent not provided for)

	As at December 31, 2022 (Unaudited)	As at March 31, 2022 (Audited)
Contingent liabilities		
Claims against the Group not acknowledged as debts		
Disputed service tax demands	**68.57**	67.39
Disputed income tax demands	**401.54**	323.51
Disputed VAT demands	**13.08**	13.08
Disputed provident funds demands	**5.80**	5.80
Labour Dispute	**12.21**	12.21
Transportation Charges	**0.08**	0.08
Power Facilitation Agreement	**36.17**	36.17
Contractors Claim	**184.87**	113.77
Performance Guarantees given to Department of Tourism of Kerala	**50.00**	50.00
SFIS/SEIS Scheme	**16.73**	16.73

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 Holding 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). The Holding Company has been operating Four Points By Sheraton, Navi Mumbai, Vashi 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 above consolidated financial results. The balance of prepaid lease rental in relation to such leasehold land as of December 31, 2022 is ₹ 48.84 million (March 31, 2022: ₹ 49.74 million) and carrying value of property, plant and equipment as at December 31, 2022 is ₹ 352.00 million (March 31, 2022: ₹ 372.12 million).

d.Show Cause Notice issued by CGST & Central Excise Division, Bhopal in July 2019 with reference to utilisation of SFIS benefits by the Company for purchase of glass and a demand to make payment of Excise Duty of Rs. Nil in million. The Company has filed a reply in the matter, requesting to not precipitate the matter in view of the existing Court Order of Gujarat High Court. Personal Hearings were held on October 10, 2020 on behalf of the Company and former director, Mr. Ramesh Valecha however no orders have been passed.

e. The Group has considered as at December 31, 2022 Rs. 31.41 million (March 31, 2022: Rs. 41.59 million) towards service tax refund receivable against cancellations of flats. One of the company's claim was rejected by the Customs, Excise & Service Tax Appellate Tribunal, Regional Bench, Bangalore on grounds of time limitations. The Group had filed appeal with Honourable High Court of Karnataka in this regard and has received favorable order for same. Based on the High Court order the company has filed application for refund of the said amount with GST authorities.

(II) Commitments

	As at December 31, 2022 (Unaudited)	As at March 31, 2022 (Audited)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**1,606.50**	3,154.96

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Note 11

Disclosure under Ind AS 115, Revenue from Contracts with Customers

Details of contract balances		**Rs. in million**
Particulars	**As at December 31, 2022**	As at March 31, 2022
Details of Contract Balances:		
Balance as at beginning of the period/ year	**(1,660.47)**	(1,868.68)
Repayment to the customer on cancellation	-	208.21
Significant change due to other reasons	**(2.18)**	-
Balance as on December 31, 2022	**(1,662.65)**	(1,660.47)

As on December 31, 2022 revenue recognised in the current period/ year from performance obligations satisfied/ partially satisfied in the previous year is Rs Nil.

Information on performance obligations in contracts with Customers:

Real Estate Development Project:
The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects for the quarter and period ended December 31, 2022.

Particulars	**2024**	**2025-2026**	**Beyond 2027**	**Total**
Contract Revenue	-	**2,117.94**	-	**2,117.94**
Contract Expense	-	**2,106.83**	-	**2,106.83**
Total	-	**11.11**	-	**11.11**

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects as at March 31, 2022

Particulars	2023	2024-2026	Beyond 2026	Total
Contract Revenue	-	2,039.28	-	2,039.28
Contract Expense	-	2,027.90	-	2,027.90
Total	-	11.38	-	11.38

Hospitality and Commercial & Retail
The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)

As at December 31, 2022

Rs. in million

Note 12

Financial instruments - Fair values and risk management

(A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

	Carrying amount			Fair value			
December 31, 2022	**FVTPL**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets							
Investment in equity shares	62.64		62.64	-	-	62.64	62.64
Other investments	-	0.12	0.12	-	-	0.12	0.12
Other non-current financial assets	-	477.86	477.86	-	-	-	-
Current financial assets			-				
Trade receivables	-	432.62	432.62	-	-	-	-
Cash and cash equivalents	-	136.75	136.75	-	-	-	-
Other bank balances	-	401.65	401.65	-	-	-	-
Loans	-	5.00	5.00	-	-	-	-
Other current financial assets	-	110.08	110.08	-	-	-	-
	62.64	1,564.08	1,626.72	-	-	62.76	62.76
Non-current financial liabilities							
Borrowings	-	22,193.60	22,193.60	-	-	-	-
Lease liabilities		559.68	559.68	-	-	-	-
Other non-current financial liabilities	-	219.18	219.18	-	-	-	-
Current financial liabilities			-				-
Borrowings	-	3,477.25	3,477.25	-	-	-	-
Lease liabilities	-	42.18	42.18	-	-	-	-
Trade payables	-	1,352.83	1,352.83	-	-	-	-
Other financial liabilities		829.45	829.45	-	-	-	-
	-	28,674.17	28,674.17	-	-	-	-

	Carrying amount			Fair value			
March 31, 2022	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in equity shares	62 66		62 66	-	-	62 66	62 66
Other investments	-	0 13	0 13	-	-	0 13	0 13
Others	-	387 04	387 04	-	-	-	-
Current financial assets							
Trade receivables	-	436 02	436 02	-	-	-	-
Cash and cash equivalents	-	245 23	245 23	-	-	-	-
Other bank balances	-	753 22	753 22	-	-	-	-
Other current financial assets	-	150 63	150 63	-	-	-	-
	62 66	1,972 27	2,034 93	-	-	62 79	62 79
Non-current financial liabilities							
Borrowings	-	21,428 13	21,428 13	-	-	-	-
Lease liabilities	-	591 47	591 47		-		-
Other non-current financial liabilities	-	159 59	159 59	-	-	-	-
Current financial liabilities							
Borrowings	-	3,911 69	3,911 69	-	-	-	-
Lease liabilities		39 70	39 70		-		-
Trade payables	-	866 78	866 78	-	-	-	-
Other financial liabilities	-	611 61	611 61	-	-	-	-
Derivative liability	-	12 18	12 18	-	-	-	-
	-	27,621 16	27,621 16	-	-	-	-

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Note 12
Financial instruments - Fair values and risk management *(Continued)*

(i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :
- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach, and for certain equity shares equals to the cost
- the fair value for the currency swap is determined using forward exchange rate for balance maturity
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. 'The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates

The investments included in level 3 of the fair value hierarchy have been valued using the discounted cash flow technique to arrive at the fair value

(ii) Fair value measurements using significant unobservable inputs (level 3)

Reconciliation of level 3 fair values

	Amount
Balance at March 31, 2022	62.79
Additions / Deletions during the period	(0.03)
Balance at December 31, 2022	**62.76**

(iii) Sensitivity analysis

The Group has invested in equity shares of entities engaged in generation of hydro power for securing the supply of renewable energy. The Group does not have any exposure or rights to variable returns. Hence no sensitivity is required for such equity shares

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

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Note 12
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 hospitality business. For other segments the company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

Rs. in million

Particulars	December 31, 2022	March 31, 2022
(a) Trade Receivables considered good - Secured;		
(b) Trade Receivables considered good - Unsecured;		
Neither past due not impaired		
Past due not impaired		
Less than 6 months	**423.70**	404.22
More than 6 months	**21.55**	49.22
Total	**445.25**	453.44
(c) Trade Receivables which have significant increase in Credit Risk; and	**3.54**	13.73
(d) Trade Receivables - credit impaired	**25.16**	16.60

The movement in the allowance for impairment in respect of other receivables during the period/ year was as follows:

Particulars	December 31, 2022	March 31, 2022
Opening Balance	**47.75**	101.76
Impairment loss (reversed)	**(6.42)**	(54.01)
Closing Balance	**41.33**	47.75

(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.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Rs. in million

Note 12
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			
December 31, 2022	**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)	23,030.29	29,243.14	4,526.92	4,128.50	14,700.15	5,887.57
Security deposits	197.12	197.12	0.73	-	193.22	3.17
Current, non derivative financial liabilities						
Borrowings (excluding current maturity of long term debt)	523.33	523.33	523.33	-	-	-
Trade payables	1,352.83	1,352.83	1,352.83	-	-	-
Other current financial liabilities (excluding derivative contracts)	829.45	829.45	829.45	-	-	-
Total	25,933.02	32,145.87	7,233.26	4,128.50	14,893.37	5,890.74

			Contractual cash flows			
March 31, 2022	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)	25,290.11	29,793.05	3,896.29	4,784.88	15,468.95	5,642.93
Security deposits	159.59	159.59	-	64.80	21.63	73.16
Current, non derivative financial liabilities						
Borrowings (excluding current maturity of long term debt)	49.71	49.71	49.71	-	-	-
Trade payables	866.78	866.78	866.78	-	-	-
Other current financial liabilities (excluding derivative contracts)	623.79	623.79	623.79	-	-	-
Derivative financial assets						
Forward exchange contract (gross settled)						
- Outflow	341.20	341.20	341.20	-	-	-
- Inflow	(328.35)	(328.35)	(328.35)	-	-	-
Total	27,002.83	31,505.77	5,449.42	4,849.68	15,490.58	5,716.09

The Group has sufficient current assets comprising of Trade Receivables, Cash & Cash Equivalents, Other Bank Balances (other than restricted balances), Loans and Other Current Financial Assets to manage the liquidity risk, if any in relation to current financial liabilities.The Group has overdraft facilities, general corporate borrowings, which are used to ensure that the financial obligations are met as they fall due in case of any deficit.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Note 12
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 years and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recognised liabilities. The Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

Particulars	Buy / Sell	Currency	Cross Currency	December 31, 2022		March 31, 2022	
Forward contract	Buy	USD	INR	USD	Nil	USD	4.33 million

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

The amounts reflected in the table below represent the exposure to respective currency in Indian Rupees :

Particulars	December 31, 2022			March 31, 2022		
	USD	**EUR**	**GBP**	USD	EUR	GBP
Financial liabilities						
Foreign currency loans (including interest accrued)	-	-	-	1,147.61	-	-
Trade payables	**668.30**	-	-	219.79	-	0.02
	668.30	-	-	1,367.40	-	0.02
Derivatives						
Foreign currency forward exchange contract	-	-	-	(328.35)	-	-
	-	-	-	(328.35)	-	-
Net exposure	**668.30**	-	-	1,039.05	-	0.02

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at December 31, 2022 and March 31, 2022, 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.

Particulars	Profit or loss before tax			
	December 31, 2022		March 31, 2022	
Effect in INR (before tax)	**Strengthening**	**Weakening**	Strengthening	Weakening
USD (1% movement)	**6.68**	**(6.68)**	10.39	(10.39)

Rs. in million

Note 12
Financial instruments – Fair values and risk management *(Continued)*

(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

December 31, 2022	NIL
March 31, 2022	NIL

Exposure to interest rate risk
The interest rate profile of the Group's interest-bearing financial instruments is as follows.

Rs. in million

Particulars	*Carrying amount*	
	December 31, 2022	March 31, 2022
Fixed-rate instruments		
Non current borrowings		
Non-cumulative redeemable preference shares	**1,824.50**	1,746.67
From related parties	**292.73**	-
Current borrowings		
Loan from related parties other than directors	**37.47**	35.99
Total	**2,154.70**	1,782.66
Variable-rate instruments		
Non current borrowings		
Rupee term loans from banks	**11,001.85**	11,385.24
Rupee term loans from financial institutions	**9,074.52**	7,633.46
Foreign currency term loans from banks	-	662.76
Current borrowings		
Cash credit/overdraft accounts from banks	**485.86**	13.72
Current maturity of long term debt	**2,953.92**	3,861.98
Total	**23,516.15**	23,557.16
TOTAL	**25,670.85**	25,339.82

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.

Particulars	Profit or loss before tax	
	100 bps increase	100 bps decrease
December 31, 2022	**(235.16)**	**235.16**
March 31, 2022	(235.57)	235.57

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Rs. in million

Note 12
Financial instruments – Fair values and risk management (*Continued*)

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 at is as follows:

Particulars	**December 31, 2022**	March 31, 2022
Total borrowings	**25,670.85**	25,339.82
Less: Cash and cash equivalents	**136.75**	245.23
Less: Bank deposits	**401.65**	753.22
Adjusted net debt	**25,132.45**	24,341.37
Total equity	**15,010.19**	13,412.54
Adjusted net debt to adjusted equity ratio	**1.67**	1.81

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Note 13

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
Rental / Annuity Business *(formerly known as Retail & Commercial)*

B. Information about reportable segments

Rs in million

For the quarter ended December 31, 2022	**Reportable segments**					
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Rental / Annuity Business (Discontinued operations)**	**Unallocated**	**Total**
Revenue						
External Customers	2,655.53	-	243.76	-	318.72	3,218.01
Inter-segment	-	-	-	-	-	-
Total Revenue	2,655.53	-	243.76	-	318.72	3,218.01
Segment profit before tax	859.79	563.45	144.77	-	-	1,568.01
Less: (i) Finance Cost	-	-	-	-	368.12	368.12
(ii) Other un-allocable expenditure net off un-allocable income	-	-	-	-	(211.26)	(211.26)
Profit before tax						1,411.15
Tax expenses						387.63
Profit after taxation						1,023.52

For the quarter ended December 31, 2021	**Reportable segments**					
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Rental / Annuity Business (Discontinued operations)**	**Unallocated**	**Total**
Revenue						
External Customers	1,420.22	-	221.54	0.10	15.19	1,657.05
Inter-segment	-	-	-	-	-	-
Total Revenue	1,420.22	-	221.54	0.10	15.19	1,657.05
Segment profit / (loss) before tax	127.90	(38.27)	74.36	(52.86)	-	111.13
Unallocated expenses						
Less: (i) Finance Cost	-	-	-	-	336.56	336.56
(ii) Other un-allocable expenditure net off un-allocable income	-	-	-	-	38.23	38.23
Loss before tax						(263.66)
Tax expenses						(119.82)
Loss after taxation						(143.84)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022
Note 13
Segment reporting (*continued*)

Rs in million

For the period ended December 31, 2022	Reportable segments					
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Rental / Annuity Business (Discontinued operations)**	**Unallocated**	**Total**
Revenue						
External Customers	7,186.87	-	719.06	-	415.78	8,321.71
Inter-segment	-	-	-	-	-	-
Total Revenue	7,186.87	-	719.06	-	415.78	8,321.71
Segment profit / (loss) before tax	2,132.62	498.33	423.27	-	-	3,054.22
Unallocated expenses						
Less: (i) Finance Cost					1,139.43	1,139.43
(ii) Other un-allocable expenditure net off un-allocable income					(98.91)	(98.91)
Profit before Taxation						2,013.70
Tax expenses						547.11
Profit after taxation						1,466.59
Segment assets	21,882.11	4,101.99	17,179.18	-	3,241.30	46,404.58
Segment liabilities	2,680.60	1,759.21	837.88	-	26,120.46	31,398.15

B. Information about reportable segments

For the period ended December 31, 2021	Reportable segments					
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Rental / Annuity Business (Discontinued operations)**	**Unallocated**	**Total**
Revenue						
External Customers	2,836.56	-	800.92	33.25	124.72	3,795.45
Inter-segment				-		-
Total Revenue	2,836.56	-	800.92	33.25	124.72	3,795.45
Segment profit / (loss) before tax	(280.07)	(243.54)	499.08	(65.37)	-	(89.90)
Unallocated expenses						
Less: (i) Finance Cost					1,088.17	1,088.17
(ii) Other un-allocable expenditure net off un-allocable income					56.75	56.75
Loss before Taxation						(1,234.82)
Tax expenses						(534.69)
Loss after taxation						(700.13)

As at March 31, 2022	Reportable segments					
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Rental / Annuity Business (Discontinued operations)**	**Unallocated**	**Total**
Segment assets	21,438.39	3,923.21	14,500.33	-	4,370.08	44,232.01
Segment liabilities	1,845.85	2,504.54	862.50	-	25,609.20	30,822.09
Other disclosures						
Capital expenditure	376.38	0.72	3,844.73	-	1.09	4,222.92
Depreciation and amortisation	968.21	0.21	211.26	-	4.56	1,184.23
Non cash expenses other than depreciation and amortisation	10.62	-	-	75.46	-	86.08

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)

for the nine months period ended December 31, 2022

Note 14

Related Party Disclosures, as required by Indian Accounting Standard 24 are given below:

List of related parties

Relationship	Name of party December 31, 2022	Name of party March 31, 2022
Subsidiary	Chalet Hotels & Properties (Kerala) Private Limited Chalet Airport Hotel Private Limited (Incorporated on August 18, 2022)	Chalet Hotels & Properties (Kerala) Private Limited
Key Managerial Personnel / Relative (KMP)	Sanjay Sethi -Managing Director & CEO Milind Wadekar, CFO	Sanjay Sethi -Managing Director & CEO Milind Wadekar, CFO
Non- Executive directors/Relative	Ravi C Raheja Neel C Raheja	Ravi C Raheja Neel C Raheja
Independent directors	Arthur De Haast Joseph Conrad D'Souza Hetal Gandhi Radhika Piramal	Arthur De Haast Joseph Conrad D'Souza Hetal Gandhi Radhika Piramal
Other KMP as per Companies Act, 2013	Rajneesh Malhotra, Chief Operating Officer (w.e.f October 28, 2021) Christabelle Baptista, Company Secretary	Rajneesh Malhotra, Chief Operating Officer (w.e.f October 28, 2021) Christabelle Baptista, Company Secretary
Enterprises Controlled / Jointly controlled by Non-executive directors	Brookfields Agro & Development Private Limited Cavalcade Properties Private Limited Convex Properties Private Limited Grange Hotels And Properties Private Limited Immense Properties Private Limited Novel Properties Private Limited Pact Real Estate Private Limited Paradigm Logistics & Distribution Private Limited Sustain Properties Private Limited Aqualine Real Estate Private Limited Feat Properties Private Limited Carin Properties Private Limited Asterope Properties Private Limited (erstwhile Flabbergast Properties Private Limited) Sundew Real Estate Private Limited K Raheja Corp Advisory Services (Cyprus) Private Limited Content Properties Private Limited Grandwell Properties And Leasing Private Limited K Raheja Corp Investment Managers LLP	Brookfields Agro & Development Private Limited Cavalcade Properties Private Limited Convex Properties Private Limited Grange Hotels And Properties Private Limited Immense Properties Private Limited Novel Properties Private Limited Pact Real Estate Private Limited Paradigm Logistics & Distribution Private Limited Sustain Properties Private Limited Aqualine Real Estate Private Limited Feat Properties Private Limited Carin Properties Private Limited Asterope Properties Private Limited (erstwhile Flabbergast Properties Private Limited) Sundew Real Estate Private Limited K Raheja Corp Advisory Services (Cyprus) Private Limited Content Properties Private Limited Grandwell Properties And Leasing Private Limited K Raheja Corp Investment Managers LLP
Shareholders of the Company	Anbee Constructions LLP Cape Trading LLP Capstan Trading LLP Casa Maria Properties LLP Ivory Properties And Hotels Private Limited K. Raheja Corp Private Limited K. Raheja Private Limited Palm Shelter Estate Development LLP Raghukool Estate Development LLP Touchstone Properties And Hotels Private Limited Ivory Property Trust Genext Hardware & Parks Private Limited Jyoti C. Raheja Sumati R. Raheja	Anbee Constructions LLP Cape Trading LLP Capstan Trading LLP Casa Maria Properties LLP Ivory Properties And Hotels Private Limited K. Raheja Corp Private Limited K. Raheja Private Limited Palm Shelter Estate Development LLP Raghukool Estate Development LLP Touchstone Properties And Hotels Private Limited Ivory Property Trust Genext Hardware & Parks Private Limited Jyoti C. Raheja Sumati R. Raheja
Other Related parties	Imperial Serviced Offices & Property Management Private Limited Inorbit Malls (India) Private Limited K Raheja Corporate Services Private Limited K Raheja IT Park (Hyderabad) Limited Intime Properties Private Limited Mindspace Business Parks Private Limited Sundew Properties Limited Trion Properties Private Limited Newfound Properties & Leasing Private Limited Nakshtra Logistics Private Limited Praman Properties Private Limited Nirankar Properties Private Limited	Imperial Serviced Offices & Property Management Private Limited Inorbit Malls (India) Private Limited K Raheja Corporate Services Private Limited K Raheja IT Park (Hyderabad) Limited Intime Properties Private Limited Mindspace Business Parks Private Limited Sundew Properties Limited Trion Properties Private Limited Newfound Properties & Leasing Private Limited Nakshtra Logistics Private Limited Praman Properties Private Limited Nirankar Properties Private Limited
Other Related parties #	Genext Hardware And Parks Private Limited Gigaplex Estate Private Limited Horizonview Properties Private Limited Inorbit Malls (India) Private Limited K Raheja Corp Investment Managers LLP K Raheja Corp Private Limited K Raheja Corporate IT Park (Hyderabad) Ltd K Raheja Pvt Ltd K Raheja Corporate Services Private Limited Mindspace Business Parks Pvt. Ltd. Pact Real Estate Private Limited Paradigm Logistics & Distribution Pvt. Ltd. Sundew Properties Limited Sycamore Properties Pvt. Ltd. Trion Properties Private Limited Shoppers Stop Ltd. Inorbit Malls (India) Private Limited	Genext Hardware And Parks Private Limited Gigaplex Estate Private Limited Horizonview Properties Private Limited Inorbit Malls (India) Private Limited K Raheja Corp Investment Managers LLP K Raheja Corp Private Limited K Raheja Corporate IT Park (Hyderabad) Ltd K Raheja Pvt Ltd K Raheja Corporate Services Private Limited Mindspace Business Parks Pvt. Ltd. Pact Real Estate Private Limited Paradigm Logistics & Distribution Pvt. Ltd. Sundew Properties Limited Sycamore Properties Pvt. Ltd. Trion Properties Private Limited Shoppers Stop Ltd. Inorbit Malls (India) Private Limited
# The above mentioned parties are not related to the Company, viz. Chalet Hotels Limited as per the definition under IND AS 24. These parties have been reported on the basis of their classification as Related Party under the Companies Act 2013.		
Member of K. Raheja Corp Group	K Raheja Corporate Services Private Limited	K Raheja Corporate Services Private Limited

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
for the nine months period ended December 31, 2022

Note 14
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below (*continued*):

Rs in million

Sr.no	Particulars	For the quarter ended December 31, 2022		For the nine months ended December 31, 2022	
		Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	Sale of Property, Plant & Equipment			-	0.13
2	Sales of services - Rooms income, food, beverages and smokes	-	5.14	-	9.69
3	Other income	-	1.38	-	4.15
4	Other expenses	-	63.28	1.83	156.26
5	Purchase of material	-	-	-	1.18
6	Director sitting fees	1.03		2.46	-
7	Salaries, wages and bonus (Including ESOP)	42.98		98.43	-

Significant transactions with material related parties

Sr.no	Particulars	For the quarter ended December 31, 2022		For the nine months ended December 31, 2022	
		Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	**Sale of Property, Plant & Equipment**				
	Trion Properties Pvt Ltd	-	-	-	0.13
		-	-	-	**0.13**
2	**Sales of services - Rooms income, food, beverages and smokes**				
	Genext Hardware & Parks P	-	-	-	0.06
	Horizon View Properties Ltd	-	-	-	0.02
	Inorbit Malls (India) Pvt. Ltd	-	0.05	-	0.42
	Juhu Beach Resorts Limited	-	2.88	-	2.88
	K Raheja Corp Investment Managers LLP	-	0.23	-	0.73
	K Raheja Corp Pvt. Ltd	-	0.01	-	0.11
	K Raheja Corp Real Estate Pvt. Ltd	-	-	-	-
	K Raheja Corporate Services Pvt Ltd	-	1.55	-	3.55
	K Raheja IT Park Hyderabad Limited	-	0.03	-	0.05
	K Raheja Pvt. Ltd.	-	-	-	0.06
	KRC Infrastructure & Projects Pvt. Ltd.	-	0.04	-	0.13
	Mindspace Business Parks Pvt. Ltd.	-	-	-	0.16
	New Found Properties & Leasing Pvt Ltd	-	0.01	-	0.04
	Paradigm Logistics & Distribution Private Limited	-	-	-	0.02
	Shoppers Stop Ltd	-	0.16	-	0.99
	Sundew Properties Limited	-	0.02	-	0.10
	Sustain Properties Private Limited	-	0.06	-	0.12
	Sycamore Properties Pvt Limited	-	0.01	-	0.06
	Trion Properties Pvt Ltd	-	0.09	-	0.14
	Asterope Properties Private Limited	-	-	-	0.04
	Pact Real Estate Pvt. Ltd.	-	-	-	0.01
		-	5.14	-	**9.69**
3	**Other income**				
	Belaire Hotels Private Limited	-	-	-	-
	Chalet Hotels & Properties (Kerala) Private Limited	-	-	-	-
	Chalet Airport Hotel Private Limited	-	-	-	-
	K Raheja Corp Private Limited	-	1.38	-	4.15
		-	1.38	-	**4.15**
4	**Other expenses**				
	Arthur De Haast	-	-	1.83	-
	Inorbit Malls (India) Pvt. Ltd	-	0.09	-	0.26
	K Raheja Corp Investment Managers LLP	-	16.35	-	16.35
	K Raheja Corporate Services Pvt Ltd	-	19.63	-	58.00
	KRC Infrastructure & Projects Pvt. Ltd.	-	0.61	-	1.82
	Sundew Properties Limited	-	26.61	-	79.83
		-	63.29	**1.83**	**156.26**
5	**Purchase of material**				
	K Raheja IT Park Hyderabad Limited	-	-	-	1.18
		-	-	-	**1.18**
6	**Director sitting fees**				
	Arthur De Haast	0.50	-	0.40	-
	Hetal Gandhi	0.15	-	0.53	-
	Joseph Conrad D' Souza	0.18	-	0.60	-
	Neel C Raheja	0.10	-	0.40	-
	Radhika Dilip Piramal	-	-	0.23	-
	Ravi C Raheja	0.10	-	0.30	-
		1.03	-	**2.46**	-
7	**Salaries, wages and bonus (Including ESOP)**				
	Christabelle Baptista	1.96	-	4.44	-
	Milind Wadekar	6.16	-	14.07	-
	Rajneesh Malhotra	7.24	-	17.16	-
	Sanjay Sethi	27.62	-	62.76	-
		42.98	-	**98.43**	-

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)

for the nine months period ended December 31, 2022

Note 14

Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below (*continued*):

Related party disclosures as at December 31, 2022

Rs in million

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
	Balances outstanding as at the year-end		
1	Trade Payables	0.03	18.30
2	Trade Receivables	-	7.28
3	Deposit Receivable	-	108.59
4	Preference shares outstanding	930.00	1,070.00
5	Investment in equity shares outstanding	0.32	-
6	Loan Payable	350.00	25.69
7	Interest Payable	-	11.79

Significant transactions with material related parties as at December 31, 2022

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	**Advance Given**		
	Shoppers Stop Limited	-	0.23
		-	**0.23**
2	**Loan given**		
	Milind Wadekar	5.00	-
		5.00	-
3	**Loan taken**		
	Neel C.Raheja	175.00	-
	Ravi C.Raheja	175.00	-
		350.00	-
4	**Equity share capital (ESOP Exercised)**		
	Sanjay Sethi	0.32	-
		0.32	-
5	**Deposit given**		
	K Raheja Corporate Services Pvt Ltd	-	0.65
	Juhu Beach Resorts Private Limited	-	0.60
		-	**1.25**
6	**Preference shares issued**		
	Ivory Properties and Hotels Private Limited	-	21.25
	Neel C.Raheja	58.13	-
	Ravi C.Raheja	58.13	-
	K Raheja Corp Private Limited	-	112.50
		116.26	**133.75**
7	**Interest expenses**		
	K Raheja Corp Private Limited		1.65
			1.65

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)

for the nine months period ended December 31, 2022

Note 14

Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below (*continued*):

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
8	**Trade Payables**		
	Arthur De Haast	0.03	-
	KRC Infrastructure & Projects Pvt. Ltd.	-	0.61
	Inorbit Malls (India) Pvt. Ltd.	-	0.03
	K Raheja Corp Investment Managers LLP	-	17.66
		0.03	**18.30**
9	**Trade Receivables**		
	Juhu Beach Resorts Ltd.	-	2.88
	K Raheja Corp Investment Managers LLP	-	0.53
	K Raheja Corp Pvt. Ltd.	-	0.66
	KRC Infrastructure & Projects Pvt. Ltd.	-	0.10
	K Raheja Corporate Services Pvt Ltd	-	2.17
	Mindspace Business Parks Pvt. Ltd.	-	0.10
	Trion Properties Pvt Ltd	-	0.07
	Sundew Properties Limited	-	0.02
	Shoppers Stop Ltd	-	0.16
	Sustain Properties Private Limited	-	0.04
	Horizon View Properties Ltd	-	0.02
	Sycamore Properties Pvt Limited	-	0.03
	Inorbit Malls (India) Pvt. Ltd.	-	0.25
	Genext Hardware And Parks Pvt. Ltd.	-	0.11
	K Raheja IT Park Hyderabad Limited	-	0.09
	Asterope Properties Private Limited	-	0.04
	Pact Real Estate Pvt. Ltd.	-	0.01
		-	**7.28**
10	**Deposit Receivable**		
	Mindspace Business Parks Pvt. Ltd.	-	50.00
	Sundew Properties Limited	-	44.33
	K Raheja Corporate Services Pvt Ltd	-	14.25
		-	**108.59**
11	**Preference shares outstanding**		
	Ivory Properties and Hotels Private Limited	-	170.00
	K Raheja Corp Private Limited	-	900.00
	Neel C.Raheja	465.00	-
	Ravi C.Raheja	465.00	-
		930.00	**1,070.00**
12	**Investment in equity shares outstanding**		
	Sanjay Sethi (ESOP Exercised)	0.32	-
		0.32	**-**
13	**Loan Payable**		
	Neel C.Raheja	175.00	-
	Ravi C.Raheja	175.00	-
	K Raheja Corp Private Limited	-	25.69
		350.00	**25.69**
14	**Interest Payable**		
	K Raheja Corp Private Limited	-	11.79
		-	**11.79**

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)

for the nine months period ended December 31, 2022

Note 14

Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below (*continued*):

(Amount in Millions)

		For the quarter ended December 31, 2021(Unaudited)		For the nine months ended December 31, 2021(Unaudited)	
Sr.no	**Particulars**	**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**	**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**
1	Sale of services - Lease rent	-	-	-	**4.99**
2	Sales of services - Rooms income, Food, beverages and smokes	-	1.47	-	**2.46**
3	Other Income	-	1.19	-	**5.86**
4	Other expenses	-	8.79	**2.47**	**46.82**
5	Director sitting fees	2.12	-	**3.70**	-
6	Salaries, wages and bonus	13.31	-	**47.04**	-
7	Deposit paid	-	-	-	**1.29**

Significant transactions with material related parties		For the quarter ended December 31, 2021 (Unaudited)		For the nine months ended December 31, 2021(Unaudited)	
Sr.no	**Particulars**	**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**	**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**
1	**Sale of services - Lease rent**				
	Shoppers Stop Limited	-	-	-	4.99
		-	-	-	**4.99**
2	**Sales of services - Rooms income, Food, beverages and smokes**				
	Genext Hardware And Parks Private Limited	-	0.01	-	0.01
	Gigaplex Estate Private Limited	-	0.03	-	0.03
	Horizonview Properties Private Limited	-	-	-	0.02
	Inorbit Malls (India) Private Limited	-	0.08	-	0.11
	K Raheja Corp Private Limited	-	-	-	0.17
	K.Raheja Corporate Services Private Limited	-	1.33	-	1.92
	Mindspace Business Parks Pvt. Ltd.	-	0.00	-	0.00
	Pact Real Estate Private Limited	-	0.00	-	0.00
	Sundew Properties Limited	-	0.02	-	0.02
	Trion Properties Private Limited	-	-	-	0.18
		-	**1.47**	-	**2.46**
3	**Other Income**				-
	Shoppers Stop Ltd.	-	0.07	-	2.46
	K Raheja Corp Private Limited	-	1.12	-	3.40
		-	**1.19**	-	**5.86**
4	**Other expenses**				-
	Arthur De Haast	-	-	2.47	-
	Inorbit Malls (India) Private Limited	-	0.09	-	2.89
	K.Raheja Corporate Services Private Limited	-	8.70	-	24.94
	Sundew Properties Limited	-	-	-	17.16
	K Raheja Corp Private Limited	-	-	-	1.82
		-	**8.79**	**2.47**	**46.82**
5	**Director sitting fees**				
	Arthur De Haast	1.29	-	0.48	-
	Hetal Gandhi	0.18	-	0.78	-
	Joseph Conrad D' Souza	0.20	-	0.78	-
	Neel C.Raheja	0.15	-	0.58	-
	Radhika Dilip Piramal	0.10	-	0.35	-
	Ravi C.Raheja	0.20	-	0.73	-
		2.12	-	**3.70**	-
6	**Salaries, wages and bonus**				
	Christabelle Baptista	0.89	-	2.33	-
	Milind Wadekar	2.37	-	5.88	-
	Rajib Dattaray	-	-	2.17	-
	Rajneesh Malhotra	-	-	7.94	-
	Sanjay Sethi	10.05	-	28.72	-
		13.31	-	**47.04**	-
7	**Deposit paid**				
	K.Raheja Corporate Services Private Limited			-	1.29
		-	-	-	**1.29**

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)
for the nine months period ended December 31, 2022

Note 14
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below (*continued*):

(Amount in Millions)

Related party disclosures as at March 31, 2022

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
	Balances outstanding as at the year-end		
1	Trade payables	-	0.57
2	Trade receivables	-	2.45
3	Deposit receivable	-	107.94
4	Advance given	-	0.03
5	Preference shares outstanding	813.75	936.25

Related party disclosures as at March 31, 2022

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	**Trade payables**		
	Inorbit Malls (India) Private Limited	-	0.06
	K Raheja Corporate Services Private Limited	-	0.51
		-	**0.57**
2	**Trade receivables**		
	Inorbit Malls (India) Private Limited	-	0.03
	K Raheja Corp Investment Managers LLP	-	0.05
	K Raheja Corp Private Limited	-	0.63
	K Raheja Corp Pvt. Ltd	-	0.70
	K Raheja Corporate IT Park (Hyderabad) Ltd	-	0.01
	K Raheja Pvt Ltd	-	0.02
	K Raheja Corporate Services Private Limited	-	0.96
	KRC Infrastructure and Projects Private Limited	-	0.03
	Pact Real Estate Private Limited	-	0.00
	Trion Properties Private Limited	-	0.02
		-	**2.45**
3	**Deposit receivable**		
	K Raheja Corporate Services Private Limited	-	13.61
	Mindspace Business Parks Pvt. Ltd	-	50.00
	Sundew Properties Limited	-	44.33
		-	**107.94**
4	**Advance given**		
	Shoppers Stop Limited	-	0.03
		-	**0.03**
5	**Preference shares outstanding**		
	Ivory Properties and Hotels Private Limited	-	148.75
	K Raheja Corp Private Limited	-	787.50
	Neel C Raheja	406.88	-
	Ravi C Raheja	406.88	-
		813.75	**936.25**

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Rs in million

Note 15
Employee Stock Option Schemes

Description of share-based payment arrangements:

At December 31, 2022, Company had following share-based payment arrangements:

Employee Stock Option Plan 2018:

The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company. The plan is established is with effect from June 12, 2018 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (Rs) per share
'Chalet Hotels Limited'-'Employee Stock Option Plan'- 2018	2,00,000	For the Options to vest, the Grantee has to be in employment of the Group on the date of the vesting.	The exercise year for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise.	3 years	26-Jun-18	One year from vesting year	320.00

Reconciliation of Outstanding share options

The number and weighted-average exercise price of share options under the share option plans are as follows:

Particulars	December 31, 2022		March 31, 2022	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the period/ year	320.00	2,00,000	320.00	2,00,000
Granted during the period/ year	-	-	-	-
Exercised during the period/ year	320.00	1,000	-	-
Lapsed/ forfeited /surrendered	320.00	66,000	-	-
Outstanding at the end of the period/ year	320.00	1,33,000	320.00	2,00,000
Exercisable at the end of the period/ year	320.00	1,33,000	320.00	1,32,000

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the Statement of Profit and Loss over the vesting year.
The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	Unit	Chalet Hotels Limited'-'Employee Stock Option Plan'-	Description of inputs used
Fair value of the option at grant date	Rs/share	49.31-60.23	As per Black Scholes Model
Exercise price	Rs/share	320.00	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	45.61%-49.45%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	1.01-1.51	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0.00%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	5.69% - 6.14%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at December 31, 2022 have an exercise price of Rs 320 and a weighted average remaining contractual life of 0.78 year*
The expense recognised for the year ended December 31, 2022 is Rs.Nil (March 31, 2022 is Rs.1.02 mn)
* *calculated considering simple average method*

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Chalet Hotels Limited

Notes to the Unaudited Condensed Consolidated Interim Financial Statement (Continued)

for the nine months period ended December 31, 2022 **Rs in million**

Note 15

Employee Stock Option Schemes (*continued*)

Employee Stock Option Plan 2022:

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (Rs) per share
CHL Employee Stock Option Plan 2022	12,17,831	For the Options to vest, the Grantee has to be in employment of the Group on the date of the vesting.	The Exercise Period in respect of a Vested Option shall be a maximum period of 5 (Five) years from the date of Vesting of Options.	3 years	22-Jul-22	One year from vesting year	292.00

Reconciliation of Outstanding share options

The number and weighted-average exercise price of share options under the share option plans are as follows:

Particulars	December 31, 2022		March 31, 2022	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the period/ year	-	-	-	-
Granted during the period/ year	291.52	12,17,831	-	-
Exercised during the period/ year	-	-	-	-
Lapsed/ forfeited /surrendered	-	-	-	-
Outstanding at the end of the period/ year	291.52	12,17,831	-	-
Exercisable at the end of the period/ year	-	-	-	-

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the Statement of Profit and Loss over the vesting year.

Particulars	Unit	Chalet Hotels Limited*	Description of inputs used
Fair value of the option at grant date	Rs/share	142.37 - 176.26	As per Black Scholes Model
Exercise price	Rs/share	291.52	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	47.21%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	3.48-5.48	Calculated time to maturity as a sum of the following years:
Dividend yield	% p.a.	0%	Dividend yield is taken as 0% since the Company has
Risk-free interest rates (Based on government bonds)	% p.a.	6.83%- 7.08%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year

The options outstanding at December 31, 2022 have an exercise price of Rs 291.52 and a weighted average remaining contractual life of 3.19 year.

The expense recognised for the year ended December 31, 2022 is Rs.50.89 (March 31, 2022 is Rs.Nil)

* *calculated considering simple average method*

BSR & Co LLP 14th Floor Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022

Note 16
Scheme of Amalgamation with wholly owned subsidiary
On August 11, 2020, the Holding company had filed a scheme of Amalgamation of Belaire Hotels Private Limited and Seapearl Hotels Private Limited with the Holding Company at National Company Law Tribunal ('NCLT') with appointed date being April 01, 2020.

During the year ended March 31, 2023, basis the certified copy of the NCLT order dated May 19, 2023, (filed with the Registrar of Companies, Maharashtra on June 19, 2023), the Group has given effect to the Scheme of Arrangement of amalgamation of Belaire Hotels Private Limited and Seapearl Hotels Private Limited with the Holding Company ("the Scheme") in the earlier approved consolidated financial statements for the year ended March 31, 2023 from the Appointed date of April 1, 2020 by revising the consolidated financial statements approved by the Board of Directors on May 9, 2023. The manner in which Scheme has been given effect to and revision of consolidated financial statements has been explained in detail below.

These consolidated financial statements for the period ended December 31, 2022 have been prepared pursuant to the Scheme from the specified retrospective appointed date of April 1, 2020. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor company have been transferred to and vested in the Holding Company with effect from the appointed date at their carrying values and the financial information in the revised consolidated financial statements has been restated from April 1, 2020 as per requirements of Appendix C to Ind AS 103.

The details of transferor companies and their merger are as below:

Name of the transferor company	Belaire Hotels Private Limited ("BHPL") and Seapearl Hotels Private Limited ("SHPL") [collectively referred to as 'Transferor Companies']
General nature of business	Hospitality services
Appointed Date of the Scheme	01-Apr-20
Description and number of shares issued	Nil
% of Company's equity shares exchanged	Nil

Pursuant to the approved Scheme of Merger, the Company has accounted for merger in its books with effect from 1 April 2020 as per the applicable accounting principles prescribed under under Appendix C to Ind AS 103 for common control business combinations.

Accounting treatment
i. All of the assets, liabilities and reserves in the books of account of the Transferee upon the Scheme becoming effective, the audited financial statements of the Transferor Companies as on the close of business on the day immediately preceding the Appointed Date shall be forwarded to the Transferee Company by the Transferor Companies;

ii. The Book Value of all the assets, liabilities (excluding the Belaire FCCD's and Belaire ICD) and reserves of Transferor Companies as recorded in the financial statements have been recorded in the books of accounts of the Transferee Company as such, subject to suitable adjustments being made, if any, to ensure uniformity of accounting policies;

iii. Investments in the Share Capital of the Transferor Companies in the books of accounts of the Transferee Company, whether held directly or indirectly through nominees, stand cancelled;

iv. Surplus arising as a result of amalgamation of the Transferor Companies into and with the Transferee Company, in terms of this Scheme, after adjustment of the amount of investment of the Transferee Company in the Transferor Companies due to cancellation of the share capital of the Transferor Company, have been adjusted to capital reserves in the books of the Transferee Company;

v. Identity of the reserves of the Transferor Companies, have been preserved and appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Companies, as on the Appointed Date;

vi. All outstanding balances (including the Belaire FCCD's and Belaire ICD) as on the Appointed date between the Transferor Companies and the Transferee Company stand cancelled and there are no further obligation in that behalf;

vii. The financial statements of Transferee reflect the financial position on the basis of consistent accounting policies.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

Notes to Unaudited Condensed Consolidated Interim Financial Statement (Continued)
As at December 31, 2022
Note 16
Scheme of Amalgamation with wholly owned subsidiary (*continued*)

The book value of assets and liabilities taken over from the Transferor Companies as on the Appointed date i.e. 1 April 2020 are as below:
Belaire Hotels Private Limited

Rs. in million

Particulars	Amount
Non-current assets	
Property, plant and equipment	2,955.43
Other Financial assets	29.75
Other non-current assets	1.59
Non-current tax assets (net)	22.89
Total non-current assets	**3,009.66**
Current assets	
Inventories	4.78
Financial assets	
(i) Trade receivables	27.48
(ii) Cash and cash equivalents	32.17
Other current assets	20.04
Total current assets	**84.47**
Total Assets (A)	**3,094.13**
Non current liabilities	
Financial liabilities	
(i) Borrowings	1,149.13
Provisions	2.91
Current liabilities	
Financial liabilities	
(i) Borrowing	575.50
(ii) Trade payables	52.46
(iii) Other financial liabilities	5.63
Other current liabilities	24.66
Provisions	0.30
Total Liabilities (B)	**1,810.59**
Total identified assets acquired (C)= (A)-(B)	1,283.54
Cost of investments in merged undertaking (D)	1,193.32
Net impact transferred to Capital reserve (G)= (C)-(D)	90.22*

***Surplus arising as result of the sanction of the scheme after adjustment of cost of investments shall be adjusted and credited to Capital Reserve Account.**

Seapearl Hotels Private Limited

Rs. in million

Particulars	Amount
Current assets	
Financial assets	
(i) Cash and cash equivalents	0.25
(ii) Loans	575.50
Total Assets (A)	**575.75**
Current liabilities	
Financial liabilities	
(i) Trade payables	1.05
Other current liabilities*	0.00
Provisions*	0.00
Total Liabilities (B)	**1.06**
Total identified assets acquired (C)= (A)-(B)	574.69
Cost of investments in merged undertaking (D)	574.69
Net impact transferred to Capital reserve (E)= (C)-(D)	-

***Amount less than one million**
Notes:
All related financial captions (as applicable) of financial statements has been eleminated.

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Rs. in million

Note 17
The Group had commenced the project after obtaining requisite approvals. During the year 2013-14, Hindustan Aeronautics Limited ("HAL") had raised an objection with regard to permissible height of the buildings. The Group and HAL after discussions, signed terms for an amicable settlement of all the disputes between the parties. Based on this settlement the Group would undertake demolition of already constructed structures above 932 meters Above Mean Sea Level 'AMSL'. Final orders in the matter have been passed by the Court on 26 October, 2021 and as per the said settlement terms, the litigation stands disposed. Demolition work of the area above 932 meters Above Mean Sea Level 'AMSL' for all the 9 buildings has been completed in April 2022, and the NOC from HAL and approval from BBMP has been received.

The Holding Company has executed Supplemental MOUs with all existing flat owners, (except 9 flat owners who have existed the project), with revised terms inter-alia consenting to the revised development plans, subject to applicable regulatory approvals. Further, flat owners above 10th floor have consented to relocate to lower floors.

The Holding Company had estimated and accounted interest payable on cancellation to flat owners above 10 floors amounting to Rs 544.43 million as at December 31, 2021. The said provision shall be reversed in the consolidated financial results upon receipt of all regulatory approvals from statutory authorities. Management is of the view that no changes are required on this account in the consolidated financial Results for the nine months ended December 31, 2021. In the meantime, the Holding Company continues to make provision for interest in relation to potential cancellations which amounted to Rs 34.49 million for nine months ended December 31, 2021 (March 31, 2021: Rs 41.71 million) and the same is reflected as an exceptional item.

During the period ended December 31, 2022, the Group had reversed the provision for interest in relation to potential cancellations for the flats above 10th floor and the same has been reflected as exceptional items. Subsequent to the period ended December 31, 2022, the Group has received Occupational Certificate for certain towers of the residential project at Bangalore.

Note 18
The Holding Company had discontinued its retail operations viz Inorbit Mall at Bengaluru during the quarter ended September 30, 2021 and its retail operations at Sahar, Mumbai during the financial year 2020-21. The Holding Company is undertaking the conversion of said premises to commercial office space.
Loss from discontinued operation in respect of the said operations has been disclosed separately. The discontinued business costs includes all direct and indirect costs of retail operations at Bengaluru and Sahar, Mumbai.

Note 19
Events after the Balance Sheet date

a) One of the Contractor had raised certain claims during course of execution of the Commercial Complex project at Powai in earlier years on account of unprecedented increase in prices of material, planters labour charges and overhead expenses for extended stay for completion of work. The same has been settled on January 25, 2024 for Rs 84.70 Million (excluding GST).

b) The group has acquired 100% capital in Ayushi and Poonam Estates LLP, owning entity of Courtyard by Marriott, Aravalli Resort on February 29, 2024 for purchase consideration of Rs 3,150 Million (Enterprise Value), adjusted for Net Current Assets including cash.
The existing partners have assigned their capital and profit in Ayushi and Poonam Estates LLP to Chalet Hotels Limited (CHL) and Sonmil Industries Private Limited (SIPL) (wholly owned subsidiary of CHL), as a result of which group owns 100% of the capital and 100% of the profit.

c) The Holding Company, through Postal Ballot, has sought approval of the shareholders for further issuance of equity shares and other eligible convertible securities through public or private offerings (including through a Qualified Institutional Placement), for an amount not exceeding Rs 20,000 Million.

As per our audit report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Suhas Pai
Partner
Membership No. 119057

Mumbai
March 26, 2024

For and on behalf of the Board of Directors of
Chalet Hotels Limited
L55101MH1986PLC038538

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Neel C. Raheja
Director
(DIN. 00029010)

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
March 26, 2024

CHALET HOTELS LIMITED
MUMBAI

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400063, India
Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Revised Independent Auditor's Report

To the Members of Chalet Hotels Limited
Report on the Audit of the Revised Consolidated Financial Statements

This Report supersedes our Report dated 9 May 2023

Opinion

We have audited the revised consolidated financial statements of Chalet Hotels Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the revised consolidated balance sheet as at 31 March 2023, and the revised consolidated statement of profit and loss (including other comprehensive income), revised consolidated statement of changes in equity and revised consolidated statement of cash flows for the year then ended, and notes to the revised consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the revised consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid revised consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the revised consolidated state of affairs of the Group as at 31 March 2023, of its revised consolidated profit and other comprehensive loss, revised consolidated changes in equity and revised consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Revised Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the revised consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the revised consolidated financial statements.

Emphasis of Matters

a. We draw attention to Note 39(c) to the revised consolidated financial statements regarding the ongoing litigation in respect of leasehold rights to proportionate undivided interest in land and building at Vashi (Navi Mumbai) purchased from K Raheja Corp Private Limited, on which the Holding Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K Raheja Corp Private Limited has been challenged under two public interest litigation. On 21 November 2014, the Honourable High Court at Bombay ordered K Raheja Corp Private Limited to restore the land to its original condition (which would interalia require the buildings thereon to be demolished) and hand over the vacant possession thereof to CIDCO within six months of the date of judgement. K Raheja Corp Private Limited has filed a special leave petition against the abovementioned order in the Honourable Supreme Court of India. The Hon'ble Supreme Court of India on 21 January 2015 has passed Status Quo Order and the matter is currently pending with it. The agreement for purchase of leasehold rights between the Holding Company and K Raheja Corp Private Limited was subject to the outcome of the litigation and the management does not except any potential material loss to be borne by the Group. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the revised consolidated financial statements as at 31 March 2023 to the carrying value of the leasehold rights (reflected as prepayments) aggregating to Rs 48.54 million (31 March 2022 49.74 million) and the hotel assets thereon (reflected as property, plant and equipment) aggregating to Rs 346.24 million as at 31 March 2023 (31 March 2022: Rs 372.12 million).

b. We draw attention to Note 1 and Note 51 of the revised consolidated financial statements which states that the consolidated financial statements approved by the Board of Directors on 09 May 2023 are revised basis the approval of the Scheme of amalgamation ("the Scheme") of the Holding Company and its two wholly owned subsidiaries (Belaire Hotels Private Limited and Seapearl Hotels Private Limited) by the National Company Law Tribunal (NCLT) vide its order dated 19 May 2023 with appointed date 1 April 2020. A certified copy of the order sanctioning the Scheme has been filed by the Group with the Registrar of the Companies. Maharashtra on 19 June 2023. As per the requirements of Appendix C to Ind AS 103 "Business Combinations", the merger has been given effect to as if it had occurred from the beginning of the preceding period in these revised consolidated financial statements.

   We had issued an auditor's report dated 09 May 2023 on the consolidated financial statements to the members of the Holding Company. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the consolidated financial statements, have been carried out solely on impact of the Scheme and no additional procedures have been carried out for any other events occurring after 09 May 2023 (being the date of our earlier audit report on the earlier consolidated financial statements). Our earlier audit report dated 09 May 2023 on the earlier consolidated financial statements is superseded by this revised report on these revised consolidated financial statements.

   Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the revised consolidated financial statements of the current period. These matters were addressed in the context of our audit of the revised consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition
See Note 1.2 B to revised consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group is principally engaged as a hotel owner and property owner. It's revenue comprises hotel revenue (including hotel room revenue, food and beverage revenue and other hotel-related revenue) and rental income from investment properties. The accounting policies for the different revenue streams are set out in Note 1.2 B to the revised consolidated financial statements. Revenue is a key performance indicator of the Group and there is risk of overstatement of revenue due to fraud resulting from pressure to achieve targets and earnings expectations. Based on the above we have identified revenue recognition as a Key Audit Matter.	Our audit procedures included: • Tested the Group's revenue recognition accounting policies and its compliance with Ind AS 115; • Tested design, implementation and operating effectiveness of the controls, assisted by IT specialists, of the revenue recognition process; • Tested the general information technology controls and key application controls surrounding revenue recognition; • Tested on a sample basis revenue recognized in the correct financial period by tracing it to invoices, receipts, etc.; • Tested the adequacy of disclosures relating to the Revenue recognition in the financial statements; • Tested on a sample basis invoices recorded during the year for identification of point in time for transfer of control to the customer; and • Performed substantive analytical procedures including year on year variance analysis and cash to sales reconciliation for the financial year.

Litigation and Claims	
See Note 9, 26 and 39 to revised consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
During the year ended 31 March 2023, the Group had two key litigations pertaining to Bengaluru Residential project carried under inventories and leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. We focused on this area as a key audit matter due to inherent uncertainty in measurement as per accounting standards to determine amount to be provided for and the disclosures to be made	Our procedures included, amongst others: • Evaluated the design and implementation of the Group's controls over the assessment of litigations and completeness of disclosures and tested operating effectiveness of these controls; • Read correspondence from the Group's external lawyers in response to our requests for significant litigations and assessed the

	competence and objectivity of the external lawyers; • Additionally, considered effect of new information post 1 April 2023 till the date of signing of the report to evaluate any change required in the Company's position on the litigation and claims as at 31 March 2023; and • Assessed the Group's disclosures adequately reflect the quantitative and qualitative considerations in relation to the matters in accordance with auditing standards.

Purchase Price Allocation ('PPA')	
See Note 38 to revised consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
On 23 March 2023, the Holding Company acquired a 100% stake in The Dukes Retreat Private Limited and Sonmil Industries Private Limited, an unlisted equity listed companies pursuant to the Share Purchase Agreement ("SPA"). The Group determined the acquisition to be within the scope of Ind AS 103 'Business Combinations'. Ind AS 103 requires an identified assets and liabilities be recognized at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair value of recognized assets and liabilities as goodwill. The Group appointed independent professional valuer to perform valuation of assets for the purpose of allocation of the consolidated purchase price to the respective assets and liabilities acquired (hereinafter referred to as 'the purchase price allocation' or 'the PPA'). The Group determined the fair values of the net identifiable assets acquired was Rs 1,230.25 million as part of the PPA and accordingly, the consideration paid in excess of the net assets acquired resulted in recognition of Goodwill of Rs 311 million. Significant assumptions and estimates are used as of the date of acquisition in the determination of the fair values of the identified assets acquired and liabilities	Our audit procedures included: • Obtained an understanding of the transaction and identified key terms relevant to the accounting for the transaction; • Read relevant parts of the Share Purchase Agreement and assessed the Company's conclusion regarding business combination accounting in accordance with Ind AS 103; • Assessed the competence, capabilities and objectivity of the experts engaged by the Company and gained an understanding of the work of the experts by perusal of the valuation reports; • Obtained an understanding of the process and tested the Design, Implementation and Operating effectiveness of controls over Purchase Price Allocation (PPA); • Traced the value of the consideration transferred with reference to the Share Purchase Agreement; • Involved our internal valuation experts to challenge the methodology and key assumptions used in allocation of the purchase price to various assets and liabilities acquired and the resultant fair values arrived at;

assumed in the transaction. Significant judgements were made in respect of the future projections and the discount rate used in assessing the carrying value of the net assets acquired. Accordingly, this is considered to be a key audit matter.	• Tested arithmetical accuracy of the working used in the Purchase price allocation; and • Assessed the adequacy of the disclosures made in the Financial Statements in compliance with the requirements of relevant Indian Accounting standards.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's reports thereon.

Our opinion on the revised consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the revised consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Revised Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these revised consolidated financial statements in term of the requirements of the Act that give a true and fair view of the revised consolidated state of affairs, revised consolidated profit/ loss and other comprehensive income, revised consolidated statement of changes in equity and revised consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the revised consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the revised consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the revised consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Revised Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the revised consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these revised consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the revised consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of revised consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the revised consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the revised consolidated financial statements, including the disclosures, and whether the revised consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the revised consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the revised consolidated financial statements of which we are the independent auditors. For the other entities included in the revised consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further

described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the revised consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the revised consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a. We did not audit the financial statements of two subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 369.60 million as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. Nil and net cash (inflows) (before consolidation adjustments) amounting to Rs. 77.74 million for the period ended on that date, as considered in the revised consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the revised consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Our opinion on the revised consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matter" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid revised consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid revised consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except that the back-up of certain units (refer note 59) which form part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the servers physically located in India.

c. The revised consolidated balance sheet, the revised consolidated statement of profit and loss (including other comprehensive income), the revised consolidated statement of changes in equity and the revised consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the revised consolidated financial statements.

d. In our opinion, the aforesaid revised consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A (b) above.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matter" paragraph:

a. The revised consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the revised consolidated financial position of the Group. Refer Note 39 to the revised consolidated financial statements.

b. Provision has been made in the revised consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 13 to the revised consolidated financial statements in respect of such items as it relates to the Group.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, other than as disclosed in the Note 58 to the revised consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, other than as disclosed in the Note 58 to the revised consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

SUHAS ANANDRAY PAI

Digitally signed by SUHAS ANANDRAY PAI
Date: 2023.07.03 22:50:29 +05'30'

Suhas Pai

Partner

Place: Hyderabad

Membership No.: 119057

Date: 03 July 2023

ICAI UDIN: 23119057BGWTBQ5092

Annexure A to the Revised Independent Auditor's Report on the Revised Consolidated Financial Statements of Chalet Hotels Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

This Report supersedes our Report dated 9 May 2023

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the revised consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
3	Chalet Hotels & Properties (Kerala) Private Limited	U55101KL2006PTC020125	Subsidiary	Clause (xvii) and (xix)
4,	Chalet Airport Hotel Private Limited	U55101MH2022PTC388704	Subsidiary	Clause (xvii)

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

Chartered Accountants

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

SUHAS ANANDRAY PAI
Digitally signed by SUHAS ANANDRAY PAI
Date: 2023.07.03 22:51:02 +05'30'

Suhas Pai

Partner

Place: Hyderabad

Membership No.: 119057

Date: 03 July 2023

ICAI UDIN: 23119057BGWTBQ5092

Annexure B to the Revised Independent Auditor's Report on the revised consolidated financial statements of Chalet Hotels Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid revised consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

This Report supersedes our Report dated 9 May 2023

Opinion

In conjunction with our audit of the revised consolidated financial statements of Chalet Hotels Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of matter

We draw attention to Note 1 and Note 51 of the revised consolidated financial statements which states that the consolidated financial statements approved by the Board of Directors on 09 May 2023 are revised basis the approval of the Scheme of amalgamation ("the Scheme") of the Holding Company and its two wholly owned subsidiaries (Belaire Hotels Private Limited and Seapearl Hotels Private Limited by the National Company Law Tribunal (NCLT) vide its order dated 19 May 2023 with appointed date 1 April 2020. A certified copy of the order sanctioning the Scheme has been filed by the Company with the Registrar of the Companies. Maharashtra on 19 June 2023. As per the requirements of Appendix C to Ind AS 103 "Business Combination", the merger has been given effect to as if it had occurred from the beginning of the preceding period in the revised consolidated financial statements.

We had issued an auditor's report dated 09 May 2023 on the consolidated financial statements to the members of the Holding Company. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the consolidated financial statements, have been carried out solely on impact of the Scheme and no additional procedures have been carried out for any other events occurring after 09 May 2023 (being the date of our earlier audit report on the earlier consolidated financial statements). Our earlier audit report dated 09 May 2023 on the earlier consolidated financial statements is superseded by this revised report on these revised consolidated financial statements.

Our opinion is not modified in respect of this matter.

Annexure B to the Revised Independent Auditor's Report on the revised consolidated financial statements of Chalet Hotels Limited for the year ended 31 March 2023 (Continued)

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the revised consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Annexure B to the Revised Independent Auditor's Report on the revised consolidated financial statements of Chalet Hotels Limited for the year ended 31 March 2023 (Continued)

disposition of the company's assets that could have a material effect on the revised consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements/financial information insofar as it relates to two (2) subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

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

Chartered Accountants

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

SUHAS ANANDRAY PAI

Digitally signed by SUHAS ANANDRAY PAI
Date: 2023.07.03 22:51:28 +05'30'

Suhas Pai

Partner

Membership No.: 119057

ICAI UDIN: 23119057BGWTBQ5092

Place: Hyderabad

Date: 03 July 2023

Chalet Hotels Limited

Revised Consolidated Balance Sheet
as at March 31, 2023

Rs. in million

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	**20,968.70**	19,741.37
Right of Use assets	37	**524.67**	589.55
Capital work-in-progress	3	**977.74**	322.27
Investment property	4	**16,473.85**	13,560.39
Goodwill	5, 38	**537.11**	226.11
Other intangible assets	6	**31.25**	16.48
Financial assets			
(i) Other investments	7	**68.47**	62.79
(ii) Others	8	**587.83**	387.04
Deferred tax assets (net)	20	**1,444.97**	2,352.68
Non-current tax assets (net)		**154.84**	207.67
Other non-current assets	9	**494.64**	343.70
Total non-current assets		**42,264.07**	37,810.05
Current assets			
Inventories	10	**4,129.26**	3,934.97
Financial assets			
(i) Trade receivables	11	**589.51**	436.02
(ii) Cash and cash equivalents	12 a	**444.54**	245.23
(iii) Bank balances other then cash and cash equivalents	12 b	**775.26**	753.22
(iv) Others	13	**129.98**	150.63
Other current assets	14	**975.13**	901.89
Total current assets		**7,043.68**	6,421.96
TOTAL ASSETS		**49,307.75**	44,232.01
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	**2,050.25**	2,050.24
Other equity	16	**13,369.14**	11,362.30
Non controlling interests		**(4.06)**	(2.62)
Total equity		**15,415.33**	13,409.92
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	**22,077.12**	21,428.13
(ia) Lease liabilities	37	**548.56**	591.47
(ii) Others	18	**252.74**	159.59
Provisions	19	**82.85**	80.41
Deferred tax liabilities (net)	20	**-**	11.93
Other non-current liabilities	21	**154.78**	139.80
Total non-current liabilities		**23,116.05**	22,411.33
Current liabilities			
Financial liabilities			
(i) Borrowings	22	**5,861.59**	3,911.69
(ia) Lease liabilities	37	**42.91**	39.70
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises and	23	**144.59**	89.83
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises	23	**1,357.26**	776.95
(iii) Other financial liabilities	24	**1,047.01**	623.78
Other current liabilities	25	**2,214.57**	2,116.72
Provisions	26	**108.44**	852.09
Total current liabilities		**10,776.37**	8,410.76
TOTAL EQUITY AND LIABILITIES		**49,307.75**	44,232.01
Significant Accounting Policies	1		
Notes to the Revised Consolidated Financial Statements	2-59		

The notes referred to above form an integral part of the Revised Consolidated financial statements.

As per our revised audit report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

SUHAS ANANDRAY PAI Digitally signed by SUHAS ANANDRAY PAI Date: 2023.07.03 22:51:52 +05'30'

Suhas Pai
Partner
Membership No. 119057

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No. L55101MH1986PLC038538)

SANJAY SETHI Digitally signed by SANJAY SETHI Date: 2023.07.03 20:26:36 +05'30'

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

JOSEPHCONRAD AGNELO DSOUZA Digitally signed by JOSEPHCONRAD AGNELO DSOUZA Date: 2023.07.03 22:30:27 +05'30'

Joseph Conrad Dsouza
Director
(DIN. 00010576)

MILIND BABAJI WADEKAR Digitally signed by MILIND BABAJI WADEKAR

Milind Wadekar
Chief Financial officer
(Membership No: 116372)

CHRISTABELLE BERNADETTE BAPTISTA Digitally signed by CHRISTABELLE BERNADETTE BAPTISTA Date: 2023.07.03 22:34:27 +05'30'

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Hyderabad
July 03, 2023

Mumbai
July 03, 2023

Chalet Hotels Limited
Revised Consolidated Statement of Profit and Loss
for the period ended March 31, 2023

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
			Rs. in million
Revenue from Continuing operations			
Revenue from operations	27	**11,284.67**	5,078.07
Other income	28	**494.87**	219.32
Total income (A)		**11,779.54**	5,297.39
Expenses from Continuing operations			
Real estate development cost	29 a	**85.06**	221.66
Changes in inventories of finished good and construction work in progress	29 a	**-**	(12.80)
Food and beverages consumed	29 b	**999.19**	538.63
Operating supplies consumed	29 c	**392.66**	243.76
Employee benefits expense	30	**1,510.96**	999.76
Other expenses	32	**3,768.63**	2,102.29
Total expenses (B)		**6,756.50**	4,093.30
Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items from Continuing operations (C) (A-B)		**5,023.04**	1,204.09
Depreciation and amortisation expenses	2,4,6,37	**1,173.09**	1,184.23
Finance costs	31	**1,544.74**	1,444.13
Profit / (Loss) before exceptional items and tax from Continuing operations (D)		**2,305.21**	(1,424.27)
Exceptional items (E)	33	**423.08**	(44.58)
Profit / (Loss) before income tax from Continuing operations (F) (D+E)		**2,728.29**	(1,468.85)
Tax expense (G)		**895.39**	(719.53)
Current tax (includes tax for the earlier years)	20	**178.65**	(37.76)
MAT credit entitlement		**(178.41)**	-
Deferred tax expense / (credit)	20	**895.15**	(681.77)
Profit / (Loss) for the year from Continuing operations (H) (F-G)		**1,832.90**	(749.32)
Discontinued Operations	49		
(Loss) from discontinued operations before tax		**-**	(65.37)
Tax expense of discontinued operations		-	-
(Loss) from discontinued operations (I)		-	(65.37)
Profit / (Loss) for the year (H + I)		**1,832.90**	(814.69)
Other comprehensive (expense) from Continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**(7.51)**	1.65
Income tax Credit on above		**2.87**	(0.15)
Other comprehensive (expense) /Income for the year, net of tax (J)		**(4.64)**	1.50
Total comprehensive income / (expense) for the year (K) (J+I+H)		**1,828.26**	(813.19)
Profit / (Loss) attributable to :			
Owners of the company		**1,833.32**	(815.29)
Non-controlling interests		**(0.42)**	0.60
Other comprehensive (expense) attributable to :			
Owners of the company		**(4.64)**	1.50
Non-controlling interests		**-**	-
Total comprehensive Income / (expense) attributable to :			
Owners of the company		**1,828.68**	(813.79)
Non-controlling interests		(0.42)	0.60
Earnings per equity share - Continuing operations (Face value of Rs 10 each)			
Basic	34	8.94	(3.66)
Diluted	34	8.94	(3.66)
Earnings per equity share - Discontinued operations (Face value of Rs 10 each)			
Basic	34	-	(0.32)
Diluted	34	-	(0.32)
Earnings per equity share - Continuing and Discontinued operations (Face value of Rs 10 each)			
Basic	34	8.94	(3.98)
Diluted	34	8.94	(3.98)
Significant Accounting Policies	1		
Notes to the Revised Consolidated Financial Statements	2-59		

The notes referred to above form an integral part of the Revised Consolidated financial statements.

As per our revised audit report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No. L55101MH1986PLC038538)

SUHAS ANANDRAY PAI Digitally signed by SUHAS ANANDRAY PAI Date: 2023.07.03 22:52:17 +05'30'

Suhas Pai
Partner
Membership No. 119057

SANJAY SETHI Digitally signed by SANJAY SETHI Date: 2023.07.03 20:27:12 +05'30'

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

JOSEPHCONRAD AGNELO DSOUZA Digitally signed by JOSEPHCONRAD AGNELO DSOUZA Date: 2023.07.03 22:31:00 +05'30'

Joseph Conrad Dsouza
Director
(DIN. 00010576)

MILIND BABAJI WADEKAR Digitally signed by MILIND BABAJI WADEKAR Date: 2023.07.03 20:24:18 +05'30'

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

CHRISTABELLE BERNADETTE BAPTISTA Digitally signed by CHRISTABELLE BERNADETTE BAPTISTA Date: 2023.07.03 22:34:52 +05'30'

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Hyderabad
July 03, 2023

Mumbai
July 03, 2023

Chalet Hotels Limited

Revised Consolidated Statement of Cash Flows

for the year ended March 31, 2023

		For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Profit /(Loss) before tax from Continuing operations	**2,728.29**	(1,468.85)
	(Loss) before tax from discontinued operations	**-**	(65.37)
	Adjustments for :		
	Interest income from instruments measured at amortised cost	**(316.30)**	(57.13)
	Depreciation and amortisation expenses	**1,173.09**	1,184.23
	Finance costs	**1,544.74**	1,444.13
	Unrealised exchange loss	**25.85**	-
	Provision for estimated cost	**(423.08)**	44.58
	Profit on sale of property, plant and equipment (net)	**(5.78)**	(3.66)
	Property, plants and equipment written off	**-**	21.25
	Profit on sale of investment	**(1.99)**	(0.12)
	Provision for doubtful debts, advances and bad debt written off	**6.55**	5.46
	Employee stock option expense	**78.98**	1.02
	Export benefits and entitlements	**(36.91)**	(59.42)
	Provision for mark to market on derivative contract	**(0.75)**	(12.18)
	Provision for stock obsolescence	**-**	3.04
	Proposed dividend*	**(0.00)**	-
	Sundry balance written back	**-**	(0.28)
	Total	**2,044.40**	2,570.91
	Operating Profit before working capital changes	**4,772.69**	1,036.69
	Adjustments		
	(Increase) in trade receivables and current assets	**(408.90)**	(222.40)
	(Increase) in inventories	**(373.06)**	(10.33)
	Increase / (Decrease) in trade payables and current liabilities	**746.65**	(219.43)
	Total	**(35.31)**	(452.16)
	Income Taxes (net of refund)	**31.46**	37.67
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**4,768.84**	622.20
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of property, plant and equipment, Right of Use assets (including capital work in progress, capital creditors and capital advances)	**(1,748.17)**	(415.92)
	Proceeds from sale of property, plants and equipments and investment property	**33.42**	19.51
	Purchase of investments (including investment property and investment property under construction)	**(4,125.34)**	(3,019.00)
	Sale/redemption of Investments	**-**	0.31
	Loans given (refer note 47)	**(5.00)**	-
	Loans received (refer note 47)	**5.00**	-
	Interest income received	**29.23**	56.01
	Fixed deposits matured / (placed) (net)	**(21.05)**	(598.76)
	Margin money matured / (placed) (net)	**(92.12)**	(3.12)
	NET CASH (USED IN) FROM INVESTING ACTIVITIES (B)	**(5,924.03)**	(3,960.98)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Issue of preference shares	**250.00**	500.00
	Issue of equity shares	**1.32**	-
	Proceeds from long-term borrowings	**9,976.13**	7,233.66
	Repayment of long-term borrowings	**(7,951.35)**	(2,280.99)
	Proposed dividend*	**0.00**	-
	Payment of lease liability	**(88.67)**	(39.70)
	Intercorporate Deposit taken	**450.00**	-
	Proceeds from short-term borrowings (net)	**-**	1.00
	Repayment of short-term borrowings (net)	**-**	(2.74)
	Interest and finance charges paid	**(1,376.98)**	(1,301.77)
	NET CASH GENERATED FROM FINANCING ACTIVITIES (C)	**1,260.45**	4,109.46
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**105.26**	770.69
	CASH AND CASH EQUIVALENTS - OPENING BALANCE	**231.51**	(539.18)
	Acquired in Business Combination	**17.53**	-
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**354.30**	231.51

Amount less than million

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

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents (refer Note 12 a)**	**444.54**	245.23
Less: Over draft accounts from banks (refer Note 22)**	**(90.24)**	(13.72)
Cash and cash equivalents as per Revised Consolidated statement of cash flows	**354.30**	231.51

3 The movement of borrowings as per Ind AS 7 is as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening borrowings	**25,326.10**	19,775.04
Proceeds from long-term borrowings***	**10,226.12**	7,733.66
Repayment of long-term borrowings	**(7,951.35)**	(2,283.74)
Proceeds from short-term borrowings	**-**	1.00
Non-cash adjustments	**(135.77)**	100.14
	27,465.10	25,326.10

** Cash and cash equivalents includes bank overdrafts that are payable on demand and form an integral part of the Company cash management.

*** Includes issue of preference shares and loans from Promoters-Directors

The notes referred to above form an integral part of the Revised Consolidated financial statements.

As per our revised audit report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

SUHAS ANANDRAY PAI Digitally signed by SUHAS ANANDRAY PAI Date: 2023.07.03 22:52:42 +05'30'

Suhas Pai
Partner
Membership No. 119057

For and on behalf of the Board of Directors of
L55101MH1986PLC038538
Chalet Hotels Limited

SANJAY SETHI Digitally signed by SANJAY SETHI Date: 2023.07.03 20:27:33 +05'30'

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

JOSEPHCONRAD AGNELO DSOUZA Digitally signed by JOSEPHCONRAD AGNELO DSOUZA Date: 2023.07.03 22:31:18 +05'30'

Joseph Conrad Dsouza
Director
(DIN. 00010576)

MILIND BABAJI WADEKAR Digitally signed by MILIND BABAJI WADEKAR Date: 2023.07.03 20:24:41 +05'30'

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

CHRISTABELLE BERNADETTE BAPTISTA Digitally signed by CHRISTABELLE BERNADETTE BAPTISTA Date: 2023.07.03 22:35:12 +05'30'

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Hyderabad
July 03, 2023

Mumbai
July 03, 2023

Revised Consolidated Statement of Changes in Equity

as at March 31, 2023

CHALET HOTELS

Rs. in million

(a) Equity share capital

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the reporting year	**2,050.24**	2,050.24
Shares issued during the year	**0.01**	-
Balance at the end of the reporting year	**2,050.25**	2,050.24

(b) Other equity	Attributable to the equity holders of the parent						
		Other Equity - Reserve and Surplus					
	Equity Component of Compound Instrument (Note 16)	Employee stock option reserve (Note 16)	Capital Reserve (Note 16)	Securities Premium (Note 16)	General reserve (Note 16)	Retained earnings* (Note 16)	Total Equity
Balance as at March 31, 2022	**438.33**	**23.87**	**84.99**	**10,269.19**	**1,071.96**	**(526.04)**	**11,362.30**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting	**438.33**	**23.87**	**84.99**	**10,269.19**	**1,071.96**	**(526.04)**	**11,362.30**
Total comprehensive income for the year							
Adjustments:							
Equity Component of Compound Instrument	**95.67**	**-**	**-**	**-**	**-**	**-**	**95.67**
Securities Premium	**-**	**-**	**-**	**0.31**	**-**	**-**	**0.31**
Employee stock option reserve	**-**	**78.98**	**-**	**-**	**-**	**-**	**78.98**
Transferred to retained earnings	**-**	**(0.17)**	**-**	**-**	**-**	**0.17**	**-**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**1,833.32**	**1,833.32**
Add: other Adjustments	**-**	**-**	**-**	**-**	**-**	**3.20**	**3.20**
Proposed dividend**	**-**	**-**	**-**	**-**	**-**	**(0.00)**	**(0.00)**
Remeasurements of defined benefit plans (net of tax)	**-**	**-**	**-**	**-**	**-**	**(4.64)**	**(4.64)**
Total comprehensive income for the year	**95.67**	**78.81**	**-**	**0.31**	**-**	**1,832.05**	**2,006.84**
Balance as at March 31, 2023	**534.00**	**102.68**	**84.99**	**10,269.50**	**1,071.96**	**1,306.01**	**13,369.14**
Balance at April 1, 2021	373.48	32.29	84.99	10,269.19	1,071.96	278.31	12,110.22
Equity Component of Compound Instrument	64.85	-	-	-	-	-	64.85
Employee stock option reserve	-	1.02	-	-	-	-	1.02
Transferred to retained earnings	-	(9.44)	-	-	-	9.44	-
Profit (loss) for the year	-	-	-	-	-	(815.29)	(815.29)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	1.50	1.50
Total comprehensive income for the year	64.85	(8.42)	-	-	-	(804.35)	(747.92)
Balance as at March 31, 2022	**438.33**	**23.87**	**84.99**	**10,269.19**	**1,071.96**	**(526.04)**	**11,362.30**

*Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact) Rs. 3,710.05 million (March 31, 2022 Rs.3,710.05 million)

**Amount less than million

The notes referred to above form an integral part of the Revised Consolidated financial statements.

As per our revised audit report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

SUHAS ANANDRAY PAI — Digitally signed by SUHAS ANANDRAY PAI Date: 2023.07.03 22:53:11 +05'30'

Suhas Pai
Partner
Membership No. 119057

Hyderabad
July 03, 2023

For and on behalf of the Board of Directors of
L55101MH1986PLC038538
Chalet Hotels Limited

SANJAY SETHI — Digitally signed by SANJAY SETHI Date: 2023.07.03 20:27:53 +05'30'

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

JOSEPHCONRAD AGNELO DSOUZA — Digitally signed by JOSEPHCONRAD AGNELO DSOUZA Date: 2023.07.03 22:31:35 +05'30'

Joseph Conrad Dsouza
Director
(DIN. 00010576)

MILIND BABAJI WADEKAR — Digitally signed by MILIND BABAJI WADEKAR Date: 2023.07.03 20:25:00 +05'30'

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

CHRISTABELLE BERNADETTE BAPTISTA — Digitally signed by CHRISTABELLE BERNADETTE BAPTISTA Date: 2023.07.03 22:35:31 +05'30'

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
July 03, 2023

Notes to the Revised Consolidated Financial Statements

1.1 Company background

The Consolidated Financial Statement comprises of consolidated financial statements of Chalet Hotels Limited ('the Company' or 'the Holding Company'), its subsidiary companies (collectively, 'the Group'). The Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400 051. The Company was incorporated under the Companies Act, 1956 on 6 January 1986 and has been converted into a public company with effect from 6 June 2018.

The Group is primarily engaged in the business of hospitality (hotels), rental and annuity business *(formerly known as commercial and retail operations)* and real estate development. At March 31, 2023, the Group has, (a) seven hotels (and one service apartment building) operating at Powai and Sahar (Mumbai), Vashi (Navi Mumbai), Pune, Khandala, Bengaluru and Hyderabad, (b) commercial property at Bengaluru and Sahar, Mumbai and (c) is engaged in construction and development of a residential property at Bengaluru.

On 23 March 2023, the Group has acquired stake in "The Dukes Retreat Private Limited" (Dukes) and "Sonmil Industries Private Limited" (SIPL) for a complete cash consideration of Rs 829.11 mn and Rs 756.46 mn respectively. Consequent to such acquisition Dukes and SIPL has become the wholly owned subsidiary of the Group.
The Management has considered 31 March 2023 as acquisition date for the purpose of purchase price allocations/consolidation, since the financial performance of the entities acquired for the period from 23 March 2023 to 31 March 2023 are not material to the consolidated financial performance.

1.2 Significant accounting policies

Basis of preparation and presentation

Compliance with Indian Accounting Standard (Ind AS)

The earlier Consolidated financial statements of the group for the year ended 31 March 2023 were approved by the Board of Directors on 9 May 2023 without giving effect to the Scheme of Arrangement of amalgamation of Belaire Hotels Private Limited and Seapearl Hotels Private Limited with the Company ("the Scheme"), since the application seeking approval of the Scheme was pending before the NCLT as of that date. The earlier consolidated financial statements of the Company are being revised pursuant to an approved Scheme, the details of which are stated in note 51.These revised consolidated financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended, and other accounting principles generally accepted in India, as a going concern on accrual basis. These revised consolidated financial statements are authorised for issue by the Board of Directors of the group at their meeting held on 3 July 2023.

(i) Basis of measurement

The Consolidated Financial Statements has been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer- Accounting policy regarding financials instruments);
- Net defined benefit (asset) / liability – plan (assets) / liability 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.

Notes to the Revised Consolidated Financial Statements *(Continued)*

1.2 Significant accounting policies *(continued)*

(ii) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the financial information have been presented in Indian

Rupees (INR) and all amounts have been rounded-off to the nearest millions, except for share data and as otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentage may not precisely reflect the absolute figures.

(iii) Use of estimates and judgements

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

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

Judgement, estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives**
  Useful lives of property, plant and equipment and investment property are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.
- **Recognition and measurement of defined benefit obligations**
  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined 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.

1.2 Significant accounting policies *(continued)*

- **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.

- **Impairment of investments**

  The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Litigation**

  From time to time, the Company is subject to legal proceedings, the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

- **Impairment testing**

  Property, plant and equipment, Right-of-Use assets and intangible assets that are subject to depreciation/amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

- **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.

  Critical Judgements in determining the lease term: Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

1.2 Significant accounting policies *(continued)*

Critical judgements in determining the discount rate: The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Fair value of financial instruments**

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

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

  Note G, J & K – impairment test of non-financial assets: key assumptions underlying recoverable amounts; and

  Note N 1(c) – Impairment of financial assets

(iv) Measurement of fair values

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

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

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

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

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

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

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

- Note 2 – Property, plant and equipment (Freehold land) Note 4 – Investment property
- Note 43 – Financial instruments

Notes to the Revised Consolidated Financial Statements *(Continued)*

1.2 Significant accounting policies *(continued)*

(v) 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.

Basis of consolidation

Subsidiary:
The Consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Company. Subsidiary is an entity over which the holding company has control.

The Company controls an investee when the Company has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Subsidiary is fully consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

1.2 Significant accounting policies *(continued)*

Non-controlling interests in the results and equity of subsidiary are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Balance Sheet respectively.

In the Consolidated Financial Statements, 'Goodwill' represents the excess of the cost to the Holding company of its investment in the subsidiary over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the Consolidated financial statements.

A. Business combination

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

Common control

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

No common control

The Group uses the "acquisition method" of accounting to account for its business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Such goodwill is tested annually for impairment. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is termed as bargain purchase.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase thereafter, the Company reassesses whether it has correctly identified all the assets acquired and liabilities assumed and recognises any additional assets or liabilities that are so identified, any gain thereafter is recognised in OCI and accumulated in equity as Capital Reserve. If there does not exist clear evidence of the underlying reasons for classifying the Business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing, directly in equity as Capital Reserve.

Notes to the Revised Consolidated Financial Statements *(Continued)*

1.2 Significant accounting policies *(continued)*

(I) Revenue from operations:

i. Real estate development and sale

Revenue from real estate activity is recognised to the extent that it is probable that the economic benefits will flow to the Group, all significant risks and rewards of ownership are transferred to the

customers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration.

Revenue from real estate development activity is recognised at a point in time when significant risks and rewards are transferred to the Customer i.e. when the control of the residential flat is transferred to the Customer.

Cost of construction/development includes all costs directly related to the Project and other expenditure as identified by the management which are reasonably allocable to the project.

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

ii. Hospitality business

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and variable consideration on account of discounts and schemes offered by the company as part of the contract.

Revenue from operations

Rooms, Food and Beverage and banquet services: Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain.

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

iii. Rental income

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

Initial direct costs incurred by lessors in negotiating and arranging an operating lease is accounted as separate asset and will be recognised as an expense over the lease term on the same basis as the lease income.

1.2 Significant accounting policies *(continued)*

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.

(II) Other Income

i. 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.

ii. Interest income

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

B. Foreign currency

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.
Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on a net basis within other gains / (losses).

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

C. 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.

1.2 Significant accounting policies *(continued)*

Also, the liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each Balance sheet date and provided for as incurred in the year in which services are rendered by employees.

ii. Post-employment benefits

Defined contribution plans

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office) and employee state insurance corporation are post-employment benefit plans under which a Group pays fixed contributions and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

- Gratuity Fund

The Group follows unfunded gratuity except for one of its Hotel division (Westin, Hyderabad) and for Corporate office in Belaire Hotels Private Limited, its subsidiary where fund is maintained with Life Insurance Corporation of India. 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.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs"

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

1.2 Significant accounting policies *(continued)*

iii. Terminal Benefits:

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

iv. Employee stock option expense

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

D. Income-tax

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

i.**Current tax**

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets and therefore the tax charge in the Statement of Profit and Loss.

The group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

ii.Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they

1.2 Significant accounting policies *(continued)*

can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each

reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Consolidated Statement of profit and loss.

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

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.

Minimum Alternative Tax (“MAT”) credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section.

E. Inventories

Hospitality

Stocks of stores, food and beverages are carried at the lower of cost and net realizable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is arrived at by the weighted average cost method.

Stocks of stores and spares and operating supplies (viz. crockery, cutlery, glassware and linen) once issued to the operating departments are considered as consumed and expensed to the Consolidated Statement of Profit and Loss. Unserviceable/damaged/discarded stocks and shortages are charged to the Consolidated Statement of Profit and Loss.

Real Estate Development (Residential Flats)

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

1.2 Significant accounting policies *(continued)*

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.

F. Property, plant and equipment

i. Recognition and measurement

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

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

i. 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.

ii. Depreciation

Depreciation is charged to the Consolidated Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except , in whose case the life of the assets had been re-assessed as under based on technical evaluation, 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.

Asset Type	**Useful Life**		
	March 2023	**March 2022**	**Schedule II**
Buildings (Interior and Accessories)	14 Years	14 Years	NA
Plant and Machinery	5 – 15 Years	5 – 15 Years	15 Years
Electrical installations	10 - 14 Years	10 - 14 Years	10 Years
Office Equipment's	2 – 5 Years	2 – 5 Years	5 Years
Vehicles	5 Years	5 Years	6 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.

1.2 Significant accounting policies *(continued)*

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

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

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

Impairment losses recognized in prior years are reversed when there is an indicator that the impairment losses recognized no longer exist or have decreased. Such reversals are recognized as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in previous years.

G. Intangible assets

Recognition and measurement

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

Subsequent expenditure

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

Amortisation

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

Intangible assets are amortised on straight-line method over estimated useful life of 4 years, which in management's view represents the economic useful life of these assets.

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

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

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

1.2 Significant accounting policies *(continued)*

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

H. Goodwill

In case of merger, Goodwill' represents the excess of the cost to the Holding company of its investment in the subsidiary over its share of equity, at the respective dates on which the investments are made.

In case of acquisition, Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

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

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the consolidated statement of profit and loss, to the extent the amount was previously charged to the consolidated statement of profit and loss. In case of revalued assets, such reversal is not recognised.

I. Investment property and investment property under construction

(a) Recognition and measurement

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

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.
Investment property and investment property under construction represents the cost incurred in respect of areas retail block and commercial office space. Property under construction is accounted for as investment property under construction until construction or development is complete.

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

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

1.2 Significant accounting policies *(continued)*

(a) Depreciation

Depreciation on investment property has been provided pro rata for the period of use by the Straight Line Method. The useful lives of Investment Property is estimated by management and the same is as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life of these assets differs from Schedule II.

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

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

	Useful Life		
Asset Type	**March 2021**	**March 2020**	**Schedule II**
Buildings (Interior and Accessories)	14 Years	14 Years	NA
Plant and Machinery			
– DG set, HVAC system, Elevators and Firefighting system.	15 Years	15 Years	15 Years
- Others	14 Years	14 Years	
Electrical installations	14 Years	14 Years	10 Years
Office Equipments	4 Years	4 Years	5 Years

Investment properties are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell.

J. Investments

The Group reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

K. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assetsare substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Consolidated Statement of Profit and Loss using the effective interest method.

L. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”). The board of directors of the Group, which has been identified as being the CODM, generally assesses the financial performance and position of the Group, and makes strategic decisions.

1.2 Significant accounting policies *(continued)*

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 45 for segment information presented.

M. Financial Instruments

1. Financial assets

(a) Recognition and initial measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and subsequent measurement

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

(i) Financial assets measured at amortised costs
A financial asset is classified at amortised costs if it is held within a business model whose objective is to a) hold financial asset in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortisation of such interests forms part of finance income in the consolidated statement of profit and loss. Any impairment loss arising from these assets are recognised in the consolidated statement of profit and loss.

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

This is a residual category for classification. Any asset which do not meet the criteria for classification as at amortised cost, is classified as FVTPL. Financial assets at fair value

through profit or loss are measured at fair value, and changes therein are recognised in the consolidated statement of profit or loss.

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

- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss. Other net gains and

1.2 Significant accounting policies *(continued)*

losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated statement of profit and loss.

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

(b) ***Derecognition***

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or

retained by the Group is recognised as a separate asset and associated liability for any amounts it may have to pay.

(c) Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement 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, eposits, and bank balance.

b) Trade receivables- The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2. **Financial liabilities**

(a) Recognition, measurement and classification

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

1.2 Significant accounting policies *(continued)*

(b) Financial guarantee contracts

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

(c) ***Derecognition***

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

3. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the Consolidated statement of financial position when, and only when, the Group has legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. Derivative financial instruments

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

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.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets where it is probable that future economic benefits will flow to the Group are not recognised but disclosed in the Consolidated Financial Statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

1.2 Significant accounting policies *(continued)*

2. **Leases**

At the inception of a contract, the Group assesses whether a contract is or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

a. Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. Payments received under operating leases are recognized in the Consolidated statement of profit and loss on a straight- line basis over the lease term. The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application.

b. Group as a lessee

The Group had adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019.

Accordingly, the comparative periods have not been restated in that financial year.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straightline method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and

statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

O. Litigation

From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the a\mount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

P. Cash and cash equivalents

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

Q. Cash flow statement

Cash flows are reported using indirect method, whereby net loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

For the purpose of presentation in the statement of Cash Flows, cash and cash equivalents includes cash in hand, cash at bank and other deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

R. Discontinued Operations

Discontinued operations are reported when a component of the Group comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations

1.2 Significant accounting policies *(continued)*

and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale.

In the consolidated statement of profit and loss, income/ (loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative consolidated statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in Notes.

S. Government Grants

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

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

T. 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.

U. Exceptional items

The Group discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Group and provides consistency with the Groups internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group.

V. Earnings before interest and depreciation and amortisation (“adjusted EBITDA”)

The Group presents adjusted EBITDA in the consolidated statement of profit and loss; this is not specifically required by Ind AS 1. The terms adjusted EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Group’s financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Measurement of adjusted EBITDA

Accordingly, the Group has elected to present earnings before interest, tax, depreciation and amortisation (adjusted EBITDA) before exceptional items, as a separate line item on the face of the Consolidated Statement of Profit and Loss. The Group measures adjusted EBITDA before exceptional items, on the basis of profit/ (loss) from continuing operations including other income.

1.2 Significant accounting policies *(continued)*

In its measurement, the Group does not include exceptional items, depreciation and amortisation expense, finance costs, share of profit from associate and tax expense.

Y. Recent pronouncements – New Standards/Amendments notified but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

The Group does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.

Note 2
Property, plant and equipment
Reconciliation of carrying amount
as at March 31, 2023

Rs. in million

Particulars	Gross block					Accumulated depreciation/ amortisation					Net block
	Opening balance as at April 1, 2022	Acquired in Business Combination [Refer Note 38(A)]	Additions/ Transferred In	Deductions	**Closing balance as at March 31, 2023**	Opening balance as at April 1, 2022	Adjustments	For the year	Deductions	**Closing balance as at March 31,**	**As at March 31, 2023**
Tangible assets											
Freehold land	7,756.67	781.57	80.01	9.20	8,609.05	-	-	-	-	-	8,609.05
Lease hold land	-	0.01	0.73	-	0.74	-	-	-	-	-	0.74
Buildings	13,883.23	207.05	872.86	1.19	14,961.95	4,250.02	83.46	450.47	0.05	4,783.90	10,178.05
Plant and machinery	4,738.28	8.78	226.73	71.41	4,902.38	3,248.15	51.64	265.98	68.41	3,497.36	1,405.02
Data processing equipments	275.52	-	8.83	14.34	270.01	249.30	-	18.85	14.30	253.85	16.16
Electrical installations	1,702.77	-	88.45	3.28	1,787.94	1,240.00	19.03	90.53	2.95	1,346.61	441.33
Furniture and fixtures	2,132.59	7.74	51.79	105.32	2,086.80	1,765.06	3.59	110.29	103.31	1,775.63	311.17
Vehicles	117.85	0.13	0.51	47.58	70.91	114.31	-	0.88	47.47	67.72	3.19
Office equipments	96.29	0.48	3.01	5.60	94.18	94.99	-	0.79	5.59	90.19	3.99
Total	**30,703.20**	**1,005.76**	**1,332.92**	**257.92**	**32,783.96**	**10,961.82**	**157.72**	**937.79**	**242.08**	**11,815.26**	**20,968.70**

Rs. in million

as at March 31, 2022

Particulars	Gross block				Accumulated depreciation				Net block
	Opening balance as at April 1, 2021	Additions	Deductions	Closing balance as at March 31, 2022	Opening balance as at April 1, 2021	For the year	Deductions	Closing balance as at March 31, 2022	As at March 31, 2022
Tangible assets									
Freehold land	8,134.77	-	378.10	7,756.67	-	-	-	-	7,756.67
Buildings	13,733.57	235.17	85.51	13,883.23	3,915.77	416.67	82.42	4,250.02	9,633.21
Plant and machinery	4,684.98	101.51	48.21	4,738.28	3,017.13	264.56	33.54	3,248.15	1,490.13
Data processing equipments	252.43	24.00	0.91	275.52	224.71	25.44	0.85	249.30	26.22
Electrical installations	1,662.36	41.34	0.93	1,702.77	1,156.45	84.49	0.94	1,240.00	462.77
Furniture and fixtures	2,092.01	60.04	19.46	2,132.59	1,658.74	125.70	19.38	1,765.06	367.53
Vehicles	134.32	-	16.47	117.85	129.81	0.97	16.47	114.31	3.54
Office equipments	96.81	0.14	0.66	96.29	94.57	0.96	0.54	94.99	1.30
Total	30,791.25	462.20	550.25	30,703.20	10,197.18	918.79	154.14	10,961.82	19,741.37

Notes:

1) Refer Note 17 and Note 22 for information on Property, plant and equipment pledged as security by the Group.

2) Refer Note 39(II) for contractual commitments with respect to property plant and equipments.

3) In December 2005, the Holding 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 Holding Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Standalone financial statements. The carrying value of property, plant and equipment in respect of the aforementioned hotel as at March 31, 2023 is Rs.348.46 milliion (March 31, 2022: Rs.372.12 Million).

4) The Group proposes to convert Bengaluru ALC commercial Building to Hotel Building, the assets pertaining to said Building has been transferred to Property, plant and Equipments from Investment Property (refer note 4A).

5) The title deeds of all immovable properties (other than immovable properties where the Holding Company is the lessee and the leases agreements are duly executed in favour of the lessee) as disclosed in the Note 2 and Note 4 and read with Note 39(I) (c) of the standalone financial statements are held in the name of the Holding Company. In respect of the land acquired on leasehold basis disclosed in Note 9 read with the footnote to Note 9 of the standalone financial statements, the lease agreements are duly executed in favour of the Holding Company except for below:

Details as on March 31, 2023

Description of item of property	**Gross carrying value (In million)**	**Title deeds held in the name of**	**Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director**	**Property held since which date**	**Reason for not being held in the name of the company**
Freehold land	880.97	Belaire Hotels Private Limited	NA	2007-08	Assets acquired by the holding company on account of merger and is in name of erstwhile company (refer note 51)
Buildings	1,716.47	Belaire Hotels Private Limited	NA	2013-14	Assets acquired by the holding company on account of merger and is in name of erstwhile company (refer note 51)

Details as on March 31, 2022

Description of item of property	Gross carrying value (In million)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Freehold land	880.97	Belaire Hotels Private Limited	NA	2007-08	Assets acquired by the holding company on account of merger and is in name of erstwhile company (refer note 51)
Buildings	1,701.60	Belaire Hotels Private Limited	NA	2013-14	Assets acquired by the holding company on account of merger and is in name of erstwhile company (refer note 51)

Note 3
Capital work-in-progress

1) Details of capital work-in-progress Rs. in million

Particulars	March 31, 2023	March 31, 2022
Opening balance	**322.27**	416.19
Add: Additions during the year	**1,070.45**	434.07
Less: Capitalised during the year	**(357.27)**	(438.50)
Less: Cost incurred for Commercial complex, Powai, Mumbai transfered to to Investment property under construction.	**-**	(31.78)
Closing Balance	**1,035.45**	379.98
Less: Provision for impairment	**(57.71)**	(57.71)
Net balance	**977.74**	**322.27**

There was delay in implementation of International Convention Centre Complex (ICCC) Project as the Department of Tourism (DOT), Government of Kerala (GOK) is yet to contribute land for the project as its equity contribution in kind. The management believes the project to be viable. During the year ended 31 March 2020, as there were conditions of uncertainty, it had taken a prudent and conservative call to write off capital work in progress without prejudicing the going concern.
In view of this delay, the Group has further extended the performance guarantee given to the DOT, GOK, for a period up to March 12, 2024. The Group has ceased capitalisation of borrowing cost with effect from the financial year 2014-15.

2) Expenses (net) capitalised to capital work-in-progress during the year.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Legal and professional charges	**10.01**	13.65
Employee costs	**19.51**	34.95
Rates, taxes and license fees	**13.28**	2.46
Repairs and maintenance	**-**	-
Interest and other finance costs	**55.48**	29.63
Miscellaneous expenses	**-**	16.72
Other income/sale of scrap	**-**	(0.04)
Depreciation	**37.72**	-
Total	**136.00**	**97.37**

3) Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2023 Rs. in million

Particulars	Capital work in progress ageing schedule as at March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	**694.38**	**150.28**	**124.85**	**-**	**969.51**
Projects temporarily suspended	**-**	**4.73**	**3.50**	**-**	**8.23**
Total	**694.38**	**155.01**	**128.35**	**-**	**977.74**

As at March 31, 2022 Rs. in million

Particulars	Capital work in progress ageing schedule as at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	44.31	1.24	-	-	45.55
Projects temporarily suspended	149.22	127.50	-	-	276.72
Total	193.53	128.74	-	-	322.27

Details of capital work in progress whose completion is overdue or has exceeded its cost as compared to its original plan:
As at March 31, 2023

Particulars	CWIP to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**695.68**	**-**	**-**	**-**
Hotel at Powai, Mumbai	-	-	-	-
Hotel at Telangana	695.68	-	-	-
Projects temporarily suspended	**-**	**-**	**-**	**5.11**
Hotel at Navi Mumbai	-	-	-	5.11
Total	**695.68**	**-**	**-**	**5.11**

As at March 31, 2022

Particulars	CWIP to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**21.41**			
Hotel at Powai, Mumbai	21.14	-	-	-
Hotel at Pune	0.27			
Projects temporarily suspended		**271.62**	**-**	**5.11**
Hotel at Telangana	-	271.62	-	**5.11**
Hotel at Navi Mumbai	-	-	-	-
Total	**21.41**	**271.62**	**-**	**5.11**

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 4
Investment property

A. Reconciliation of carrying amount

as at March 31, 2023

Rs. in million

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at April 1, 2022	Additions/ Transfers	Deductions/ Transfers	**Closing balance as at March 31, 2023**	Opening balance as at April 1, 2022	For the year	Deductions/ Transfers	**Closing balance as at March 31, 2023**	**As at March 31, 2023**
Commercial complex, Bengaluru I	893.37	-	893.37	**-**	157.72	-	157.72	**-**	**-**
Cignus Whitefield I Bangalore		3,100.70		**3,100.70**		17.95		**17.95**	**3,082.75**
Commercial Block II Sahar, Mumbai	1,203.25	36.15	-	**1,239.40**	206.87	41.73	-	**248.60**	**990.80**
Commercial Block I Sahar, Mumbai.	3,203.54	0.06	-	**3,203.60**	344.64	85.62	-	**430.26**	**2,773.34**
Cignus Whitefield II Bangalore	1,729.08	-	3.88	**1,725.20**	628.11	52.57	3.53	**677.15**	**1,048.05**
Total (A)	**7,029.24**	**3,136.91**	**897.25**	**9,268.90**	**1,337.34**	**197.87**	**161.25**	**1,373.96**	**7,894.94**
Investment property under construction									
Business centers and offices, Sahar, Mumbai	`								**0.01**
Cignus Powai I, Mumbai									**7,317.56**
Cignus Powai II, Mumbai									**1,167.28**
Cignus Whitefield I Bangalore									**15.93**
Cignus Whitefield II Bangalore									**78.13**
Total (B)									**8,578.91**
Total (A+B)									**16,473.85**

Note 4(A): The Group proposes to convert Bengaluru ALC commercial Building to Hotel Building, the assets pertaining to said Building has been transferred to Property, plant and Equipments from Investment Property (refer note 2).

as at March 31, 2022

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at April 1, 2021	Additions	Deductions	Closing balance as at March 31, 2022	Opening balance as at April 1, 2021	For the year	Deductions	Closing balance as at March 31, 2022	As at March 31, 2022
Commercial complex, Bengaluru I	893.37	-	-	893.37	131.95	25.77	-	157.72	735.65
Commercial Block II Sahar, Mumbai	1,196.15	7.10	-	1,203.25	166.53	40.34	-	206.87	996.38
Commercial Block I Sahar, Mumbai.	3,203.54	-	-	3,203.54	259.02	85.62	-	344.64	2,858.90
Cignus Whitefield II Bangalore	1,809.46	0.79	81.17	1,729.08	630.83	59.52	62.24	628.11	1,100.97
Total (A)	7,102.52	7.89	81.17	7,029.24	1,188.33	211.26	62.24	1,337.34	5,691.89
Investment property under construction									
Business centers and offices, Sahar, Mumbai	`								19.85
Cignus Powai I, Mumbai									4,924.96
Cignus Powai II, Mumbai									1,038.44
Cignus Whitefield I Bangalore									1,882.05
Cignus Whitefield II Bangalore									3.20
Total (B)									7,868.50
Total (A+B)									13,560.39

Notes:

1) Refer Note 17 and Note 22 for information on Property, plant and equipment pledged as security by the Group.
2. Borrowing cost aggregating to Rs.589.36 million (March 31, 2022 Rs.364.10 million) are capitalised under investment property under construction.
3. Details of investment property under construction

Rs. in million

Particulars	**March 31, 2023**	March 31, 2022
Opening Balance	**7,868.50**	4,036.52
Add: Additions during the year	**3,847.59**	3,429.98
Add: Cost incurred for Commercial complex, Powai, Mumbai transfered from Capital work-in-progress (refer note 2 and 3)	**-**	409.89
Less: Capitalised during the year	**(3,137.18)**	(7.89)
Closing Balance	**8,578.91**	7,868.50

Investment property *(Continued)*

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

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Legal and professional charges	**66.39**	30.42
Employee costs	**69.03**	38.96
Rates, taxes and license fees	**151.87**	1,258.16
Land	**-**	378.01
Interest and other finance costs	**589.36**	364.10
Miscellaneous expenses	**33.50**	11.02
Other income/sale of scrap	**(0.27)**	(0.63)
Total	**909.90**	2,080.04

Note 4

B. Fair value measurement

i. Fair value hierarchy **Rs. in million**

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, 2023	Fair Value as on March 31, 2022
Commercial complex, Bengaluru I*	-	800.00
Commercial Block II Sahar, Mumbai**	**1,902.17**	1,750.00
Commercial Block I, Sahar, Mumbai**	**7,911.42**	7,838.49
Cignus Whitefield II Bangalore**	**1,771.83**	1,762.46
Cignus Whitefield I Bangalore**	**4,246.94**	-

*The independent valuer is not registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
**The independent valuer registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

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 years, occupancy rate, lease incentive costs such as rent-free years and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. The land of Commercial Complex, Bengaluru is valued by residual method. The valuation of Retail block, Sahar, Mumbai considers change in end use to commercial purpose and is disclosed in note no 49.

Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties	**Valuation technique**	**Significant unobservable Inputs**	**Range**	
			March 31, 2023	**March 31, 2022**
Commercial complex, Bengaluru I	Depreciable Replacement method	**NA**	NA	NA
Commercial Block II Sahar, Mumbai	DCF Method	Occupancy Range	94% to100%	94% to100%
		Base Rent (Rs.)	120 for Retailers 130 for Commercials	120 for Retailers 130 for Commercials
		Escalation %	4.77% p.a.	4.77% p.a.
		WAAC	12.10%	12.10%
		Growth Rate	4.00%	4.00%
Commercial Block I Sahar, Mumbai.	DCF Method	Occupancy Range	100%	100%
		Base Rent (Rs.)	197	133
		Escalation %	4.77% p.a.	4.77% p.a.
		WAAC	12.30%	12.10%
		Growth Rate	4.00%	4.00%

Investment property *(Continued)*

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Cignus Whitefield II Bangalore	DCF Method	Occupancy Range	94% to100%	94% to100%
		Base Rent (Rs.)	57.00	54.00
		Escalation %	4.77% p.a.	4.77% p.a.
		WAAC	12.30%	12.10%
		Growth Rate	4.00%	4.00%
Cignus Whitefield I Bangalore	DCF Method	Occupancy Range	96% to100%	-
		Base Rent (Rs.)	60.00	-
		Escalation %	4.77% p.a.	-
		WAAC	12.30%	-
		Growth Rate	4.00%	-

C. Information regarding income and expenditure of investment property

Particulars	**March 31, 2023**	March 31, 2022
Rental income derived from investment properties	**886.77**	933.64
Direct operating expenditure (including repairs and	**77.09**	83.44
Direct operating expenditure that did not generate rental income	-	-
Profit arising from investment properties before	**809.68**	850.20
Depreciation	**197.87**	211.26
Profit arising from investment properties before indirect expenses	**611.81**	638.95

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

E. Investment properties under construction ageing:

As at March 31, 2023

Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	2,611.84	3,191.76	2,085.05	690.26	**8,578.91**
Projects temporarily suspended	-	-	-	-	-
Total	**2,611.84**	**3,191.76**	**2,085.05**	**690.26**	**8,578.91**

As at March 31, 2022

Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	3,837.01	2,358.87	1,096.17	576.45	**7,868.50**
Projects temporarily suspended	-	-	-	-	-
Total	**3,837.01**	**2,358.87**	**1,096.17**	**576.45**	**7,868.50**

F. Details of investment property whose completion is overdue or has exceeded its cost as compared to its original plan:

As at March 31, 2023

Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**
Projects in progress	**7,324.40**	**-**	**-**	**1,167.33**
Cignus Powai I, Mumbai	7,308.93	-	-	-
Cignus Whitefield II Bangalore	15.47	-	-	-
Cignus Powai II, Mumbai	-	-	-	1,167.33
Projects temporarily suspended				
Total	**7,324.40**	**-**	**-**	**1,167.33**

As at March 31, 2022

Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**
Projects in progress	4,919.72	1,881.59	-	-
Cignus Powai I, Mumbai	4,919.72	-	-	-
Cignus Whitefield I Bangalore	-	1,881.59	-	-
Cignus Whitefield II Bangalore	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	**4,919.72**	**1,881.59**	**-**	**-**

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 4
Investment property *(Continued)*

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

as at March 31, 2023 **Rs. in million**

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at April 1, 2022	Additions/ Transfers	Deductions/ Transfers	Closing balance as at March 31, 2023	Opening balance as at April 1, 2022	For the year	Deductions/ Transfers	Closing balance as at March 31, 2023	As at March 31, 2023
Tangible assets									
Freehold land	**813.66**	**179.68**	**80.01**	**913.33**	**-**	**-**	**-**	**-**	**913.33**
Buildings	**4,718.81**	**2,336.83**	**633.02**	**6,422.62**	**717.60**	**109.13**	**83.46**	**743.27**	**5,679.35**
Plant and machinery	**1,063.11**	**505.91**	**132.43**	**1,436.59**	**412.57**	**64.14**	**53.21**	**423.50**	**1,013.09**
Computers	**2.33**	**0.06**	**-**	**2.39**	**2.22**	**0.06**	**-**	**2.28**	**0.11**
Electrical installations	**391.60**	**114.43**	**45.10**	**460.93**	**173.62**	**22.91**	**19.03**	**177.50**	**283.43**
Furniture and fixtures	**37.46**	**-**	**6.64**	**30.82**	**29.51**	**1.45**	**5.51**	**25.45**	**5.37**
Office equipments	**1.68**	**-**	**-**	**1.68**	**1.28**	**0.17**	**-**	**1.45**	**0.23**
	7,028.65	**3,136.91**	**897.20**	**9,268.36**	**1,336.80**	**197.86**	**161.21**	**1,373.45**	**7,894.91**
Intangible assets									
Software	**0.59**	**-**	**0.05**	**0.54**	**0.54**	**0.01**	**0.04**	**0.51**	**0.03**
	0.59	**-**	**0.05**	**0.54**	**0.54**	**0.01**	**0.04**	**0.51**	**0.03**
Total	**7,029.24**	**3,136.91**	**897.25**	**9,268.90**	**1,337.34**	**197.87**	**161.25**	**1,373.96**	**7,894.94**

as at March 31, 2022 **Rs. in million**

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at April 1, 2021	Additions	Deductions	Closing balance as at March 31, 2022	Opening balance as at April 1, 2021	For the year	Deductions	Closing balance as at March 31, 2022	As at March 31, 2022
Tangible assets									
Freehold land	813.66	-	-	813.66	-	-	-	-	813.66
Buildings	4,729.85	5.23	16.27	4,718.81	613.86	113.53	9.79	717.60	4,001.21
Plant and machinery	1,082.06	2.66	21.61	1,063.11	358.33	67.24	13.00	412.57	650.54
Computers	2.33	-	-	2.33	2.05	0.17	-	2.22	0.11
Electrical installations	399.34	-	7.74	391.60	154.46	24.62	5.46	173.62	217.98
Furniture and fixtures	73.02	-	35.56	37.46	58.06	5.44	33.99	29.51	7.95
Office equipments	1.68	-	-	1.68	1.03	0.25	-	1.28	0.40
	7,101.94	7.89	81.17	7,028.65	1,187.79	211.24	62.24	1,336.80	5,691.85
Intangible assets									
Software	0.59	-	-	0.59	0.53	0.01	-	0.54	0.04
	0.59	-	-	0.59	0.53	0.01	-	0.54	0.04
Total	7,102.52	7.89	81.17	7,029.24	1,188.33	211.26	62.24	1,337.34	5,691.89

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

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

	March 31, 2023	March 31, 2022
Goodwill on business acquisition (refer note below)	**537.11**	226.11
Goodwill on consolidation (refer note 38)	**311.00**	-
	848.11	226.11

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

Rs. in million

Particulars	March 31, 2023	March 31, 2022
Hotel at Bengaluru	**164.04**	164.04
Cignus Whitefield II Bengaluru	**25.49**	25.49
Commercial complex, Bengaluru I	**36.58**	36.58
The Dukes Retreat Private Limited & Sonmil Industries Private Limited	**311.00**	**-**
Total	**537.11**	**226.11**

The recoverable amount is based on a value-in-use calculation using the discounted cash flow method.
Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit.
The calculation of the value in use is based on the following key assumptions:

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

A. Hotel at Bengaluru

Particulars (in %)	March 31, 2023	March 31, 2022
Discount rate	**11.70%**	12%
Terminal value multiple	**13.5 times**	13.5 times

B. Cignus Whitefield II Bengaluru

	March 31, 2023	March 31, 2022
Discount rate	**12.30%**	12%
Terminal value multiple	**12.50 times**	12.83 times

C. Commercial complex, Bengaluru I

Particulars (in %)	March 31, 2023	March 31, 2022
Discount rate	**12.30%**	12%
Terminal value multiple	**12.50 times**	12.83 times

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, 2023 and March 31, 2022 as the recoverable value of the CGU exceeded the carrying value.

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

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 6
Other intangible assets

as at March 31, 2023 **Rs. in million**

Particulars	Gross block					Accumulated amortisation				Net block
	Opening balance as at April 1, 2022	Acquired in Business Combination (refer note 38)	Additions/ Transferred In	Deductions	**Closing balance as at March 31, 2023**	Opening balance as at April 1, 2022	Charged for the year	Deductions	**Closing balance as at March 31, 2023**	**As at March 31, 2023**
Trade marks	0.04	-	-	-	0.04	0.04	-	-	0.04	-
Brands	-	23.00	-	-	23.00	-	-	-	-	23.00
Computer software	104.69	-	2.07	-	106.76	88.21	10.30	-	98.51	8.25
Total	**104.73**	**23.00**	**2.07**	**-**	**129.80**	**88.25**	**10.30**	**-**	**98.55**	**31.25**

As at March 31, 2022

Particulars	Gross block				Accumulated amortisation				Net block
	Opening balance as at April 1, 2021	Additions	Deductions	Closing balance as at March 31, 2022	Opening balance as at April 1, 2021	Charged for the year	Deductions	Closing balance as at March 31, 2022	As at March 31, 2022
Trade marks	0.04	-	-	0.04	0.04	-	-	0.04	-
Computer software	103.39	1.54	0.24	104.69	77.51	10.94	0.24	88.21	16.48
Total	103.43	1.54	0.24	104.73	77.55	10.94	0.24	88.25	16.48

Notes to the Revised Consolidated Financial Statements (Continued)

as at March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
		Rs. in million
Note 7		
Other Investments		
Measured at fair value through profit and loss		
Unquoted, fully paid up:		
Investments in equity shares (non-trade, unquoted)		
In other companies (equity shares of Rs.10/- each fully paid)		
1,000 (March 31, 2022: 1,000) shares of Stargaze Properties Private Limited	**0.01**	0.01
10,000 (March 31, 2022: 6,050) shares of Renew Wind Power Energy (AP) Limited	**1.29**	0.61
9,91,345 (March 31, 2022: 9,91,345) shares of Krishna Valley Power Private Limited	**19.91**	19.91
10,42,550 (March 31, 2022: 10,42,550) shares of Sahyadri Renewable Energy Private Limited	**31.46**	31.46
3,55,000 (March 31, 2022: 3,55,000) shares of Vikramaditya Renewable Energy Private Limited	**10.67**	10.67
REC Limited - Bonds (500 Bonds of Rs.10000/- each)	**5.00**	-
Measured at amortised cost		
National Saving Certificates	**0.13**	0.13
	68.47	62.79
Aggregate amount of unquoted securities	**68.47**	62.79
Aggregate amount of quoted securities	**-**	-
Market value of quoted securities	**-**	-
Aggregate amount of impairment in the value of investments	**-**	-

Note 8	As at March 31, 2023	As at March 31, 2022
Other non-current financial assets		
(Unsecured, considered good)		
To other than related parties		
Deposits with banks with more than 12 months maturity	**387.59**	269.89
Deposits		
Security deposits - related parties	**21.91**	20.07
Security deposits - others	**175.03**	86.97
Others	**3.30**	10.11
	587.83	**387.04**

Note 9		
Other non-current assets		
(Secured, unsecured, considered good)		
To other than related parties		
(Unsecured, considered good)		
Capital advances	**171.92**	145.85
Less: Provision for doubtful advances	**(1.80)**	(1.80)
Prepayments [refer note 39 (I)(c)] and note below	**238.44**	199.65
Deferred Finance Expenses	**86.08**	-
	494.64	343.70

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 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Standalone financial statements.The balance of prepaid lease rental in relation to such leasehold land as of March 31, 2023 is Rs.48.54 million (March 31, 2022: Rs.49.74 million).

Note 10		
Inventories		
(valued at lower of cost and net realisable value)		
Hospitality :		
Food, beverages and smokes	**108.16**	86.69
Stores and spares	**1.34**	4.05
Property development :		
Property under development (refer note 50)	**4,159.24**	4,182.32
Less: Provision for impairment (refer note 29a)	**(263.29)**	(429.79)
Property under development	**3,895.95**	3,752.53
Materials at site	**122.27**	89.22
Retail:		
Materials at site	**1.54**	2.48
	4,129.26	3,934.97

Notes to the Revised Consolidated Financial Statements (Continued)

as at March 31, 2023

Note 11
Trade receivables
(Unsecured, considered good, unless otherwise stated)

Trade receivables	**522.00**	328.76
Less: Allowance for doubtful trade receivables	**(13.95)**	(17.96)
Considered good	**508.05**	310.80
Trade receivables	**2.25**	13.34
Less: Allowance for doubtful trade receivables	**(1.65)**	(3.57)
Trade Receivables which have significant increase in Credit Risk	**0.60**	9.77
Trade receivables	**12.58**	12.58
Less: Allowance for doubtful trade receivables	**(12.58)**	(12.58)
Credit Impaired	**-**	-
Unbilled revenue	**81.95**	129.09
Less: Provision for impairment	**(1.09)**	(13.64)
	80.86	115.45
	589.51	436.02

Above balances of trade receivables include balances with related parties (refer note 47)

Trade receivables Ageing Schedule

As at March 31, 2023

Particulars	Unbilled revenue	Outstanding for following periods from due date of Invoice: Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	**80.86**	**490.11**	**18.11**	**8.53**	**3.25**	**1.09**	601.95
Undisputed Trade Receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**0.60**	0.60
Undisputed Trade receivable – credit impaired	**1.09**	**-**	**-**	**-**	**-**	**12.58**	13.67
Disputed Trade receivables - considered good	**-**	**0.87**	**0.04**	**-**	**-**	**-**	0.91
Disputed Trade receivables – which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**1.65**	1.65
Disputed Trade receivables – credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	-
Total	**81.95**	**490.98**	**18.15**	**8.53**	**3.25**	**15.92**	**618.78**

As at March 31, 2022

Particulars	Unbilled revenue	Outstanding for following periods from due date of Invoice: Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	115.45	288.77	5.33	15.45	15.36	0.65	441.01
Undisputed Trade Receivables – which have significant increase in credit risk	-	0.22	-	-	-	-	0.22
Undisputed Trade receivable – credit impaired	13.64	9.72	-	-	1.49	1.37	26.22
Disputed Trade receivables - considered good	-	-	-	-	-	3.68	3.68
Disputed Trade receivables – which have significant increase in credit risk	-	0.06	-	-	-	12.58	12.64
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	129.09	298.77	5.33	15.45	16.85	18.28	483.77

Rs. in million

Note 12 a
Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balance with banks		
- Current accounts	**436.54**	235.92
Cash on hand	**8.00**	9.31
	444.54	245.23

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.

Note 12 b
Bank balances other then cash and cash equivalents

In term deposit accounts (balances held as margin money)	**295.61**	45.21
In term deposit accounts (others)	**479.65**	708.01
	775.26	753.22

- Includes accrued interest of Rs. 20.28 million (March 31, 2022: 8.11 million)

Notes to the Revised Consolidated Financial Statements (Continued)

as at March 31, 2023

Note 13

Other current financial assets	**As at March 31, 2023**	As at March 31, 2022
(Unsecured, considered good)		
To other than related parties		
Export benefits and entitlements	**-**	49.92
Mark to market derivative contracts	**0.75**	-
Deposits		
Security deposits - related parties (refer Note 47)	**14.25**	13.61
Security deposits - others	**6.01**	9.33
Option deposits - related parties (refer Note 47)	**50.00**	50.00
Others	**58.97**	27.77
	129.98	150.63

Note 14

Other current assets		
(Unsecured, considered good)		
To other than related parties		
Advance to suppliers	**117.37**	121.74
Less: Provision for doubtful advances	**(10.73)**	(10.73)
	106.64	111.01
Indirect tax balances/receivable credits	**60.69**	46.46
Unbilled revenue	**656.06**	571.05
Prepayment	**141.88**	165.27
Advances	**1.45**	-
Others	**8.41**	8.10
	975.13	**901.89**

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 15
Share capital Rs. in million

(a) Details of the authorised, issued, subscribed and fully paid-up share capital as below:

Particulars	March 31, 2023	March 31, 2022
(i) Authorised		
229,100,000 (March 31, 2022: 229,100,000) equity shares of the par value of Rs. 10 each	**2,291.00**	2,291.00
(ii) Issued, subscribed and paid-up		
205,024,864 (March 31, 2022: 205,023,864) equity shares of the par value of Rs. 10 each	**2,050.25**	2,050.24
Total	**2,050.25**	2,050.24

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

Particulars	March 31, 2023		March 31, 2022	
	Number	**Amount**	Number	Amount
Equity shares				
Number of equity shares outstanding at the beginning of the year	**20,50,23,864**	**2,050.24**	20,50,23,864	2,050.24
Add:				
Fresh issue (Refer note f)	**1,000**	**0.01**	-	-
Number of equity shares outstanding at the end of the year	**20,50,24,864**	**2,050.25**	20,50,23,864	2,050.24

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

Particulars	March 31, 2023		March 31, 2022	
	No. of Shares held	**% of Holding**	No. of Shares held	% of Holding
Casa Maria Properties LLP	1,64,96,280	8.05%	1,64,96,280	8.05%
Capstan Trading LLP	1,64,95,680	8.05%	1,64,95,680	8.05%
Raghukool Estate Development LLP	1,64,95,680	8.05%	1,64,95,680	8.05%
Touchstone Properties and Hotels Private Limited	1,45,00,000	7.07%	1,45,00,000	7.07%
Anbee Construction LLP	1,31,16,180	6.40%	1,31,16,180	6.40%
Cape Trading LLP	1,31,16,180	6.40%	1,31,16,180	6.40%
K Raheja Private Limited	1,24,00,000	6.05%	1,24,00,000	6.05%
Ivory Properties And Hotels Private Limited*	1,13,51,833	5.54%	1,13,51,833	5.54%
Ravi Raheja	1,03,26,318	5.04%	1,03,26,318	5.04%
Neel Raheja	1,03,26,318	5.04%	1,03,26,318	5.04%
Total	**13,46,24,469**	65.69%	13,46,24,469	65.69%

*Ivory Properties and Hotels Private Limited (Registered owner) holds 7,780,404 Equity Shares for and on behalf of the beneficiaries of Ivory Property Trust, out of its total shareholding of 11,351,833 Equity Shares.

(d) Rights, preferences and restrictions attached to equity shares.

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

(e) Details of shares held by promoters

As at March 31, 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Neel Chandru Raheja	1,03,26,318	-	1,03,26,318	5.04%	0%
	Ravi Chandru Raheja	51,63,159	-	51,63,159	2.52%	0%
	Jyoti Chandru Raheja	77,80,300	-	77,80,300	3.79%	0%
	Sumati Ravi Raheja	51,63,159	-	51,63,159	2.52%	0%
	Ivory Properties And Hotels Private Ltd	35,71,533	-	35,71,533	1.74%	0%
	K Raheja Private Limited	1,24,00,000	-	1,24,00,000	6.05%	0%
	K Raheja Corp Private Limited	37,85,824	-	37,85,824	1.85%	0%
	Touchstone Properties And Hotels Pvt Ltd	1,45,00,000	-	1,45,00,000	7.07%	0%
	Genext Hardware And Parks Private Ltd	8,00,000	-	8,00,000	0.39%	0%
	Cape Trading LLP	1,31,16,180	-	1,31,16,180	6.40%	0%
	Casa Maria Properties LLP	1,64,96,280	-	1,64,96,280	8.05%	0%
	Capstan Trading LLP	1,64,95,680	-	1,64,95,680	8.05%	0%
	Palm Shelter Estate Development LLP	76,92,387	-	76,92,387	3.75%	0%
	Raghukool Estate Developement LLP	1,64,95,680	-	1,64,95,680	8.05%	0%
	Anbee Constructions LLP	1,31,16,180	-	1,31,16,180	6.40%	0%
Total		14,69,02,680	-	14,69,02,680	71.65%	
Total Number of Equity Shares		**20,50,23,864**		**20,50,24,864**		

As at March 31, 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Neel Chandru Raheja	1,03,26,318	-	1,03,26,318	5.04%	0.00%
	Ravi Chandru Raheja	1,03,26,318	-51,63,159	51,63,159	2.52%	-2.52%
	Jyoti Chandru Raheja	-	77,80,300	77,80,300	3.79%	3.79%
	Sumati Ravi Raheja	-	51,63,159	51,63,159	2.52%	2.52%
	Ivory Properties And Hotels Private Ltd	1,13,51,833	-77,80,300	35,71,533	1.74%	-3.79%
	K Raheja Private Limited	1,24,00,000	-	1,24,00,000	6.05%	0.00%
	K Raheja Corp Private Limited	37,85,824	-	37,85,824	1.85%	0.00%
	Touchstone Properties And Hotels Pvt Ltd	1,45,00,000	-	1,45,00,000	7.07%	0.00%
	Genext Hardware And Parks Private Ltd	8,00,000	-	8,00,000	0.39%	0.00%
	Cape Trading LLP	1,31,16,180	-	1,31,16,180	6.40%	0.00%
	Casa Maria Properties LLP	1,64,96,280	-	1,64,96,280	8.05%	0.00%
	Capstan Trading LLP	1,64,95,680	-	1,64,95,680	8.05%	0.00%
	Palm Shelter Estate Development LLP	76,92,387	-	76,92,387	3.75%	0.00%
	Raghukool Estate Developement LLP	1,64,95,680	-	1,64,95,680	8.05%	0.00%
	Anbee Constructions LLP	1,31,16,180	-	1,31,16,180	6.40%	0.00%
Total		14,69,02,680	-	14,69,02,680	71.65%	
Total Number of Equity Shares		20,50,23,864		20,50,23,864		

f) Employee stock option plan
Number of shares reserved for ESOP is 1,350,831.
Term attached to stock options granted to employees are described in note 48.

Notes to the Revised Consolidated Financial Statements (Continued)

as at March 31, 2023

Rs. in million

Note 16	As at March 31, 2023	As at March 31, 2022
Other equity		
Equity Component of Compound Instruments		
Balance at the beginning of the year	**438.33**	373.48
Add: Additions during the year	**95.67**	64.85
At the end of the year	**534.00**	438.33
ESOP reserve		
Balance at the beginning of the year	**23.87**	32.29
Add: Additions during the year	**78.98**	1.02
Less: Transferred to retained earnings	**0.17**	9.44
At the end of the year	**102.68**	23.87
Securities premium		
Balance at the beginning of the year	**10,269.19**	10,269.19
Add: Premium on issued equity shares	**0.31**	-
At the end of the year	**10,269.50**	10,269.19
General reserve		
Balance at the beginning of the year	**1,071.96**	1,071.96
At the end of the year	**1,071.96**	1,071.96
Capital reserve		
Balance at the beginning of the year	**84.99**	84.99
At the end of the year	**84.99**	84.99
Retained earnings		
Balance at the beginning of the year	**(526.04)**	278.31
Add: Profit / (Loss) for the year	**1,828.68**	(813.79)
Add: Other Adjustments	**3.20**	-
Add: Transferred from employee stock option reserve	**0.17**	9.44
Proposed dividend*	**(0.00)**	-
At the end of the year	**1,306.01**	(526.04)
	13,369.14	11,362.30

***Amount less than million**

Nature and purpose of reserves

Equity Component of Compound Instruments

Equity component of Component Instruments comprises of the impact of fair valuation of preference shares issued by the Company and unsecured interest free loan from Promoters-Directors.

Securities premium account

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

General reserve

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

Capital reserve

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

Employee stock option plan reserve

Represents expense recognised towards employee stock option plans issued by the company. (Refer Note 48).

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders. It includes impact of fair valuation of land on transition to Ind AS and are presently not available for distribution to shareholders (net of related tax impact): Rs. 3,710.05 million (March 31, 2022 Rs.3,710.05 million).

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Rs. in million

Note 17
Long-term borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings		
Secured		
Rupee term loans		
i) From bank (refer note A)	**10,811.11**	11,385.24
ii) From financial institutions (refer note A)	**9,023.71**	7,633.46
Foreign currency term loans		
i) From bank (refer note A)	**-**	662.76
Preference share liability		
Non-cumulative redeemable preference shares (refer note B)	**1,858.93**	1,746.67
Unsecured		
From related parties	**383.37**	-
	22,077.12	21,428.13

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 17
Long-term borrowings

A) Terms of repayment

Particulars	Sanction Amount	Loan Outstanding as at March 31, 2023 / March 31, 2022**	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs in million	Rs in million	As at March 31, 2023	As at March 31, 2022		
TERM LOANS- Rupee Loans						
Standard Chartered Bank	2,000.00	(1,295.42)	7.75% to 7.85%	8.80% to 7.75%	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.
HDFC Bank Ltd*	2,500 (Term loan - Rs.2,300 million with Rs 200 million OD as a sub-limit of term loan)	2008.00 (2235.13)	7.55% to 8.20%	7.75% to 7.55%	Repayable in quarterly 30 instalments from December 2021 to March 2029.	
HSBC Ltd	1,150 (Term loan - Rs.1,130 million with Rs 20 million OD as a sub-limit of term loan)	931.98 (1010.01)	7.05% to 8.50%	7.90% to 7.05%	Repayable in monthly installments starting from January 2020 to December 2029.	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.

*The bank has confirmed that no event of default has been called due to the breach of covenants during the year 2022-23.

Particulars	Sanction Amount	Loan Outstanding as at March 31, 2023 / March 31, 2022**	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. in million	Rs. in million	As at March 31, 2023	As at March 31, 2022		
ICICI Bank Ltd	3,080 (Term Loan - Rs. 2,285 million with Rs. 300 million OD as a sub-limit of term loan)	(1,336.57)	8.25%	8.40% to 8.25%	Repayable quarterly instalment starting from December 2017 to September 2025. This loan fully paid on April 22.	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.
Standard Chartered Bank	645.00	645.16 (645.16)	6.66% to 8.94%	6.66%	Repayable in 48 monthly installments starting October, 2023	It is secured by (i) Second Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii)Second 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.
HDFC Bank Ltd	1,350.00	1360.06 (1357.45)	6.60% to 9.00%	6.50%	Repayable in 48 monthly installments starting July, 2023	

Particulars	Sanction Amount	Loan Outstanding as at March 31, 2023 / March 31, 2022**	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. in million	Rs. in million	As at March 31, 2023	As at March 31, 2022		
Standard Chartered Bank	900 (Term Loan - Rs. 750 million and OD Rs. 150 million)	(626.18)	7.40% to 7.65%	8.80% to 7.40%	Repayable monthly instalment over 144 months starting from July 2017 to July 2029. This loan was fully paid on March 2023.	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.
ICICI Bank Ltd	2,500.00	2346.67 (2455.42)	8.30% to 8.70%	8.45% to 8.30%	Repayable in 36 Quarterly installments starting from Jan-22	First pari passu charge on the immovable & movable fixed assets of the Marriott hotel, Bengaluru ("Hotel") First pari passu charge on current assets of the Hotel First pari passu charge on receivables of the Hotel
ICICI Bank Ltd	1,900.00	447.20 (653.68)	8.25% to 8.60%	8.40% to 8.25%	Repayable quarterly instalment from September 2016 to June 2025.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield.
Federal Bank	3,000.00	2,976.13	8.30%	-	Bullet repayment in February, 2024	First and exclusive charge on immovable and movable property and receivables pertaining to commercial properties located in Whitefield, Bangalore
Axis Bank Ltd	4500 (Term loan - 420 million with Rs.300 million OD as a sub-limit of term loan)	964.07	8.95%	-	Repayable in quarterlu installments starting from Jane 2023 to March 2033.	First and exclusive charge on immovable and movable property and receivables pertaining to Westin Hyderabad hotel
DBS Bank Ltd	132.00	1,259.45	7.45%	-	Repayable in Monthly instalments from July 2022 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present and future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Axis Bank Ltd	120.00	(6.40)	0.13	12.65%	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024. The loan is fully repaid in May 2022.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company. iii. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and
DBS Bank Ltd	3,250(Term Loan - Rs. 2,900 million, DSRA OD Rs.150 million and OD Rs. 200 million)	2492.17 (2,656.83)	7.00% to 7.45%	7.85% to 7.00%	Repayable in Monthly instalments from April 2020 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present and future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Bajaj Finance Ltd	5,000.00	426.40 (456.26)	7.00% to 7.45%	7.85% to 7.02%	Repayable in Monthly instalments from April 2020 to Sept 2025.	

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Particulars	Sanction Amount	Loan Outstanding as at March 31, 2023 / March 31, 2022**	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. in million	Rs. in million	As at March 31, 2023	As at March 31, 2022		
From Financial Institutions						
Housing Development Finance Corporation Limited	1,350.00	132.80 (340.60)	6.75% to 9.35%	7.50% to 6.75%	Repayable in 120 monthly instalment from loan drawn out date i.e, October 2014.	It is secured by (i) Exclusive charge on immovable property and receivables at Four Points By Sheraton, Vashi (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Four Points By Sheraton, Vashi (iii) Guarantee by related party.
Housing Development Finance Corporation Limited	2,500 (Line of Credit)	1200 (1,600.00)	6.75% to 9.25%	7.50% to 6.75%	Line of credit to be reduced every year starting 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	2,000.00	1996.63 (1996.00)	6.75% to 9.35%	6.75%	Loan to be repaid in Equated Monthly Installments over a period of 120 months starting April 2024	It is secured by (i) Exclusive 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.
International Financial corporation (IFC)	375.00	1,983.31	7.27% to 9.49%	-	Semi annual repayments from Jul-24 to Jan-32.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations.
Housing Development Finance Corporation Limited	3,600.00	1129.96 (1,598.62)	6.75% to 9.35%	7.50% to 7.20%	Repayable in 120 monthly instalment from loan drawn out date i.e, December 2015.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Westin Hotel (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Westin Hotel.
Housing Development Finance Corporation Limited	6,000.00	3268.25 (2765.16)	7.25% to 9.85%	7.95% to 7.25%	Loan to be repaid in Equated Monthly Installments over a period of 120 months starting July 2026	It is secured by (i) Exclusive charge charge on immovable property and receivables (both present and future) from Commercial project located in Powai (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 project located in Powai

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Particulars	Sanction Amount	Loan Outstanding as at March 31, 2023 / March 31, 2022**	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. in million	Rs. in million	As at March 31, 2023	As at March 31, 2022		
Foreign Currency Loans						
From Banks						
ICICI Bank Ltd - Bahrain	USD 48 million (drawn down USD 12.2 million)	(550.92)	-	4.00% fixed plus 3 month libor	Repayable quarterly from June 2018 to March 2027.This loan was fully paid on April 2022.	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.
Axis Bank Ltd	USD 35 million (drawn down USD 31.15 million)	(887.36)	-	4.5% + 6 months LIBOR	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024.The loan is fully paid in May 2022.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company. iii. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and

Unsecured

From related parties

The Holding Company accorded to raise funds from the Promoters of the Company or their nominees by way of Unsecured Loans or Inter Corporate Deposits or any combination thereof upto an amount not exceeding Rs.1,000 million on an interest-free basis, in accordance with the terms and conditions set out in the Subscription Agreement dated June 4, 2018 and the amendment thereto to be executed between the Company and the Promoters viz. Mr. Ravi C. Raheja and Mr. Neel C. Raheja, if necessary. In this regard, the Group has borrowed Rs. 450 million as at March 31, 2023 (March 31, 2022: Rs.Nil).

** Previous year information are disclose within brackets

There are no material breaches of the covenants associated with the borrowings (referred to above).

As at 31 March 2023

Name of bank	Month	Particulars	Amount as per books of account	Amount as reported in the monthly return/statement	Difference	Reason for material discrepencies
Indian Overseas Bank	Jun-22	Inventory	22.91	23.55	(0.64)	The inventory amount reported in monthly statement are shown at gross level whereas in books it is reported at net level.
Indian Overseas Bank	Sep-22	Inventory	21.13	21.77	(0.64)	
Indian Overseas Bank	Dec-22	Inventory	22.88	22.82	0.06	
Indian Overseas Bank	Mar-23	Inventory	-	-	-	

As at 31 March 2022

Name of bank	Month	Particulars	Amount as per books of account	Amount as reported in the monthly return/statement	Difference	Reason for material discrepencies
Indian Overseas Bank	Jun-21	Inventory	19.62	20.29	(0.67)	The inventory amount reported in monthly statement are shown at gross level whereas in books it is reported at net level.
Indian Overseas Bank	Sep-21	Inventory	18.64	19.28	(0.64)	
Indian Overseas Bank	Dec-21	Inventory	19.55	20.19	(0.64)	
Indian Overseas Bank	Mar-22	Inventory	25.15	25.79	(0.64)	

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023
B) Preference Share Capital

(a) Details of the Authorised, Issued, Subscribed and Paid-up Preference Share Capital as below:

Rs. in million

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Authorised		
1,600 (March 31, 2022: 1600) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each	160.00	160.00
10,000 (March 31, 2022: 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each- Series A	1,000.00	1,000.00
10,000 (March 31, 2022: 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each- Series B	1,000.00	1,000.00
(ii) Issued, Subscribed and paid-up		
1,600 (March 31, 2022: 1600) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each	160.00	160.00
20,000 (March 31, 2022: 20,000) (Series A 10,000 and Series B 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares. Series A: Fully-paid up Rs. 100,000 each (Fully paid up Rs.100,000 each in year ended March 31, 2022) and Series B: Fully-paid up Rs.100,000 each (Partly paid up Rs. 75,000 each in year ended March 31, 2022).	1,698.93	1,586.67
Total	**1,858.93**	1,746.67

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
1,600, 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each				
Number of Preference shares outstanding at the beginning of the year	1,600	160.00	1,600	160.00
Issued during the year	-	-	-	-
Number of Preference shares outstanding at the end of the year	**1,600**	**160.00**	1,600	160.00
10,000 (March 31, 2022: 10,000) (Series A) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and fully paid up of Series A Rs 100,000 each.				
Number of Preference shares outstanding at the beginning of the year	**10,000**	**921.56**	10,000	828.00
Adjustments* / Issued during the year	**-**	**(79.55)**	-	93.56
Number of Preference shares outstanding at the end of the year	**10,000**	**842.01**	10,000	921.56
10,000 (March 31, 2022: 10,000) (Series B) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and fully paid up of Series B Rs. 1,00,000 each.				
Number of Preference shares outstanding at the beginning of the year	10,000	665.11	10,000	206.61
Adjustments* / Issued during the year**	-	191.81	-	458.50
Number of Preference shares outstanding at the end of the year	**10,000**	**856.92**	10,000	665.11
Total	**21,600**	**1,858.93**	**21,600**	**1,746.67**

*Adjustments represents notional interest on debt components of Preferences share
** Call made against issued Series B Non-cumulative, Non-convertible redeemable preference shares

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023
(c) Shareholder holding more than 5% Preference shares in the Group is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each				
Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja*	**1,600**	**100%**	1,600	100%
*Held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust.				
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs.100,000 each subscribed and fully paid up (March 31, 2022:10,000 fully paid up Rs.100,000 each)				
Series A				
Mr Ravi Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
Mr Neel Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
K Raheja Corp Private Limited	**4,500**	**45.00%**	4,500	45.00%
Ivory Properties and Hotels Private Limited	**850**	**8.50%**	850	8.50%
Total	**10,000**	**100%**	10,000	100%
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs.100,000 each subscribed and fully paid up of Rs 1,00,000 each. (March 31, 2022:10,000 partly paid up Rs. 75,000 each)				
Series B				
Mr Ravi Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
Mr Neel Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
K Raheja Corp Private Limited	**4,500**	**45.00%**	4,500	45.00%
Ivory Properties and Hotels Private Limited	**850**	**8.50%**	850	8.50%
Total	**10,000**	**100%**	**10,000**	100%

(d) Rights, Preferences and restrictions attached to preference shares.

The Group has two classes of preference shares having a par value of Rs.100,000 each per share.

1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each.

Rights, Preferences and restrictions attached to 0.00% Non-cumulative redeemable preference shares The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the Group for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of Re.1 per preference share per year.

Preference shares issued by the Group are due for redemption at par. Accordingly, the preference shares are liable to be redeemed at any time at the option of the Group but not later than December 21, 2023.

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

20,000 0.00%(Series A) Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each.

20,000 0.00%(Series B) Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each.

Rights, Preferences and restrictions attached to 0.00 % (Series A & Series B) Non-cumulative, Non-convertible redeemable preference shares

The preference shares do not carry any voting rights.

With respect to the Residential project at Bengaluru ("Project"), w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Group either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0.00% Non-Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Group of Rs. 2,000 million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Group has a paid up preference share capital of Rs. 2,000 million as at March 31, 2023 (March 31, 2022: Rs.1,750.00 million).

The Preference Shares do not carry any voting rights whatsoever in any meetings of the shareholders of the Group or of members of any class of shares of the Group.
Subject to applicable laws, other than the amounts payable for redemption, no amounts shall be payable to the Preference Shareholders, whether by way of dividend or in any other manner whatsoever.

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

During the year ended 31 March 2023 amount of Rs. 1,600/- was proposed as preference dividend to 1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each.

Notes to the Revised Consolidated Financial Statements (Continued)

as at March 31, 2023

Rs. in million

Note 18

Other non-current financial liabilities

	As at March 31, 2023	As at March 31, 2022
Security deposits	**217.34**	128.89
Retention money	**35.40**	6.72
Deferred government grant (refer Note 35)	**-**	23.98
	252.74	159.59

Note 19

Provisions

Provision for gratuity	**82.85**	80.41
	82.85	80.41

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 20
Tax expense

Rs. in million

(a) Amounts recognised in Statement of Profit and Loss for continuing operations

Current income tax expense	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
Current year (Including earlier years)	**178.65**	(37.76)
MAT credit entitlement	**(178.41)**	-
Deferred tax expense /(credit)	**895.15**	(681.77)
Tax charge/ (credit) for the year	**895.39**	(719.53)

(b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	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	**(7.51)**	**2.87**	**(4.64)**	1.65	(0.15)	1.50
	(7.51)	**2.87**	**(4.64)**	1.65	(0.15)	1.50

(c) Reconciliation of effective tax rate for continuing operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit /(Loss) before tax	**2,728.29**	(1,534.22)
Group's domestic tax rate	**34.94%**	34.94%
Tax using the Company's domestic tax rate	**953.37**	(536.12)
Tax effect of:		
Recognition of deferred tax on previously unrecognised tax losses	**-**	1.74
Expenses not allowed under tax	**112.46**	40.85
Standard deduction	**(84.05)**	(89.21)
Indexation of land and investment property	**(158.80)**	(125.58)
Provision for cost escalation	**-**	-
Consolidation Adjustments	**(9.93)**	26.55
Others	**82.10**	-
	895.15	(681.77)

The Group weighted average tax rates for years ended March 31, 2023 and March 31, 2022 is 32.81 % and 44.44 %, respectively.

Tax expenses (Continued)

(e) Movement in deferred tax balances

Movement in deferred tax balances for the year ended March 31, 2023 — **Rs. in million**

Particulars	**Net balance as at March 31, 2022**	**Recognised in profit or loss credit/(charge)**	**Recognised in OCI**	**Recognised in equity**	**Others**	**Net balance as at March 31, 2023**
Deferred tax asset/(liabilities)						
Property, plant and equipment	(2,774.44)	161.72	-	-	-	(2,612.72)
Investment property	192.95	39.26	-	-	-	232.21
Assets classified as held for sale	0.05	(0.05)	-	-	-	-
Real estate inventory	(20.24)	-	-	-	-	(20.24)
Expenditure on specified business u/s 35 AD	2,592.68	(127.64)	-	-	-	2,465.04
Investments	-	-	-	-	-	-
Provisions	322.06	(238.39)	2.87	-	-	86.54
Borrowings	(38.26)	10.60	-	-	-	(27.66)
Other current liabilities	145.26	(7.07)	-	-	-	138.19
Other current assets	(199.55)	(34.70)	-	-	-	(234.25)
Unabsorbed depreciation/ carry forward tax losses	1,357.11	(675.65)	-	-	-	681.46
Unabsorbed losses on House property	416.11	(19.16)	-	-	-	396.95
Employee Stock Option	4.47	-	-	-	-	4.47
Inventory	11.35	-	-	-	-	11.35
Right of use assets and lease liability	14.70	8.80	-	-	-	23.50
MAT Credit Entitlement	195.00	(16.59)	-	-	-	178.41
Other items	121.51	0.85	-	-	-	121.72
Deferred tax assets/(liabilities)	**2,340.76**	**(898.02)**	**2.87**	**-**	**-**	**1,444.97**

Rs. in million

Particulars	**Net balance as at March 31, 2023**
Deferred tax assets	1,444.97
Deferred tax liabilities	-
Net deferred tax assets	**1,444.97**

Movement in deferred tax balances for the year ended March 31, 2022 — **Rs. in million**

Particulars	**Net balance as at March 31, 2021**	**Recognised in profit or loss credit/(charge)**	**Recognised in OCI**	**Recognised in equity**	**Others**	**Net balance as at March 31, 2022**
Deferred tax asset/(liabilities)						
Property, plant and equipment	(2,915.50)	141.06	-	-	-	(2,774.44)
Investment property	138.58	54.37	-	-	-	192.95
Assets classified as held for sale	0.05	-	-	-	-	0.05
Real estate inventory	(20.24)	-	-	-	-	(20.24)
Expenditure on specified business u/s 35 AD	2,165.89	426.79	-	-	-	2,592.68
Investments	-	-	-	-	-	-
Provisions	411.85	(89.64)	(0.15)	-	-	322.06
Borrowings	(15.53)	(22.73)	-	-	-	(38.26)
Other current liabilities	145.26	-	-	-	-	145.26
Other current assets	(198.44)	(1.11)	-	-	-	(199.55)
Unabsorbed depreciation/ carry forward tax losses	1,248.05	109.06	-	-	-	1,357.11
Unabsorbed losses on House property	416.82	(0.71)	-	-	-	416.11
Employee Stock Option	2.91	1.56	-	-	-	4.47
Inventory	6.78	4.57	-	-	-	11.35
Right of use assets and lease liability	-	14.70	-	-	-	14.70
MAT Credit Entitlement	195.00	-	-	-	-	195.00
Other items	77.51	44.00	-	-	-	121.51
Deferred tax assets/(liabilities)	**1,658.99**	**681.92**	**(0.15)**	**-**	**-**	**2,340.76**

Rs. in million

Particulars	**Net balance as at March 31, 2022**
Deferred tax assets	2,352.68
Deferred tax liabilities	11.93
Net deferred tax assets	**2,340.75**

Tax expenses (Continued)

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 year over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Deferred tax assets for the carry forward of unused tax losses on business and house property 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 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 business losses can be carried forward for a year of 8 years as per the tax regulations and the Company expects to recover the losses.

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 not recognised deferred tax asset of Rs.1,078.41 million as at March 31, 2023 (March 31, 2022 : Rs.1,773.22 million) on the carried forward lossess of the Group.

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Rs. in million

Particulars	As at March 31, 2023	As at March 31, 2022
Note 21		
Other non-current liabilities		
Deferred finance income	**154.78**	139.80
	154.78	**139.80**
Note 22		
Borrowings		
Secured		
Over draft accounts from banks	**90.24**	13.72
Unsecured		
From related parties	**37.96**	35.99
Buyer's credit	**-**	-
Current maturity of long term debt (refer Note 17)	**5,733.39**	3,861.98
	5,861.59	**3,911.69**

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 22
A) Terms of repayment
Rate of interest

Particulars	Sanction Amount Rs. in million	Carrying rate of Interest As at March 31, 2023	Carrying rate of Interest As at March 31, 2022	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	500 (Including two sub limit of 20 millionn each)	7.25% to 7.90%	9.55% to 7.25%	Renewal every year.	Secured against land parcel admeasuring 6,826 sq. mtrs. at Powai (including future receivables)
ICICI Bank Ltd	3,080 (Term Loan - Rs. 2,285 million with Rs. 300 million OD as a sub-limit of term loan) OD 300 (Including four sublimit - 20 million, 20 million 10 million and 5 millionn)	8.30%	8.35% to 8.30%	Renewal every year and maturity is in September 2026 in line with the Term loan.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
DBS Bank Ltd	3,250(Term Loan - Rs. 2,900 million, DSRA OD Rs.150 million and OD Rs. 200 million)	7.25% to 9.50%	7.2% to 7.25%	Renewal every year and maturity is in September 2025 in line with the Term loan.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.

Note 22
Borrowings *(Continued)*

Particulars	Sanction Amount Rs. in million	Carrying rate of Interest As at March 31, 2023	Carrying rate of Interest As at March 31, 2022	Repayment/ Modification of terms	Security Details
Indian Overseas Bank	50.00	11.55%	11.55%	Renewal every year.	Cash Credit is secured by hypothecation of inventories, crockery, cutlery, and linen held by the Company at its property in Powai, both present and future.
ICICI Bank Ltd	1,900 (Term Loan - 1,530 million and OD 150 million)	8.30% to 9.70%	8.35% to 8.30%	Renewal every year and maturity is in June 2025 in line with the Term loan.	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
HDFC Bank Ltd*	2,500 (Term loan - Rs.2,300 million with Rs 200 million OD as a sub-limit of term loan)	8.25% to 9.60%	8.30% to 8.25%	Overdraft to be reduced on a proportionate basis in line with term loan repayment.	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.
Axis Bank Ltd	4,500 (Term loan - 420 million with Rs.300 million OD as a sub-limit of term loan)	8.95%	-	Overdraft to be reduced in proportion of last 30 Cr repayment of term loan	First and exclusive charge on immovable and movable property and receivables pertaining to Westin Hyderabad hotel
HSBC Ltd	1,150 (Term loan - Rs.1,130 million with Rs 20 million OD as a sub-limit of term loan)	7.40% to 8.85%	8.25% to 7.40%	Renewal every year	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
Standard Chartered Bank	900 (Term Loan - Rs. 750 million and OD Rs. 150 million)	7.25% to 7.70%	7.60% to 7.25%	Overdraft to be reduced on a proportionate basis in line with term loan repayment.	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. 50.00 million

*the bank has confirmed that no event of default has been called due to the breach of covenants during the year 2022-23.

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

From Related Parties

K Raheja Corp Private Limited	NA	8.50%	8.50%	Repayable on demand.	Unsecured

Rs. in million

Note 23	**As at March 31, 2023**	As at March 31, 2022
Trade payables		
Total outstanding dues of micro enterprises and small enterprises and (refer Note 40)	**144.59**	89.83
Total outstanding dues to creditors other than micro enterprises and small enterprises	**1,357.26**	776.95
	1,501.85	866.78

Trade payable Ageing Schedule

Particulars	**Outstanding for following periods from due date of Invoice/Accrual**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Total outstanding dues of micro enterprises and small enterprises	**141.98**	**0.42**	**-**	**-**	**142.40**
Total outstanding dues of creditors other than micro enterprises and small enterprises	**1,201.63**	**73.83**	**36.73**	**44.72**	**1,356.91**
Disputed dues of micro enterprises and small enterprises	**1.62**	**0.57**	**-**	**-**	**2.19**
Disputed dues of creditors other than micro enterprises and small enterprises	**0.22**	**0.08**	**0.05**	**-**	**0.35**
Total	**1,345.45**	**74.90**	**36.78**	**44.72**	**1,501.85**

As at March 31, 2022

Particulars	**Outstanding for following periods from due date of Invoice/Accrual**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Total outstanding dues of micro enterprises and small enterprises	89.08	-	0.04	0.71	89.83
Total outstanding dues of creditors other than micro enterprises and small enterprises	696.43	50.94	21.74	7.84	776.95
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	785.51	50.94	21.78	8.55	866.78

Note 24
Current - Other financial liabilities

Creditors for capital expenditure		
- Total outstanding dues of micro enterprises and small enterprises and (refer Note 40)	**376.41**	77.04
- Total outstanding dues to creditors other than micro enterprises and small enterprises	**409.52**	303.94
Retention payable	**94.62**	43.82
Proposed Dividend* [refer note 17(d)]	**0.00**	-
Security deposits	**35.62**	85.27
Mark to market derivative contracts	**-**	12.18
Other liabilities	**130.84**	101.53
	1,047.01	623.78

Amount less than million

Note 25
Other current liabilities

Income received in advance (unearned revenue)		
Advances from customers towards sale of residential flats	**1,664.42**	1,660.47
Advances from customers towards hospitality services	**251.48**	151.77
Deferred finance income	**4.15**	4.41
Statutory dues payable*	**294.52**	300.07
	2,214.57	2,116.72

*Statutory dues payable includes ESIC, TDS payable , provident fund payable, indirect taxes payable etc.

Note 26
Short-term provisions

Provision for gratuity	**42.43**	33.70
Provision for compensated absences	**52.75**	44.65
Provision for estimated / actual cancellation and alteration cost (Refer foot note).	**13.26**	773.74
	108.44	852.09

Notes to the Revised Consolidated Financial Statements (Continued)

as at March 31, 2023

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 Holding Company's Bengaluru residential project. Pursuant to an interim order passed by the Karnataka High Court, in the petition filed by the Holding Company, the Holding 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 Holding Company suspended revenue recognition based on the percentage completion method after financial year ended 31 March 2014. Further, in case of cancellations subsequent to 31 March 2014, the Holding Company reversed the revenue and derecognised margins in the respective year of cancellation. The Holding Company also recompensed flat owners, in accordance with mitigation plans framed by the Holding Company on account of the delay in completion of the project.

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

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

By Judgement dated 29 May 2020 the Karnataka High Court had allowed the writ petition in part, quashing the cancellation of the NOC and remanding back the matter to HAL for re-survey in a time bound manner and thereafter to proceed in accordance with law. The Holding Company and HAL after discussions, signed terms for an amicable settlement of all the disputes between the parties, as per which the Holding Company would undertake demolition of already constructed structures above 932 meters Above Mean Sea Level 'AMSL'. Final orders in the matter have been passed by the Hon'Ble Karnataka High Court on 26 October 2021 as per the said settlement terms and consequently, the litigation stands disposed. Demolition work of the area above 10th floor for all the 9 buildings has been completed in April 2022, and the NOC from HAL and approval from BBMP has been received.
The Holding Company has also received approval for modification of the plan and extension for RERA completion deadline.
During the year, on account of various approval in place, the Management has considered reversal of earlier created provision for interest in relation to potential cancellation for the said flats above 10th floor amounting to Rs 584.82 million and same is included in provision utilised during the year.

Movement for provision for estimated / actual cancellation and alteration cost — **Rs. in million**

Particulars	**As at March 31, 2023**	As at March 31, 2022
Provision for cost of alteration of super structure	**-**	161.15
Provision for estimated/actual cancellation		
Opening balance	**612.59**	585.35
Provisions made during the year*	**20.19**	73.83
Provisions utilised/reversed during the year	**(619.52)**	(46.59)
Closing balance	**13.26**	612.59
Total	**13.26**	773.74

*Include provision for demolition of Bengaluru Multiplex and Inorbit Mall into Bengaluru Commercial

Chalet Hotels Limited

Notes to the Revised Consolidated Financial Statements (Continued)

for the year ended March 31, 2023

Rs. in million

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Note 27		
Revenue from operations from Continuing operations		
(a) Sale of services		
Hospitality:		
Room income	**6,157.02**	2,195.09
Food, beverages and smokes	**3,385.90**	1,565.44
Others services	**741.77**	297.79
Rental/Annuity Business:		
Lease rent	**886.78**	933.64
(b) Sale of products		
Real estate:		
Sale of residential flats	**-**	-
Rental/Annuity Business:		
Maintenance and other recoveries	**95.81**	70.95
Revenue from other services	**17.39**	15.16
	11,284.67	5,078.07

Chalet Hotels Limited

Notes to the Revised Consolidated Financial Statements (Continued)

for the year ended March 31, 2023

Rs. in million

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Note 28		
Other income		
Interest income from instruments measured at amortised cost	**316.30**	57.13
Net mark to market gain on derivative contracts	**2.32**	2.00
Export benefits and entitlements (refer note 35)	**36.91**	59.42
Profit on sale of investments (net)	**1.99**	0.12
Profit on sale of property, plant and equipment (net)	**5.78**	3.66
Interest on income tax refund	**30.76**	26.85
Miscellaneous income	**100.81**	70.14
	494.87	219.32

Rs. in million

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Note 29 a		
Real estate development cost		
(i) Real estate development cost	**85.06**	221.66
	85.06	**221.66**
(ii) Changes in inventories of finished good and work in progress		
Opening project work in progress	**4,129.12**	4,114.78
	4,129.12	4,114.78
Add:		
Incurred during the year	**117.72**	1.54
Impairment of super structure cost	**(350.89)**	-
Less: Closing stock		
Transferred to property under development project	**3,895.95**	4,129.12
	-	(12.80)
Note 29 b		
Food and beverages consumed*		
Food and beverages materials at the beginning of the year	**86.69**	77.03
Purchases	**1,020.66**	548.29
Food and beverages materials at the end of the year	**108.16**	86.69
	999.19	538.63

*Includes complimentaries Rs 77.39 million (March 31, 2022: Rs.48.43 million)

Rs. in million

Note 29 c

Operating supplies consumed

Purchases	**392.66**	243.76
	392.66	243.76

Note 30

Employee benefits expense

Salaries, wages and bonus	**1,214.81**	840.53
Contributions to provident fund and other funds	**68.36**	49.40
Staff welfare expenses	**148.81**	108.81
Employee stock option expense (Refer Note 48)	**78.98**	1.02
	1,510.96	999.76

Note 31

Finance costs

Interest expenses	**1,538.43**	1,424.34
Exchange differences regarded as an adjustment to borrowing cost	**4.46**	18.49
Other borrowing cost	**1.85**	1.30
	1,544.74	1,444.13

Note 32

Other expenses

Travelling and conveyance expenses	**25.47**	7.41
Power and fuel *	**647.34**	462.88
Rent	**29.37**	24.20
Repairs and maintenance		
- Buildings	**171.67**	40.29
- Plant and machinery	**239.25**	156.86
- Others	**108.64**	45.37
Insurance	**42.31**	39.86
Rates and taxes	**292.42**	275.38
Business promotion expenses	**359.05**	115.60
Commission	**275.96**	100.15
Royalty and management fees	**510.56**	141.76
Legal and professional charges	**234.37**	137.07
Other hotel operating cost	**276.06**	147.43
Bad debt written off	**6.55**	0.22
Provision for doubtful debts	**-**	5.24
Loss on foreign exchange fluctuation (Net)	**25.86**	16.15
Donations	**0.02**	0.02
Director sitting fees	**4.13**	4.52
Payment to auditors (Refer Note 41)	**17.18**	13.20
Buyout labour & manpower contract	**334.34**	147.36
Corporate social responsibility expenses	**0.81**	0.66
Acquisition related cost (refer note 38)	**21.31**	-
Sunk cost	**-**	77.16
Miscellaneous expenses ***	**145.96**	143.50
	3,768.63	2,102.29

*Net of Rs. 1.88 million (March 31, 2022: Rs. 12.25 million) on account of recoveries.

***Net of Rs 2.75 million (March 31, 2022: Rs. 1.57 million) on account of recoveries.

Notes to the Revised Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

Note 33 **Rs. in million**

Exceptional items

	For the year ended March 31, 2023	For the year ended March 31, 2022
Exceptional items (refer note 26)		
-Provision for impairment loss on Inventories	**(184.38)**	-
-Reversal of provision for cost of alteration of super structure cost	**22.64**	-
-Provision for estimated cost in relation to potential cancellation	**-**	(44.58)
-Reversal of provision for estimated cost in relation to potential cancellation	**584.82**	-
Total	**423.08**	(44.58)

Notes to the Revised Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

Note 34
Earnings Per Share (EPS)

Rs. in million

Particulars	**March 31, 2023**	March 31, 2022
Profit / (Loss) attributable to equity shareholders from Continuing operations	**1,833.32**	(749.92)
Profit / (Loss) attributable to equity shareholders from Discontinued operations	**-**	(65.37)
Profit / (Loss) attributable to equity holders of the Company	**1,833.32**	(815.29)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**20,50,23,864.00**	20,50,23,864.00
Add: Shares issued during the year	**1,000.00**	-
Number of equity shares outstanding at the end of the year	**20,50,24,864.00**	20,50,23,864.00
Weighted average number of equity shares outstanding during the year	**20,50,24,433.86**	20,50,23,864.00
Total Number of potential Equity Shares	**94,600.67**	**-**
Weighted average number of equity shares outstanding during the year(Diluted)	**20,51,19,034.53**	20,50,23,864.00
Earnings per equity share - Continuing operations (Face value of Rs 10 each)		
Basic	8.94	(3.66)
Diluted	8.94	(3.66)
Earnings per equity share - Discontinued operations (Face value of Rs 10 each)		
Basic	-	(0.32)
Diluted	-	(0.32)
Earnings per equity share - Continuing and Discontinued operations (Face value of Rs 10 each)		
Basic	8.94	(3.98)
Diluted	8.94	(3.98)

Note:
Weighted average number of shares is the number of equity shares outstanding at the beginning of the year/ year adjusted by the number of equity shares issued during year/ year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
The impact of dilution on account of ESOP will not be considered if they are anti-dilutive.

Note 35

Government grant **Rs. in million**

Export Promotion Capital Goods (EPCG) scheme
The Group under the EPCG scheme receives a grant from the Government towards import of capital goods without any levy of import duty. The Group has an obligation towards future exports of the Group.
The Group has recognised a deferred grant at the point of waiver of import duty in relation to import of capital goods. Given that the grant is conditional on fulfillment of future export obligation, the same is treated as a revenue grant and is accordingly recognised in the revised Statement of Profit and Loss on fulfilment of such obligation.

Particulars	**March 31, 2023**	March 31, 2022
Opening Balance	**23.98**	-
Grants received during the year	**12.93**	33.40
Less: Released to Revised Statement of Profit and Loss	**(36.91)**	(9.42)
Closing balance	-	23.98

Served from India scheme (SFIS)/Service exports from India scheme (SEIS)
The Group under SFIS / SEIS receives an entitlement / credit to be sold separately (only in case of SEIS) or utilised against future imports.
The Group recognises income in respect of duty credit entitlement arising from export sales under the SFIS/SEIS of the Government of India in the year of exports, provided there is no significant uncertainty regarding the entitlement and availment of the credit and the amount thereof. Export credit entitlement can be utilized within specified benefit year, by way of adjustment against duties payable on purchase of capital equipments, spare parts and consumables or sale of such licenses.

Particulars	**March 31, 2023**	March 31, 2022
Opening balance	**49.92**	-
Grants received during the year	-	50.00
Less: Utilisation	**(49.92)**	(0.08)
Less: Written off	-	-
Closing balance	-	49.92
Income recognised in Revised Statement of Profit and Loss on account of EPCG (A)	**36.91**	9.42
Income recognised in Revised Statement of Profit and Loss on account of SFIS/SEIS (B)	-	50.00
Total income recognised in the Revised Statement of Profit and Loss (A+B)	**36.91**	59.42

Note 36 **Rs. in million**

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 Revised Consolidated Statement of Profit and Loss during the year in which the employee renders the related service. There are no further obligations other than the contributions payable to the approved trusts/appropriate authorities.

The Group has recognised the following amounts in the Revised Consolidated Statement of Profit and Loss for the year.

Particulars	**March 31, 2023**	March 31, 2022
Employer's contribution to Provident Fund and ESIC	**68.36**	49.40
	68.36	49.40

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:

(i) Hotel division of holding company (Westin, Hyderabad) where fund is maintained with Life Insurance Corporation of India.
(ii) One of the subsidiary company (Corporate office) 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, 2023. 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, 2023**	March 31, 2022
Defined benefit obligation	**125.28**	114.11
Less: Fair value of plan assets	**(3.43)**	(3.43)
Net defined benefit obligation	**121.85**	110.68

Fair value of the plan assets and present value of the defined benefit obligation

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

	Particulars	**March 31, 2023**	March 31, 2022
1	**Movement in defined benefit obligation:**		
	At the beginning of the year	**114.11**	109.50
	Current service cost	**9.13**	12.48
	Interest cost	**5.87**	4.55
	Recognised in other comprehensive income	**-**	(0.42)
	Due to change in demographic assumptions	**(8.99)**	0.64
	Due to change in financial assumptions	**3.76**	(3.27)
	Due to experience	**12.74**	0.98
	Benefit paid	**(11.34)**	(10.35)
	At the end of the year	**125.28**	114.11
2	**Movement in fair value of plan assets:**		
	At the beginning of the year	**3.43**	3.38
	Interest income	**0.05**	0.04
	Expected return on plan assets	**(0.05)**	0.02
	At the end of the year	**3.43**	3.43
3	**Recognised in profit or loss**		
	Current service cost	**9.09**	10.24
	Interest expense	**5.87**	4.70
	Interest income	**0.05**	0.04
	For the year	**14.91**	14.90
4	**Recognised in other comprehensive income**		
	Actuarial (gains)/losses on obligations	**7.51**	(1.65)
	For the year	**7.51**	(1.65)
5	**Plan assets for this Fund are insurance funds. (100%)**		

Note 36
Employee benefits (Continued)

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

Employees of Chalet Hotels Limited

Particulars	**March 31, 2023**	March 31, 2022
Rate of increase in salaries (%)	**8 - 9%**	5 - 9%
Discount rate (%)	**7.2 - 7.29%**	4.56 - 5.15%
Employee turnover rate	**24-60%**	22-56%
Mortality rate during employment	**Indian Assured Lives Mortality 2012-14 (Urban)**	Indian Assured Lives Mortality 2012-14 (Urban)

7 **Sensitivity of the defined benefit obligation**

Particulars	**March 31, 2023**		March 31, 2022	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(2.88)**	**3.08**	(2.91)	3.12
Rate of increase in salaries (1% movement)	**3.00**	**(2.86)**	3.01	(2.86)
Rate of employee turnover (1% movement)	**(0.40)**	**0.41**	(0.55)	0.58

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

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

8 Expected contributions to gratuity fund for the year ended March 31, 2024 is Rs. 39.80 million (March 31, 2023): Rs. 31.14 million

9 **The expected future cash flows as at March 31, 2023 were as follows**

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
March 31, 2023	**39.80**	**24.00**	**48.18**	**30.55**	**142.53**
Defined benefit obligation (gratuity - non funded)	**37.52**	**22.85**	**47.14**	**30.37**	**137.87**
Defined benefit obligation (gratuity)	**2.28**	**1.15**	**1.04**	**0.18**	**4.65**
March 31, 2022	31.14	21.93	42.35	27.63	123.05
Defined benefit obligation (gratuity - non funded)	29.05	20.71	41.00	27.35	118.10
Defined benefit obligation (gratuity)	2.09	1.22	1.36	0.28	4.95

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

Compensated absences, classified as long term benefits is recognised as an expense and included in “Employee benefits expense” in the Revised Consolidated Statement of Profit and Loss during the year. The following table provides details in relation to compensated absences.

Particulars	**March 31, 2023**	March 31, 2022
Expenses for the year	**14.94**	5.81
Closing balance	**52.75**	44.65

Note 37

Leases

A. Leases as lessor (Operating lease)

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

i) Amount recognised in the Revised Consolidated Statement of Profit and Loss :

Rs. in million

Description	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Income from lease of shops in hotels included in revenue from operations	**0.18**	5.81
Income from lease of office premises included in revenue from operations	**886.78**	933.64
Total	**886.96**	939.45

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

Future minimum lease receivables	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Less than one year	**2.81**	8.55
Between one and five years	**13.51**	23.91
More than five years	**284.31**	285.35
	300.63	317.81

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

Future minimum lease receivables	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Less than one year	**862.79**	745.46
Between one and five years	**3,682.69**	3,243.81
More than five years	**1,300.86**	2,177.74
Total	**5,846.34**	6,167.00

Notes to the Revised Consolidated Financial Statements
(Continued)
for the year ended March 31, 2023

Note 37
Leases *(Continued)*
B. Right-of-use assets **(Rs. in million)**

Particulars	March 31, 2023	March 31, 2022
Cost		
Opening Balance	649.09	-
Additions	-	649.09
Disposals	-	-
Balance at March 31, 2023	**649.09**	**649.09**
Accumulated depreciation and impairment		
Opening Balance April 1, 2022	59.54	-
Additions*	64.88	59.54
Disposals	-	-
Balance at March 31, 2023	**124.42**	**59.54**

* During the year depreciation of Rs 27.14 million (31st March 2022 - Rs. 43.24 million) has been charged to revised Consolidated Statement of Profit and loss Account.

Carrying amounts		
Balance at March 31, 2023	**524.67**	**589.55**
Lease Liabilities		
Balance at April 1, 2022	631.17	-
Additions	-	621.20
Less:Disposals	-	-
Add: Interest Expense on lease Liabilities	48.97	46.92
Less: Total cash outflow for leases	88.67	36.95
Balance at March 31,	**591.47**	**631.17**
Long term lease liabilities	548.56	591.47
Short term lease liabilities	42.91	39.70
	591.47	**631.17**

Breakdown of lease expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term lease expense	67.25	11.47
Low value lease expense	6.71	32.49
Total lease expense	**73.95**	43.96

Maturity analysis - Undiscounted

Particulars	Total
Lease liabilities	
Less than 1 year	88.67
Between 1 and 2 years	92.36
2 and 5 years	296.67
Over 5 years	336.17
Total	**812.87**

Notes to the Revised Consolidated Financial Statements (Continued) **Rs. In million**

Note 38

A. Acquisition of The Dukes Retreat Private Limited and Sonmil Industries Hotels Private Limited.

On 23 March 2023, the Group has acquired stake in "The Dukes Retreat Private Limited" (Dukes) and "Sonmil Industries Private Limited" (SIPL) for a complete cash consideration of Rs 829.11 mn and Rs 756.46 mn respectively. Consequent to such acquisition Dukes and SIPL has become the wholly owned subsidiaries of the Group.

The Management has considered 31 March 2023 as acquisition date for the purpose of purchase price allocations/consolidation, since the financial performance of the entities acquired for the period from 23 March 2023 to 31 March 2023 are not material to the consolidated financial performance.

B. Fair value of consideration transferred

The Dukes Retreat Private Limited

Effective purchase consideration of Rs.817.56 mn has been discharged as under :

Particulars	Amount (Rs.)
Equity shares	817.56
Total consideration transferred for Business combination	**817.56**

Sonmil Industries Private Limited

Effective purchase consideration of Rs.746.45 mn has been discharged as under :

Particulars	Amount (Rs.)
Equity shares	746.45
Total consideration transferred for Business combination	**746.45**

C. The Fair Value of identifiable assets acquired and liabilities assumed as on the acquisition date

Particulars	Amount (Rs.)
Non-current assets	
Property, plant and equipment	1,005.76
Financial assets	
Other Investments	-
Total non-current assets	**1,005.76**
Current assets	
Inventories	5.34
Financial assets	
(i) Trade receivables	7.10
(ii) Cash and cash balances*	234.00
(iii) Loans and advances	8.20
Other current assets	0.10
Total current assets	**254.74**
Total Assets	**1,260.50**
EQUITY AND LIABILITIES	
Equity	
Equity share capital	-
Other equity	-
Total equity	-
Liabilities	
Non-current liabilities	
Deferred tax liabilities	
Current liabilities	30.25
Total Liabilities	**30.25**

* Above includes cash and cash equivalents of Rs. 17.53 millions.

D. Amounts recognised as Goodwill and Dukes Brand for:

The Dukes Retreat Private Limited & Sonmil Industries Private Limited

Particulars	Amount (Rs.)
Fair Value of the consideration transferred	1,564.25
Fair Value of the net assets acquired	1,230.25
Goodwill on consolidation	**311.00**
Dukes Brand	**23.00**

E. Acquisition related costs

During the current year, acquisition related costs of Rs.21.31 million had been recognised as acquisition related cost in the revised Consolidated Statement of Profit & Loss. The stamp duty of Rs.0.24 million have been added to cost of investments.

Notes to the Revised Consolidated Financial Statements (Continued)

as at March 31, 2023

Rs. in million

Note 39 (I)
Contingent liabilities and commitments (to the extent not provided for)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Contingent liabilities		
Claims against the Group not acknowledged as debts		
Disputed service tax demands	**69.74**	67.39
Disputed income tax demands	**401.54**	323.51
Disputed VAT demands	**13.08**	13.08
Disputed provident funds demands	**5.80**	5.80
Labour Dispute	**12.21**	12.21
Transportation Charges	**0.08**	0.08
Power Facilitation Agreement	**36.17**	36.17
Contractors Claim	**184.87**	113.77
Performance Guarantees given to Department of Tourism of Kerala	**50.00**	50.00
EPCG obligation	**4.78**	4.34
SFIS/SEIS Scheme	**17.27**	16.73

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 Holding 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). The Holding Company has been operating Four Points By Sheraton, Navi Mumbai, Vashi 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 above standalone financial results. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2023 is Rs. 48.54 million (31 March 2022: Rs. 49.74 million) and carrying value of property, plant and equipment as at 31 March 2023 is Rs. 348.46 million (31 March 2022: Rs. 372.12 million).

d.Show Cause Notice issued by CGST & Central Excise Division, Bhopal in July 2019 with reference to utilisation of SFIS benefits by the Company for purchase of glass and a demand to make payment of Excise Duty of Rs. Nil in million. The Company has filed a reply in the matter, requesting to not precipitate the matter in view of the existing Court Order of Gujarat High Court. Personal Hearings were held on October 10, 2020 on behalf of the Company and former director, Mr. Ramesh Valecha however no orders have been passed.

e. The Group has considered as at March 31, 2023 Rs. 31.41 million (March 31, 2022: Rs. 31.41 million) towards service tax refund receivable against cancellations of flats. One of the company's claim was rejected by the Customs, Excise & Service Tax Appellate Tribunal, Regional Bench, Bangalore on grounds of time limitations. The Company had filed appeal with Honourable High Court of Karnataka in this regard and has received favorable order for same. Based on the High Court order the company has filed application for refund of the said amount with GST authorities.

Note 39 (II) Commitments

	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**1,930.07**	3,154.96

Notes to the Revised Consolidated Financial Statements (Continued)

as at March 31, 2023

Note 40

Total outstanding dues of micro enterprises and small enterprises

During the year, Micro small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same.

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
The amounts remaining unpaid to micro and small enterprises as at the end of the year.		
Principal	**520.95**	166.77
Interest	**0.05**	0.10
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	**-**	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	**-**	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**-**	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	**0.05**	0.10
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**-**	-

Note 41

Payment to auditors

Particulars	**For the year ended March 31, 2023**	For the year ended March 31, 2022
Audit fees	**13.42**	10.51
Tax audit fees	**0.68**	0.50
Other services	**1.74**	1.65
Out of pocket expenses	**1.35**	0.54
Amount debited to Revised Consolidated Statement of Profit and Loss (excluding taxes)	**17.18**	13.20

Chalet Hotels Limited

Notes to the Revised Consolidated Financial Statements (Continued)
for the year ended March 31, 2023

Note 42
Corporate Social Responsibility

Rs. in million

Details of CSR expenditure:	**March 31, 2023**	**March 31, 2022**
a) Gross amount required to be spent by the Company during the year	-	-
b) Amount approved by the Board to be spent during the year	**2.50**	**2.50**
c) Amount spent during the year ending on 31March 2022:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	**0.81**	**0.66**
d) Details related to spent / unspent obligations:	**March 31, 2023**	**March 31, 2022**
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	-	-
iii) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-
	-	-

Details of ongoing project and other than ongoing project
March 31, 2023 **Rs. in million**

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be	ount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	From Company's bank A/c	From Separate CSR Unspent A/c
-	-	-	-	-	-	-

Rs. in million

In case of S. 135(5) (Other than ongoing Project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	0.81	(0.81)

March 31, 2022 **Rs. in million**

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be	ount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	From Company's bank A/c	From Separate CSR Unspent A/c
-	-	-	-	-	-	-

Rs. in million

In case of S. 135(5) (Other than ongoing Project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	0.66	(0.66)

Rs. in million

Note 43

Financial instruments - Fair values and risk management

(A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
March 31, 2023	**FVTPL**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets							
Investment in equity shares	**68.34**		**68.34**	**-**	**-**	**68.34**	**68.34**
Other investments	**-**	**0.13**	**0.13**	**-**	**-**	**-**	**-**
Other non-current financial assets	**-**	**587.83**	**587.83**	**-**	**-**	**-**	**-**
Current financial assets			**-**				
Trade receivables	**-**	**589.51**	**589.51**	**-**	**-**	**-**	**-**
Cash and cash equivalents	**-**	**444.54**	**444.54**	**-**	**-**	**-**	**-**
Other bank balances	**-**	**775.26**	**775.26**	**-**	**-**	**-**	**-**
Other current financial assets	**-**	**129.23**	**129.23**	**-**	**-**	**-**	**-**
Derivative asset	**0.75**	**-**	**0.75**	**-**	**-**	**-**	**-**
	69.09	**2,526.50**	**2,595.59**	**-**	**-**	**68.34**	**68.34**
Non-current financial liabilities							
Borrowings	**-**	**22,077.12**	**22,077.12**	**-**	**-**	**-**	**-**
Other non-current financial liabilities	**-**	**252.74**	**252.74**	**-**	**-**	**-**	**-**
Lease liabilities		**548.56**	**548.56**	**-**	**-**	**-**	**-**
Current financial liabilities			**-**				**-**
Borrowings	**-**	**5,861.59**	**5,861.59**	**-**	**-**	**-**	**-**
Trade payables	**-**	**1,501.85**	**1,501.85**	**-**	**-**	**-**	**-**
Other financial liabilities		**1,047.01**	**1,047.01**	**-**	**-**	**-**	**-**
Lease liabilities	**-**	**42.91**	**42.91**	**-**	**-**	**-**	**-**
	-	**31,331.78**	**31,331.78**	**-**	**-**	**-**	**-**

	Carrying amount			Fair value			
March 31, 2022	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in equity shares	62.66		62.66	-	-	62.66	62.66
Other investments	-	0.13	0.13	-	-	-	-
Others	-	387.04	387.04	-	-	-	-
Current financial assets							
Trade receivables	-	436.02	436.02	-	-	-	-
Cash and cash equivalents	-	245.23	245.23	-	-	-	-
Other bank balances	-	753.22	753.22	-	-	-	-
Loans	-	-	-	-	-	-	-
Other current financial assets	-	150.63	150.63	-	-	-	-
Derivative asset	-	-	-	-	-	-	-
	62.66	1,972.27	2,034.93	-	-	62.66	62.66
Non-current financial liabilities							
Borrowings	-	21,428.13	21,428.13	-	-	-	-
Other non-current financial liabilities	-	159.59	159.59	-	-	-	-
Lease liabilities	-	591.47	591.47		-		-
Current financial liabilities							
Borrowings	-	3,911.69	3,911.69	-	-	-	-
Trade payables	-	866.78	866.78	-	-	-	-
Other financial liabilities	-	611.61	611.61	-	-	-	-
Lease liabilities		39.70	39.70		-		-
Derivative liability	-	12.18	12.18	-	-	-	-
	-	27,621.16	27,621.16	-	-	-	-

Financial instruments - Fair values and risk management *(Continued)*

(i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :
- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach, and for certain equity shares equals to the cost.
- the fair value for the currency swap is determined using forward exchange rate for balance maturity.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. 'The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

The investments included in level 3 of the fair value hierarchy have been valued using the discounted cash flow technique to arrive at the fair value.

(ii) Fair value measurements using significant unobservable inputs (level 3)

Reconciliation of level 3 fair values

	FVTPL Equity shares
Balance at March 31, 2022	62.66
Additions / Deletions during the year	5.68
Balance at March 31, 2023	**68.34**

(iii) Sensitivity analysis

The Group has invested in equity shares of entities engaged in generation of hydro power for securing the supply of renewable energy. The Group does not have any exposure or rights to variable returns. Hence no sensitivity is required for such equity shares.

Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk;
- Market risk;

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 43
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 hospitality business. For other segments the company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

Rs. in million

Particulars	**March 31, 2023**	March 31, 2022
(a) Trade Receivables considered good - Secured;		
(b) Trade Receivables considered good - Unsecured;		
Neither past due not impaired		
Past due not impaired		
Less than 6 months	**571.84**	404.22
More than 6 months	**31.02**	49.22
Total	**602.86**	453.44
(c) Trade Receivables which have significant increase in Credit Risk; and	**2.25**	13.73
(d) Trade Receivables - credit impaired	**13.67**	16.60

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

Particulars	**March 31, 2023**	March 31, 2022
Balance as at March 31, 2022	**47.75**	101.76
Impairment loss recognised / (reversed)	**(77.02)**	(54.01)
Balance as at March 31	**(29.27)**	47.75

(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.

Rs. in million

Note 43

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.

March 31, 2023			Contractual cash flows			
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings (including current maturity of long term debt)	27,810.51	27,810.51	5,661.79	5,608.49	18,887.60	5,792.04
Security deposits	252.74	252.74	-	1.51	70.54	180.68
Current, non derivative financial liabilities						
Borrowings	128.20	1.00	1.00	-	-	-
Trade payables	1,501.85	0.64	0.64	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	1,047.01	1,047.01	1,047.01	-	-	-
Derivative financial assets						
Forward exchange contract (gross settled)						
- Outflow	373.05	373.05	373.05	-	-	-
- Inflow	(369.45)	(369.45)	(369.45)	-	-	-
Total	30,743.91	29,115.49	6,714.03	5,610.00	18,958.14	5,972.72

March 31, 2022			Contractual cash flows			
	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings (including current maturity of long term debt)	25,290.11	25,290.11	3,896.29	4,784.88	15,468.95	5,642.93
Security deposits	159.59	159.59	-	64.80	21.63	73.16
Current, non derivative financial liabilities						
Borrowings	49.71	49.71	49.71	-	-	-
Trade payables	866.78	866.78	866.78	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	623.79	623.79	623.79	-	-	-
Derivative financial assets						
Forward exchange contract (gross settled)						
- Outflow	341.20	341.20	341.20	-	-	-
- Inflow	(328.35)	(328.35)	(328.35)	-	-	-
Total	27,002.83	27,002.83	5,449.42	4,849.68	15,490.58	5,716.09

The Group has sufficient current assets comprising of Trade Receivables, Cash & Cash Equivalents, Other Bank Balances (other than restricted balances), Loans and Other Current Financial Assets to manage the liquidity risk, if any in relation to current financial liabilities.The Group has overdraft facilities, general corporate borrowings, which are used to ensure that the financial obligations are met as they fall due in case of any deficit.

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 43
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 years and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recognised liabilities. The Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

Particulars	Buy / Sell	Currency	Cross Currency	March 31, 2023		March 31, 2022	
Forward contract	Buy	USD	INR	**USD**	**4.5 million**	USD	4.33 million

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

The amounts reflected in the table below represent the exposure to respective currency in Indian Rupees :

Particulars	March 31, 2023			March 31, 2022		
	USD	**EUR**	**GBP**	USD	EUR	GBP
Financial liabilities						
Foreign currency loans (including interest accrued)	**-**	**-**	**-**	1,147.61	-	-
Trade payables	**637.37**	**-**	**0.10**	219.79	-	0.02
	637.37	**-**	**0.10**	1,367.40	-	0.02
Derivatives						
Foreign currency forward exchange contract	**(369.45)**	**-**	**-**	(328.35)	-	-
	(369.45)	**-**	**-**	(328.35)	-	-
Net exposure	**267.92**	**-**	**0.10**	1,039.05	-	0.02

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at 31 March, 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.

Particulars	Profit or loss before tax			
	March 31, 2023		March 31, 2022	
Effect in INR (before tax)	**Strengthening**	**Weakening**	Strengthening	Weakening
USD (1% movement)	**2.68**	**(2.68)**	10.39	(10.39)

Rs. in million

Note 43

Financial instruments – Fair values and risk management *(Continued)*

(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, 2023	NIL
March 31, 2022	NIL

Exposure to interest rate risk
The interest rate profile of the Group's interest-bearing financial instruments is as follows.

Particulars	*Carrying amount*	
	March 31, 2023	March 31, 2022
Fixed-rate instruments		
Non current borrowings		
Non-cumulative redeemable preference shares	**1,858.93**	1,746.67
From related parties	**383.37**	-
Current borrowings		
Loan from related parties other than directors	**37.96**	35.99
Total	**2,280.26**	1,782.66
Variable-rate instruments		
Non current borrowings		
Rupee term loans from banks	**10,811.11**	11,385.24
Rupee term loans from financial institutions	**9,023.71**	7,633.46
Foreign currency term loans from banks	**-**	662.76
Current borrowings		
Cash credit/overdraft accounts from banks	**90.24**	13.72
Current maturity of long term debt	**5,733.39**	3,861.98
Total	**25,658.45**	23,557.16
TOTAL	**27,938.71**	25,339.82

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.

Particulars	**Profit or loss before tax**	
	100 bps increase	**100 bps decrease**
March 31, 2023	**(256.58)**	**256.58**
March 31, 2022	(235.57)	235.57

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Rs. in million

Note 44

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 at is as follows:

Particulars	**March 31, 2023**	March 31, 2022
Total borrowings	**27,938.71**	25,339.82
Less: Cash and cash equivalents	**444.54**	245.23
Less: Bank deposits	**775.26**	753.22
Adjusted net debt	**26,718.91**	24,341.37
Total equity	**15,415.33**	13,409.92
Adjusted net debt to adjusted equity ratio	**1.73**	1.82

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 45 **Rs in million**

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
Rental / Annuity Business *(formerly known as Retail & Commercial)*

B. Information about reportable segments

For the year ended March 31, 2023	Reportable segments					
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Rental / Annuity Business (Discontinued operations) (Refer note 49)**	**Unallocated**	**Total**
Revenue						
External Customers	10,280.91	-	999.99	-	498.64	11,779.54
Inter-segment	-	-	-	-	-	-
Total Revenue	10,280.91	-	999.99	-	498.64	11,779.54
Segment profit / (loss) before tax	3,382.61	273.11	633.96	-	-	4,289.68
Unallocated expenses						
Interest Expenses	-	-	-	-	1,544.74	1,544.74
Depreciation	-	-	-	-	23.25	23.25
Other Expenses	-	-	-	-	492.04	492.04
Total Unallocated Expenses	-	-	-	-	2,060.03	2,060.03
Unallocated income						
Interest Income	-	-	-	-	316.30	316.30
Other Income	-	-	-	-	182.34	182.34
Total Unallocated Income	-	-	-	-	498.64	498.64
Profit before Taxation	-	-	-	-	-	2,728.29
Tax expenses	-	-	-	-	-	895.39
Profit after taxation	-	-	-	-	-	1,832.90
Segment assets	25,018.83	4,179.73	17,471.95	-	2,637.25	49,307.76
Segment liabilities	2,854.34	1,811.00	1,002.01	-	28,225.08	33,892.43
Other disclosures						
Capital expenditure	655.47	-	710.41	-	-	1,365.88
Depreciation and amortisation	944.13	0.42	205.69	-	22.85	1,173.09
Non cash expenses other than depreciation and amortisation	92.95	-	-	-	7.61	100.56

B. Information about reportable segments

For the year ended March 31, 2022	Reportable segments					
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Rental / Annuity Business**	**Rental / Annuity Business (Discontinued operations) (Refer note 49)**	**Unallocated**	**Total**
Revenue						
External Customers	4,099.74	-	1,016.75	33.25		5,149.74
Inter-segment				-		-
Total Revenue	4,099.74	-	1,016.75	33.25	-	5,149.74
Segment profit / (loss) before tax	(306.65)	(283.13)	644.08	(65.37)	-	(11.06)
Unallocated expenses						
Interest Expenses	-	-	-	-	(1,444.13)	(1,444.13)
Depreciation	-	-	-	-	(4.56)	(4.56)
Other Expenses	-	-	-	-	(255.36)	(255.36)
Total Unallocated Expenses	-	-	-	-	(1,704.05)	(1,704.05)
Unallocated income						
Interest Income	-	-	-	-	57.13	57.13
Other Income	-	-	-	-	123.76	123.76
Total Unallocated Income	-	-	-	-	180.89	180.89
Profit before Taxation	-	-	-	-	-	(1,534.22)
Tax expenses						(719.53)
Profit after taxation						(814.69)
Segment assets	21,438.39	3,923.21	14,500.33	-	4,565.09	44,427.01
Segment liabilities	1,845.85	2,504.54	862.50	-	25,804.20	31,017.10
Other disclosures						
Capital expenditure	376.38	0.72	3,844.73	-	1.09	4,222.92
Depreciation and amortisation	968.21	0.21	211.26	-	4.56	1,184.23
Non cash expenses other than depreciation and amortisation	10.62	-	-	75.46	-	86.08

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 46

Details of interests in subsidiaries and associates

Subsidiaries

The details of the Company's subsidiary at March 31, 2023 is set below. The country of incorporation is also the principal place of business.

Name of entity	Country of Incorporation	Shareholding % As on March 31, 2023	Shareholding % As on March 31, 2022
Chalet Hotels & Properties (Kerala) Private Limited	India	**90%**	**90%**
The Dukes Retreat Private Limited (w.e.f 23 March 2023)	India	**100%**	**-**
Sonmil Industries Private Limited (w.e.f 23 March 2023)	India	**100%**	**-**
Chalet Airport Hotel Private Limited (w.e.f 18 August 2022)	India	**100%**	**-**

The Group has not Consolidated investment in below entities as an "Associate" as Management believes that it does not have control nor have any power to participate in financial and operating policy decision of these companies. The Group neither has exposure or rights to variable returns. These investments are solely in order to obtain captive solar power supply for sum of its hotel units.
1) Krishna Valley Power Private Limited
2) Sahyadri Renewable Energy Private Limited

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, 2023	Non-controlling interest March 31, 2022
Chalet Hotels & Properties (Kerala) Private Limited	India	**10%**	10%

The balance attributable towards the non-controlling interest of Chalet Hotels & Properties (Kerala) Private Limited was (Rs.40.39 million) (March 31, 2022 Rs. 36.33 million), Accordingly, disclosures applicable to non-controlling interest have not been provided.

Notes to the Revised Consolidated Financial Statements (Continued)
for the year ended 31 March 2023

Note 47
Related Party Disclosures, as required by Indian Accounting Standard 24 are given below:

List of related parties

Relationship	Name of party 31 March 2023	31 March 2022
Subsidiary	Chalet Hotels & Properties (Kerala) Private Limited	Chalet Hotels & Properties (Kerala) Private Limited
	Chalet Airport Hotel Private Limited (Incorporated on August 18, 2022)	
	The Dukes Retreat Private Limited (w.e.f. March 23, 2023)	
	Sonmil Insudtries Private Limited(w.e.f. March 23, 2023)	
Key Managerial Personnel / Relative (KMP)	Sanjay Sethi -Managing Director & CEO	Sanjay Sethi -Managing Director & CEO
	Milind Wadekar, CFO	Milind Wadekar, CFO
Non- Executive directors/Relative	Ravi C Raheja	Ravi C Raheja
	Neel C Raheja	Neel C Raheja
Independent directors	Arthur De Haast	Arthur De Haast
	Joseph Conrad D'Souza	Joseph Conrad D'Souza
	Hetal Gandhi	Hetal Gandhi
	Radhika Piramal	Radhika Piramal
Other KMP as per Companies Act, 2013	Rajneesh Malhotra, Chief Operating Officer (w.e.f October 28th, 2021)	Rajneesh Malhotra, Chief Operating Officer (w.e.f October 28th, 2021)
	Christabelle Baptista, Company Secrectary	Christabelle Baptista, Company Secrectary
Enterprises Controlled / Jointly controlled by Non-executive directors	Brookfields Agro & Development Private Limited	Brookfields Agro & Development Private Limited
	Cavalcade Properties Private Limited	Cavalcade Properties Private Limited
	Convex Properties Private Limited	Convex Properties Private Limited
	Grange Hotels And Properties Private Limited	Grange Hotels And Properties Private Limited
	Immense Properties Private Limited	Immense Properties Private Limited
	Novel Properties Private Limited	Novel Properties Private Limited
	Pact Real Estate Private Limited	Pact Real Estate Private Limited
	Paradigm Logistics & Distribution Private Limited	Paradigm Logistics & Distribution Private Limited
	Sustain Properties Private Limited	Sustain Properties Private Limited
	Aqualine Real Estate Private Limited	Aqualine Real Estate Private Limited
	Feat Properties Private Limited	Feat Properties Private Limited
	Carin Properties Private Limited	Carin Properties Private Limited
	Asterope Properties Private Limited (erstwhile Flabbergast Properties Private Limited)	Asterope Properties Private Limited (erstwhile Flabbergast Properties 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
	Content Properties Private Limited	Content Properties Private Limited
	Grandwell Properties And Leasing Private Limited	Grandwell Properties And Leasing Private Limited
	K Raheja Corp Investment Managers LLP	K Raheja Corp Investment Managers LLP
Shareholders of the Company	Anbee Constructions LLP	Anbee Constructions LLP
	Cape Trading LLP	Cape Trading LLP
	Capstan Trading LLP	Capstan Trading LLP
	Casa Maria Properties LLP	Casa Maria Properties LLP
	Ivory Properties And Hotels Private Limited	Ivory Properties And Hotels Private Limited
	K. Raheja Corp Private Limited	K. Raheja Corp Private Limited
	K. Raheja Private Limited	K. Raheja Private Limited
	Palm Shelter Estate Development LLP	Palm Shelter Estate Development LLP
	Raghukool Estate Development LLP	Raghukool Estate Development LLP
	Touchstone Properties And Hotels Private Limited	Touchstone Properties And Hotels Private Limited
	Ivory Property Trust	Ivory Property Trust
	Genext Hardware & Parks Private Limited	Genext Hardware & Parks Private Limited
	Jyoti C. Raheja	Jyoti C. Raheja
	Sumati R. Raheja	Sumati R. Raheja
Other Related parties	Imperial Serviced Offices & Property Management Private Limited	Imperial Serviced Offices & Property Management 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 IT Park (Hyderabad) Limited	K Raheja IT Park (Hyderabad) Limited
	Intime Properties Private Limited	Intime Properties Private Limited
	Mindspace Business Parks Private Limited	Mindspace Business Parks Private Limited
	Sundew Properties Limited	Sundew Properties Limited
	Trion Properties Private Limited	Trion Properties Private Limited
	Newfound Properties & Leasing Private Limited	Newfound Properties & Leasing Private Limited
	Nakshtra Logistics Private Limited	Nakshtra Logistics Private Limited
	Praman Properties Private Limited	Praman Properties Private Limited
	Nirankar Properties Private Limited	Nirankar Properties Private Limited
Other Related parties #	Genext Hardware And Parks Private Limited	Genext Hardware And Parks Private Limited
	Gigaplex Estate Private Limited	Gigaplex Estate Private Limited
	Horizonview Properties Private Limited	Horizonview Properties Private Limited
	Inorbit Malls (India) Private Limited	Inorbit Malls (India) Private Limited
	K Raheja Corp Investment Managers LLP	K Raheja Corp Investment Managers LLP
	K Raheja Corp Private Limited	K Raheja Corp Private Limited
	K Raheja Corporate IT Park (Hyderabad) Ltd	K Raheja Corporate IT Park (Hyderabad) Ltd
	K Raheja Pvt Ltd	K Raheja Pvt Ltd
	K.Raheja Corporate Services Private Limited	K.Raheja Corporate Services Private Limited
	Mindspace Business Parks Pvt. Ltd.	Mindspace Business Parks Pvt. Ltd.
	Pact Real Estate Private Limited	Pact Real Estate Private Limited
	Paradigm Logistics & Distribution Pvt. Ltd.	Paradigm Logistics & Distribution Pvt. Ltd.
	Sundew Properties Limited	Sundew Properties Limited
	Sycamore Properties Pvt. Ltd.	Sycamore Properties Pvt. Ltd.
	Trion Properties Private Limited	Trion Properties Private Limited
	Shoppers Stop Ltd.	Shoppers Stop Ltd.
	Inorbit Malls (India) Private Limited	Inorbit Malls (India) Private Limited
# The above mentioned parties are not related to the Company, viz. Chalet Hotels Limited as per the definition under IND AS 24. These parties have been reported on the basis of their classification as Related Party under the Companies Act 2013.		
Member of K. Raheja Corp Group	K Raheja Corporate Services Private Limited	K Raheja Corporate Services Private Limited

Notes to the Revised Consolidated Financial Statements (Continued)
for the year ended 31 March 2023

Note 47
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

Related party disclosures for Year ended 31 March 2023

(Amount in Millions)

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	Sale of Property, Plant & Equipment	-	0.13
2	Sales of services - Rooms income, Food, beverages and smokes	-	22.93
3	Other Income	-	9.58
4	Interest Expenses	-	2.18
5	Other expenses	2.21	213.82
6	Purchase of material	-	1.18
7	Director sitting fees	4.13	-
8	Salaries, wages and bonus (Including Employee stock option)	145.44	-
9	Advance Given	-	0.13
10	Loan Given	5.00	-
11	Loan Refund	5.00	-
12	Loan Taken	450.00	-
13	Equity share capital (Employee stock option exercised)	0.32	-
14	Preference Shares Issued	116.25	133.75
15	Deposit Given	-	0.65
	Balances outstanding as at the year-end	-	-
16	Trade payables	0.05	0.32
17	Trade Receivables	-	4.78
18	Interest Payable	-	12.27
19	Deposit receivable	-	108.59
20	Preference shares outstanding	930.00	1,070.00
21	Loan Payable	450.00	25.69

Notes to the Revised Consolidated Financial Statements (Continued)
for the year ended 31 March 2023

Note 47
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

Significant transactions with material related parties for year ended 31 March 2023

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	**Sale of Property, Plant & Equipment**		
	Trion Properties Pvt Ltd	-	0.13
2	**Sales of services - Rooms income, Food, beverages and smokes**		
	Asterope Properties Private Limited		0.04
	Genext Hardware & Parks P	-	0.06
	Horizon View Properties Ltd	-	0.02
	Inorbit Malls (India) Pvt. Ltd.	-	0.61
	Juhu Beach Resorts Ltd.	-	14.25
	K Raheja Corp Investment Managers LLP	-	0.76
	K Raheja Corp Pvt. Ltd.	-	0.15
	K Raheja Corp Real Estate Pvt. Ltd	-	0.04
	K Raheja Corporate Services Pvt Ltd	-	4.22
	K Raheja IT Park (Hyderabad) Limited	-	0.10
	K Raheja Pvt. Ltd.	-	0.07
	KRC Infrastructure & Projects Pvt. Ltd.	-	0.13
	Mindspace Business Parks Pvt. Ltd.	-	0.30
	New Found Properties And Leasing Pvt Ltd	-	0.04
	Paradigm Logistics & Distribution Private Limited		0.31
	Pact Real Estate Pvt. Ltd.		0.01
	Shoppers Stop Ltd		1.28
	Sundew Properties Limited		0.12
	Sustain Properties Private Limited		0.12
	Sycamore Properties Pvt Limited		0.06
	Trion Properties Pvt Ltd	-	0.24
3	**Other Income**		
	K Raheja Corp Private Limited	-	5.58
	Hillside Investments Private Limited		4.00
4	**Interest Expenses**		
	K Raheja Corp Private Limited		2.18
5	**Other expenses**		
	Arthur De Haast	2.21	-
	Inorbit Malls (India) Pvt. Ltd.	-	0.35
	Juhu Beach Resorts Ltd.	-	1.10
	K Raheja Corp Investment Managers LLP	-	16.35
	K Raheja Corporate Services Pvt Ltd	-	86.81
	KRC Infrastructure & Projects Pvt. Ltd.	-	1.82
	Krishna Valley Power Private Limited	-	0.94
	Shoppers Stop Ltd	-	0.04
	Sundew Properties Limited	-	106.43
	Trion Properties Pvt Ltd	-	(0.03)
6	**Purchase of material**		
	K Raheja IT Park Hyderabad Limited		1.18
7	**Director sitting fees**		
	Arthur De Haast	0.63	-
	Hetal Gandhi	0.85	-
	Joseph Conrad D' Souza	0.90	-
	Neel C.Raheja	0.70	-
	Radhika Dilip Piramal	0.48	-
	Ravi C.Raheja	0.58	-
8	**Salaries, wages and bonus (Including Employee stock option)**		
	Christabelle Baptista	6.54	
	Milind Wadekar	18.24	
	Rajneesh Malhotra	24.84	
	Sanjay Sethi	95.83	
9	**Advance Given**		
	Shoppers Stop Limited		0.13
10	**Loan Given**		
	Milind Wadekar	5.00	-

Note 47
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

11	**Loan Refund**		
	Milind Wadekar	5.00	
12	**Loan Taken**		
	Neel C.Raheja	225.00	-
	Ravi C.Raheja	225.00	
13	**Equity share capital (Employee stock option exercised)**		
	Sanjay Sethi	0.32	-
14	**Preference Shares Issued**		
	Ivory Properties and Hotels Private Limited	-	21.25
	K Raheja Corp Pvt. Ltd.	-	112.50
	Neel C.Raheja	58.13	-
	Ravi C.Raheja	58.13	-
15	**Deposit Given**		
	K Raheja Corporate Services Pvt Ltd	-	0.65
Sr.no	**Particulars**	**Key Management Personnel / Relative/Other directors**	**Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties**
16	**Trade payables**		
	Neel C.Raheja	0.05	-
	Shoppers Stop Ltd	-	0.04
	Inorbit Malls (India) Pvt. Ltd.	-	0.06
	Hillside Investments Private Limited		0.22
17	**Trade Receivables**		
	Juhu Beach Resorts Ltd.	-	2.32
	K Raheja Corp Investment Managers LLP	-	0.31
	K Raheja Corp Pvt. Ltd.	-	0.58
	K Raheja Corp Real Estate Pvt Ltd	-	0.02
	K Raheja Corp Real Estate Pvt. Ltd	-	0.02
	K Raheja Corporate Services Pvt Ltd	-	1.04
	K Raheja Pvt. Ltd.	-	0.02
	Inorbit Malls (India) Pvt. Ltd.		0.09
	Mindspace Business Parks Pvt. Ltd.	-	0.14
	Asterope Properties Private Limited		0.01
	Paradigm Logistics & Distribution Private Limited	-	0.20
	Trion Properties Pvt Ltd	-	0.04
18	**Interest Payable**		
	K Raheja Corp Private Limited		12.27
19	**Deposit receivable**		
	K.Raheja Corporate Services Private Limited	-	14.25
	Mindspace Business Parks Private Limited	-	50.00
	Sundew Properties Limited	-	44.33
20	**Preference shares outstanding**		
	Ivory Properties and Hotels Private Limited	-	170.00
	K Raheja Corp Private Limited	-	900.00
	Neel C.Raheja	465.00	-
	Ravi C.Raheja	465.00	-
21	**Loan Payable**		
	Neel C.Raheja	225.00	
	Ravi C.Raheja	225.00	-
	K Raheja Corp Private Limited		25.69

Notes to the Revised Consolidated Financial Statements (Continued)
for the year ended 31 March 2023

Note 47
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:
Related party disclosures for Year ended 31 March 2022

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	Sale of services - Lease rent	-	4.99
2	Sales of services - Rooms income, Food, beverages and smokes	-	3.39
3	Other Income	-	7.16
4	Other expenses	2.47	90.55
5	Director sitting fees	4.53	-
6	Salaries, wages and bonus	63.42	-
7	Deposit paid	-	1.29
8	Advance Given	-	0.03
9	Preference Shares	232.50	267.50
	Balances outstanding as at the year-end		
10	Trade payables	-	0.57
11	Trade Receivables	-	2.45
12	Deposit receivable	-	107.94
13	Advance Given	-	0.03
14	Preference shares outstanding	813.75	936.25

Notes to the Revised Consolidated Financial Statements (Continued)
for the year ended 31 March 2023

Note 47
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

Significant transactions with material related parties for year ended 31 March 2022

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	**Sale of services - Lease rent**		
	Shoppers Stop Limited	-	4.99
2	**Sales of services - Rooms income, Food, beverages and smokes**		
	Genext Hardware And Parks Private Limited	-	0.01
	Gigaplex Estate Private Limited	-	0.03
	Horizonview Properties Private Limited	-	0.02
	Inorbit Malls (India) Private Limited	-	0.11
	K Raheja Corp Investment Managers LLP	-	0.05
	K Raheja Corp Private Limited	-	0.31
	K Raheja Corporate IT Park (Hyderabad) Ltd	-	0.01
	K Raheja Pvt Ltd	-	0.02
	K.Raheja Corporate Services Private Limited	-	2.49
	KRC Infrastucture And Projects Private Ltd	-	0.03
	Mindspace Business Parks Pvt. Ltd.	-	0.07
	Pact Real Estate Private Limited	-	0.00
	Paradigm Logistics & Distribution Pvt. Ltd.	-	0.01
	Sundew Properties Limited	-	0.02
	Sycamore Properties Pvt. Ltd.	-	0.02
	Trion Properties Private Limited	-	0.19
3	**Other Income**		
	Shoppers Stop Ltd.	-	2.46
	K Raheja Corp Private Limited	-	4.70
4	**Other expenses**		
	Arthur De Haast	2.47	-
	Shoppers Stop Ltd.	-	0.07
	Inorbit Malls (India) Private Limited	-	2.98
	K.Raheja Corporate Services Private Limited	-	43.79
	Sundew Properties Limited	-	43.77
5	**Director sitting fees**		
	Arthur De Haast	0.60	-
	Hetal Gandhi	0.95	-
	Joseph Conrad D' Souza	0.95	-
	Neel C.Raheja	0.68	-
	Radhika Dilip Piramal	0.45	-
	Ravi C.Raheja	0.90	-
6	**Salaries, wages and bonus**		
	Christabelle Baptista	3.16	-
	Milind Wadekar	8.13	-
	Rajib Dattaray	2.90	-
	Rajneesh Malhotra	4.65	-
	Sanjay Sethi	44.58	-
The managerial remuneration paid/payable by the Group for FY 2021-22 is in excess of limits laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act by Rs.47.49 million. During the current year, the term of the Managing Director & CEO ended on 08 February, 2021 and he has been re-appointed by the Board, subject to approval of the shareholders at the next Annual General Meeting. Consequently, proportionate remuneration from 09 February 2021 of Rs.6.63 million is subject to approval of the shareholders.			
7	**Deposit paid**		
	K.Raheja Corporate Services Private Limited	-	1.29
8	**Advance Given**		
	Shoppers Stop Limited	-	0.03
9	**Preference Shares**		
	Ivory Properties and Hotels Private Limited	-	42.50
	K Raheja Corp Private Limited	-	225.00
	Neel C.Raheja	116.25	
	Ravi C.Raheja	116.25	-

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
10	**Trade payables**		
	Inorbit Malls (India) Private Limited	-	0.06
	K.Raheja Corporate Services Private Limited	-	0.51

Notes to the Revised Consolidated Financial Statements (Continued)
for the year ended 31 March 2023

Note 47
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

11	**Trade Receivables**		
	Inorbit Malls (India) Private Limited	-	0.03
	K Raheja Corp Investment Managers LLP	-	0.05
	K Raheja Corp Private Limited	-	0.63
	K Raheja Corp Pvt. Ltd	-	0.70
	K Raheja Corporate IT Park (Hyderabad) Ltd	-	0.01
	K Raheja Pvt Ltd	-	0.02
	K.Raheja Corporate Services Private Limited	-	0.96
	KRC INFRASTUCTURE AND PROJECTS PRIVATE Ltd	-	0.03
	Pact Real Estate Private Limited	-	0.005
	Trion Properties Private Limited	-	0.02
12	**Deposit receivable**		
	K.Raheja Corporate Services Private Limited	-	13.61
	Mindspace Business Parks Pvt. Ltd.	-	50.00
	Sundew Properties Limited	-	44.33
13	**Advance Given**		
	Shoppers Stop Limited	-	0.03
14	**Preference shares outstanding**		
	Ivory Properties and Hotels Private Limited	-	148.75
	K Raheja Corp Private Limited	-	787.50
	Neel C.Raheja	406.88	-
	Ravi C.Raheja	406.88	-

Notes to the Revised Consolidated Financial Statements (Continued)

for the year ended March 31, 2023 **Rs. in million**

Note 48
Employee Stock Option Schemes

Description of share-based payment arrangements:

At March 31, 2023, Company had following share-based payment arrangements:

Employee Stock Option Plan 2018:

The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company. The plan is established is with efffect from 12 June 2018 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (Rs) per share
'Chalet Hotels Limited'-'Amended Employee Stock Option Plan'- 2018	2,00,000	For the Options to vest, the Grantee has to be in employment of the Company on the date of the vesting.	The exercise year for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise.	3 years	26-Jun-18	One year from vesting year	320

Reconciliation of Outstanding share options
The number and weighted-average exercise price of share options under the share option plans are as follows:

Particulars	**March 31, 2023**		March 31, 2022	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	**320**	**1,34,000**	320	2,00,000
Granted during the year	**-**	**-**	-	-
Exercised during the year	**320**	**1,000**	-	-
Lapsed/ forfeited /surrendered	**-**	**-**	320	66,000
Outstanding at the end of the year	**320**	**1,33,000**	320	1,34,000
Exercisable at the end of the year	**320**	**1,33,000**	320	1,34,000

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the Statement of Profit and Loss over the vesting year.
The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	Unit	Chalet Hotels Limited'-'Employee Stock Option Plan'-	Description of inputs used
Fair value of the option at grant date	Rs/share	49.31-60.23	As per Black Scholes Model
Exercise price	Rs/share	320	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	45.61%-49.45%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	1.01-1.51	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0.00%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	5.69% - 6.14%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at March 31, 2023 have an exercise price of Rs 320 and a weighted average remaining contractual life of 0.78 year.
The expense recognised for the year ended March 31, 2023 is Rs.Nil (March 31, 2022 is Rs.1.02 mn)
** calculated considering simple average method*

Employee Stock Option Plan 2022:

The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company. The plan is established is with efffect from 22 July 2022 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (Rs) per share
'Chalet Hotels Limited'-'Employee Stock Option Plan'- 2022	12,17,831	For the Options to vest, the Grantee has to be in employment of the Group on the date of the vesting.	The Exercise Period in respect of a Vested Option shall be a maximum period of 5 (Five) years from the date of Vesting of Options.	3 years	22-Jul-22	One year from vesting year	-

Notes to the Revised Consolidated Financial Statements (Continued)

for the year ended March 31, 2023 **Rs. in million**

Reconciliation of Outstanding share options

The number and weighted-average exercise price of share options under the share option plans are as follows:

Particulars	**March 31, 2023**		March 31, 2022	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	**291.52**	**12,17,831**	-	-
Exercised during the year	-	-	-	-
Lapsed/ forfeited /surrendered	-	-	-	-
Outstanding at the end of the year	**291.52**	**12,17,831**	-	-
Exercisable at the end of the year	-	-	-	-

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the Statement of Profit and Loss over the vesting year. The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	**Unit**	**Chalet Hotels Limited'- 'Employee Stock Option Plan'-**	**Description of inputs used**
Fair value of the option at grant date	Rs/share	142.37 - 176.26	As per Black Scholes Model
Exercise price	Rs/share	291.52	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	47.21%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	3.48-5.48	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	6.83%- 7.08%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at March 31, 2023 have an exercise price of Rs 291.52 and a weighted average remaining contractual life of 3.19 year.

The expense recognised for the year ended March 31, 2023 is Rs.78.98 (March 31, 2022 is Rs.Nil)

** calculated considering simple average method*

Rs. in million

Note 49
Discontinued Operations

During the previous year, the Company had decided to terminate the agreements with all retailers of Inorbit Mall, Bengaluru and convert the same to a commercial space.

The Income and EBITDA of retail operations at Inorbit Mall, Bengaluru has been disclosed separately as income and EBITDA from discontinued business operations. The discontinued business costs includes all direct and indirect costs of retail operations at Sahar, Mumba and Inorbit Mall, Bengaluru.

	For the Year ended March 31, 2023	For the year ended March 31, 2022
Revenue	-	33.25
Expenses	-	98.62
Results from operations	-	(65.37)
Income Tax	-	-
Loss/ (Profit) from discontinued operations, net of tax	-	(65.37)

The Loss from discontinued operation of Rs Nil (March 31, 2022 Rs (65.37) million is attributable entirely to the owners of the company, of the loss from continuing operations Rs. Nil [March 31, 2022 Rs. (749.33)] million.

The cash flows of the discontinued operations for the year are presented below:

	For the Year ended March 31, 2023	For the year ended March 31, 2022
Net Cash (Used in) From Operating Activities	-	(51.06)
Net Cash (Used In) /Generated From Investing Activities	-	-
Net Cash Generated From /(Used In) Financing Activities	-	-

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 50
Bengaluru residential project

	March 31, 2023	March 31, 2022
Inventories	**4,159.24**	4,182.32
Less: Provisions for impairment	**(263.29)**	(429.79)
Inventories, net	**3,895.95**	3,752.53
Advances from customers towards sale of residential flats	**1,664.42**	1,660.47

Note 51
Scheme of Merger
The Group has given effect to the Scheme of Arrangement of amalgamation of Belaire Hotels Private Limited and Seapearl Hotels Private Limited with the Holding Company ("the Scheme") in the earlier approved consolidated financial statements for the year ended 31 March 2023 from the Appointed date of 1 April 2020 by revising the consolidated financial statements approved by the Board of Directors on 9 May 2023. The manner in which Scheme has been given effect to and revision of consolidated financial statements has been explained in detail below.

Application seeking approval of the Scheme was filed with Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 26 April 2021. The consolidated financial statements of the group for the year ended 31 March 2023 were approved by the Board of Directors at its meeting held on 9 May 2023 without giving effect to the Scheme since the petition was pending before the NCLT as of date.

On receipt of the certified copy of the order dated 19 May 2023 from NCLT, Mumbai Bench sanctioning the Scheme, with appointed date 1 April 2020, and upon filing the same with Registrar of Companies, Maharashtra on 19 June 2023 the Scheme has become effective.

These Revised consolidated financial statements for the year ended 31 March 2023 have been prepared pursuant to the Scheme from the specified retrospective appointed date of 1 April 2020. Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the transferor company have been transferred to and vested in the Company with effect from the appointed date at their carrying values and the financial information in the revised consolidated financial statements has been restated from 1 April 2020 as per requirements of Appendix C to Ind AS 103.

The revision to the consolidated financial statements has been carried out solely for the impact of above referred merger and no additional adjustments have been carried out for any other events occurring after 9 May 2023 (being the date when the financial statements were first approved by the Board of Directors of the group) other than stated above.

The details of transferor companies and their merger are as below:

Name of the transferor company	Belaire Hotels Private Limited ("BHPL") and Seapearl Hotels Private Limited ("SHPL") [collectively referred to as 'Transferor Companies']
General nature of business	Hospitality services
Appointed Date of the Scheme	01-Apr-20
Description and number of shares issued	Nil
% of Company's equity shares exchanged	Nil

Pursuant to the approved Scheme of Merger, the Company has accounted for merger in its books with effect from 1 April 2020 as per the applicable accounting principles prescribed under under Appendix C to Ind AS 103 for common control business combinations.

Accounting treatment
i. All of the assets, liabilities and reserves in the books of account of the Transferee upon the Scheme becoming effective, the audited financial statements of the Transferor Companies as on the close of business on the day immediately preceding the Appointed Date shall be forwarded to the Transferee Company by the Transferor Companies;

ii. The Book Value of all the assets, liabilities (excluding the Belaire FCCD's and Belaire ICD) and reserves of Transferor Companies as recorded in the financial statements have been recorded in the books of accounts of the Transferee Company as such, subject to suitable adjustments being made, if any, to ensure uniformity of accounting policies;

iii. Investments in the Share Capital of the Transferor Companies in the books of accounts of the Transferee Company, whether held directly or indirectly through nominees, stand cancelled;

iv. Surplus arising as a result of amalgamation of the Transferor Companies into and with the Transferee Company, in terms of this Scheme, after adjustment of the amount of investment of the Transferee Company in the Transferor Companies due to cancellation of the share capital of the Transferor Company, have been adjusted to capital reserves in the books of the Transferee Company;

v. Identity of the reserves of the Transferor Companies, have been preserved and appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Companies, as on the Appointed Date;

vi. All outstanding balances (including the Belaire FCCD's and Belaire ICD) as on the Appointed date between the Transferor Companies and the Transferee Company stand cancelled and there are no further obligation in that behalf;

vii. The financial statements of Transferee reflect the financial position on the basis of consistent accounting policies.

The book value of assets and liabilities taken over from the Transferor Companies as on the Appointed date i.e. 1 April 2020 are as below:

Belaire Hotels Private Limited

Rs. in million

Particulars	Amount
Non-current assets	
Property, plant and equipment	2,955.43
Other Financial assets	29.75
Other non-current assets	1.59
Non-current tax assets (net)	22.89
Total non-current assets	**3,009.66**
Current assets	
Inventories	4.78
Financial assets	
(i) Trade receivables	27.48
(ii) Cash and cash equivalents	32.17
Other current assets	20.04
Total current assets	**84.47**
Total Assets (A)	**3,094.13**
Non current liabilities	
Financial liabilities	
(i) Borrowings	1,149.13
Provisions	2.91
Current liabilities	
Financial liabilities	
(i) Borrowing	575.50
(ii) Trade payables	52.46
(iii) Other financial liabilities	5.63
Other current liabilities	24.66
Provisions	0.30
Total Liabilities (B)	**1,810.59**
Total identified assets acquired (C)= (A)-(B)	1,283.54
Cost of investments in merged undertaking (D)	1,193.32
Net impact transferred to Capital reserve (G)= (C)-(D)	90.22*

***Surplus arising as result of the sanction of the scheme after adjustment of cost of investments shall be adjusted and credited to Capital Reserve Account.**

Seapearl Hotels Private Limited

Rs. in million

Particulars	Amount
Current assets	
Financial assets	
(i) Cash and cash equivalents	0.25
(ii) Loans	575.50
Total Assets (A)	**575.75**
Current liabilities	
Financial liabilities	
(i) Trade payables	1.05
Other current liabilities*	0.00
Provisions*	0.00
Total Liabilities (B)	**1.06**
Total identified assets acquired (C)= (A)-(B)	574.69
Cost of investments in merged undertaking (D)	574.69
Net impact transferred to Capital reserve (G)= (C)-(D)	-

***Amount less than million**
Notes:

1. All related financial captions (as applicable) of financial statements has been eleminated.
2. Post considering the tax impact in the computation of income on account of merger in revised financial statement amounting of Rs. 26.51 million for the year ended 31 March 2023.

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 52

Disclosure under Ind AS 115, Revenue from Contracts with Customers

Rs. in million

Details of contract balances

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Details of Contract Balances:		
Balance as at beginning of the year	**(1,660.47)**	(1,868.68)
Trade receivables as on March 31, 2022	**-**	-
Less: Repayment to the customer on cancellation	**-**	208.21
Significant change due to other reasons	**(3.95)**	-
Balance as on March 31, 2023	**(1,664.42)**	(1,660.47)
Total	**(1,664.42)**	(1,660.47)

As on March 31, 2023 revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is Rs Nil.

Information on performance obligations in contracts with Customers:

Real Estate Development Project:
The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects as at March 31, 2023.

Particulars	**2024**	**2025-2026**	**Beyond 2027**	**Total**
Contract Revenue	**-**	**2,117.94**	**-**	**2,117.94**
Contract Expense	**-**	**2,106.83**	**-**	**2,106.83**
Total	**-**	**11.11**	**-**	**11.11**

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects as at March 31, 2022

Particulars	2023	2024-2026	Beyond 2026	Total
Contract Revenue	-	2,039.28	-	2,039.28
Contract Expense	-	2,027.90	-	2,027.90
Total	-	11.38	-	11.38

Hospitality and Commercial & Retail
The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 53

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 Revised Consolidated financial statements' of Division II of Schedule III

for the year ended March 31, 2023

	Net assets (total assets minus total liabilities)		**Share in profit or loss**		**Share in other comprehensive income**		**Share in total comprehensive income**	
	As % of Revised Consolidated net assets	**Amount**	**As % of Revised Consolidated profit or loss**	**Amount**	**As % of Revised Consolidated other comprehensive income**	**Amount**	**As % of Revised Consolidated total comprehensive income**	**Amount**
Parent								
Chalet Hotels Limited	**108%**	**16,696.54**	**102%**	**1,902.19**	**100%**	**(4.64)**	**104%**	**1,897.54**
Subsidiary (parent's share)								
Chalet Hotel & Properties (Kerala) Private Limited	**0%**	**(42.38)**	**0%**	**(4.24)**	**0%**	**-**	**0%**	**(4.24)**
Chalet Airport Hotel Private Limited	**0%**	**(5.23)**	**(1%)**	**(11.74)**	**0%**	**-**	**0%**	
The Dukes Retreat Private Limited	**2%**	**309.74**	**0%**	**-**	**-**	**-**	**-**	**-**
Sonmil Industries Private Limited	**0%**	**21.37**	**0%**	**-**	**-**	**-**	**-**	**-**
Non-controlling interests in subsidiary	**0%**	**(4.06)**	**-**	**-**	**-**	**-**	**-**	**-**
Eliminations	**(10%)**	**(1,535.19)**	**(1%)**	**(27.85)**	**0%**	**-**	**(4%)**	**(67.48)**
At March 31, 2023	**100%**	**15,415.33**	**100%**	**1,858.36**	**100%**	**(4.64)**	**100%**	**1,825.82**

for the year ended March 31, 2022

	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Revised Consolidated net assets	Amount	As % of Revised Consolidated profit or loss	Amount	As % of Revised Consolidated other comprehensive income	Amount	As % of Revised Consolidated total comprehensive income	Amount
Parent								
Chalet Hotels Limited	109%	14,624.02	99%	(744.39)	100%	1.50	99%	(742.89)
Subsidiary (parent's share)								
Chalet Hotel & Properties (Kerala) Private Limited	0%	(38.14)	1%	(5.96)	0%	-	1%	(5.96)
Non-controlling interests in subsidiary	0%	(2.62)	0%	-	0%	-	0%	-
Eliminations	(9%)	(1,173.32)	0%	1.03	0%	-	0%	1.03
At March 31, 2022	100%	13,409.93	100%	(749.32)	100%	1.50	100%	(747.82)

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023
Note 54
Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance (more than 25%)
Current ratio	Current Assets	Current Liabilities	0.65	0.76	**-14%**	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.81	1.89	**-4%**	
Debt Service Coverage ratio	EBITDA	Interest + Current maturity of LT debt	0.63	0.34	**84%**	Return on Debt Service Coverage Ratio improved on account of progressive recovery of Hospitality business.
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.12	(0.06)	**-296%**	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	10.05	6.30	**59%**	Inventory turnover ratio was higher due to recovery of hotels business post pandemic.
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivable	22.01	13.69	**61%**	Trade Receivable turnover ratio was higher due to recovery of hotels business post pandemic.
Trade Payable Turnover Ratio	Total Expenses - Employee Cost- Real estate development cost- Notional expenses	Average Trade Payables	4.33	3.36	**29%**	Trade payable turnover ratio was due to higher credit period on account of improved business
Net Capital Turnover Ratio	Revenue from operations	Working capital = (Current assets – Current liabilities)	(3.02)	(2.55)	**18%**	
Net Profit ratio	Net Profit	Total Income	0.16	(0.15)	**-201%**	
Return on Capital Employed	EBITDA	Average Capital Employed	0.14	0.04	**282%**	Return on Capital Employed improved due to progressive recovery of business on account of reduced impact of pandemic
Return on Investment	Net Profit	Gross block of PPE & IP	0.04	(0.02)	**-302%**	

Note 55
Details of Struck Off Companies

As at 31st March 23

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	Investments in securities	-	
	Receivables	-	
Kryton Chemicals	Payables	0.04	No
Sambhu Facility Services Private Ltd	Payables	0.24	No
Aryan Intelligence Security Services Pvt .Ltd	Payables	0.24	No
	Other outstanding balances (to be specified)	-	

As at 31st March 22

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	Investments in securities	-	
Felicity Advantage Marketing Private Limited	Receivables	0.01	No
Octel Cloud Solutions Pvt Ltd	Receivables	0.03	No
Aviashi Foods Pvt Ltd	Receivables	0.05	No
Harsh International Impo-Expo Private Limited	Receivables	0.05	No
Sambhu Facility Services Private Ltd	Payables	0.37	No
Aryan Intelligence Security Services Pvt .Ltd	Payables	0.16	No
	Other outstanding balances (to be specified)	-	

Note 56

Contract balances	**March 31, 2023**	March 31, 2022
Receivables, which are included in 'trade receivables'	589.51	436.02
Contract assets (Unbilled revenue)	80.86	115.45
Contract Liabilities		
Advances from customers towards sale of residential flats	1,664.42	1,660.47
Advances from customers towards hospitality services	251.48	151.77

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Rs. in million

Note 57
Disclosure under Section 186 of the Companies Act 2013

The operations of the Group 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, 2023 as per section 186(4) of the Companies Act, 2013:

Name of entity	March 31, 2022	Investments made	Investments redeemed / sold	March 31, 2023
Stargaze Properties Private Limited	**0.01**	**-**	**-**	**0.01**
Krishna Valley Power Private Limited	**19.91**	**-**	**-**	**19.91**
Sahyadri Renewable Energy Private Limited	**31.46**	**-**	**-**	**31.46**
Renew Wind Power Energy (AP) Limited	**0.61**	**0.69**	**-**	**1.29**
Vikramaditya Renewable Energy Private Limited	**10.67**	-		**10.67**
National saving certificates	**0.13**	**-**	**-**	**0.13**

Details of investments made during the year ended March 31, 2022 as per section 186(4) of the Companies Act, 2013:

Name of entity	March 31, 2021	Investments made	Investments redeemed / sold	March 31, 2022
Stargaze Properties Private Limited	0.01	-	-	0.01
Krishna Valley Power Private Limited	12.54	7.37	-	19.91
Sahyadri Renewable Energy Private Limited	31.46	-	-	31.46
Renew Wind Power Energy (AP) Limited	0.80	-	0.20	0.61
Vikramaditya Renewable Energy Private Limited		10.67		10.67
National saving certificates	0.13	-	-	0.13

Notes to the Revised Consolidated Financial Statements (Continued)
as at March 31, 2023

Note 58

i)) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

ii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Note 59

As per the MCA Notification dated 6 August 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Group is required to maintain a backup of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the Group is required to create backup of accounts on servers physically located in India on a daily basis.

The books of account along with other relevant records and papers of the Group is maintained in electronic mode, across all units. These are readily accessible in India at all times and currently a backup is maintained on a cloud based server. Such servers are located in India, with the exception of certain units, which are located overseas. The Group is in the process of complying with the requirement of maintaining server(s) in India for these units for backup of books of account and other relevant books and papers, on a daily basis, pursuant to the amendment.

As per our audit report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

SUHAS ANANDRAY PAI Digitally signed by SUHAS ANANDRAY PAI Date: 2023.07.03 22:56:45 +05'30'

Suhas Pai
Partner
Membership No. 119057

For and on behalf of the Board of Directors of
Chalet Hotels Limited
L55101MH1986PLC038538

SANJAY SETHI Digitally signed by SANJAY SETHI Date: 2023.07.03 20:28:23 +05'30'

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

JOSEPHCONRAD AGNELO DSOUZA Digitally signed by JOSEPHCONRAD AGNELO DSOUZA Date: 2023.07.03 22:31:58 +05'30'

Joseph Conrad Dsouza
Director
(DIN. 00010576)

MILIND BABAJI WADEKAR Digitally signed by MILIND BABAJI WADEKAR Date: 2023.07.03 20:25:28 +05'30'

Milind Wadekar
Chief Financial Officer
(Membership No: 116372)

CHRISTABELLE BERNADETTE BAPTISTA Digitally signed by CHRISTABELLE BERNADETTE BAPTISTA Date: 2023.07.03 22:35:53 +05'30'

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Hyderabad
July 03, 2023

Mumbai
July 03, 2023

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400063, India

Telephone: +91 (22) 6257 1000
Fax: +91 (22) 6257 1010

Independent Auditors' Report

To the Members of Chalet Hotels Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Chalet Hotels Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements

Emphasis of Matter

We draw attention to Note 38 (c) of the consolidated financial statements, in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Holding Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in respect of the above in the consolidated financial statements for the year ended 31 March 2022. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2022 is Rs. 49.74 million (31 March 2021: Rs. 50.93 million) and carrying value of property, plant and equipment as at 31 March 2022 is Rs. 372.12 million (31 March 2021: Rs. 400.77 million). Our opinion is not modified in respect of this matter.

NSP

B S R & Co (a partnership firm with Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability, Partnership with LLP Registration No. AAB-8181)
with effect from October 14 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4,
Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deferred Tax Assets (refer note 20 to the consolidated financial statements)

The Key Audit Matter	**How the matter was addressed in our audit**
The carrying amount of the Deferred Tax Assets represents 5.30 % of the Group total assets. **Recognition and measurement of deferred tax assets** Under Ind AS, the Group is required to reassess recognition of deferred tax asset at each reporting date. The Group has deferred tax assets in respect of expenditure on specified business under Section 35AD of the Income-tax Act, 1961, brought forward losses and other temporary differences, as set out in note 20 to the consolidated financial statements. The Group's deferred tax assets in respect of brought forward deduction of expenditure on specified business under Section 35AD of the Income-tax Act, 1961, brought forward house property loss, brought forward business losses and unabsorbed depreciation are based on the projected profitability, determined based on approved business plans, to demonstrate availability of sufficient taxable income to utilise such Section 35AD deduction, house property loss, brought forward tax loss and unabsorbed depreciation. We focused on this area as recognition of deferred tax requires significant judgment in estimating future taxable income and accordingly recognition of deferred tax.	Our audit procedures included: • Obtained the approved business plans, projected profitability statements. • Evaluated the design and testing the operating effectiveness of controls over quarterly assessment of deferred tax balances and underlying data. • Evaluated the projections of future taxable profits. Testing the underlying data and assumptions used in the profitability projections and performing sensitivity analysis. • Assessed the recoverability of deferred tax assets by evaluating profitability, Group's forecasts and fiscal developments. • Considered the adequacy of the Group's disclosures on deferred tax and assumptions used. The Group's disclosures concerning income taxes are included in note 20 to the consolidated financial statements.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Key Audit Matters *(Continued)*

Impact of COVID 19 on Going concern

The Key Audit Matter	How the matter was addressed in our audit
The impact of the COVID-19 pandemic and the measures put in place to control the spreading of the virus, have created a number of events and conditions which may have indicated uncertainties related to going concern for the Group. The Group has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections and has prepared a range of scenarios to estimate cash flows from operating activities and the financing requirements. Based on the above, the consolidated financial statements of the Group for the year ended 31 March 2022 have been prepared on a going concern basis. In view of uncertainties identified outlined above, we identified a key audit matter related to going concern due to the significant judgement required to conclude on the going concern assumption.	Our audit procedures included: • Obtained understanding of the key controls relating to the Group's forecasting process. • Obtained an understanding of key assumptions adopted by the Group in preparing the cash flow forecast, including revenue, fixed and operating costs, capital expenditure including commitments to subsidiaries. Assessed the key assumptions based on our understanding of the Group's business. • Compared the future expected cash flows in the cash flow forecast with the Group's business plan approved by the Board of Directors. • Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Group and its impact on the going concern assumption. • Obtained details of borrowing disbursed subsequent to the year end and tested with underlying documentation. • Assessed compliance with the loan covenants during the year, and subsequent to the year end. • Considered the adequacy of the Group's disclosure in respect of management's assessment of going concern assumption.

Litigations and Claims (refer note 9, 26, 33and 38 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2022, the Group has two key litigations pertaining to Bengaluru Residential project carried under inventories and leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. We focused on this area as a key audit matter due to the amounts involved as well as the inherent uncertainty in the application of the measurement aspects of accounting standards to determine the amount to be provided for and the disclosures to be made in respect of this matter.	Our procedures included, amongst others: • Evaluated the design and implementation of the Group's controls over the assessment of litigations and completeness of disclosures and tested operating effectiveness of these controls. • Read correspondence from the Group's external lawyers in response to our requests of significant litigations and assessed the competence and objectivity of the external lawyers; and • Additionally, considered effect of new information in respect of litigation and claims post 1 April 2022 till the date of signing of the report to evaluate any change required in the Group's position on the litigation and claims as at 31 March 2022. • Assessed the Group's disclosures adequately reflect the quantitative and qualitative considerations in relation to the matters in accordance with auditing standards.

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements ***(Continued)***

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statement of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statement of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of aforesaid consolidated financial statements;
    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
    c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
    d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
    e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of Act; and
    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer note 9 and 38 to the consolidated financial statements;

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Report on Other Legal and Regulatory Requirements ***(Continued)***

b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer note 26 to the consolidated financial statements in respect of such items as it relates to the Group;

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022;

d) (i) The Managements of the Holding Company and its subsidiaries, have represented to us that, to the best of their knowledge and belief, other than as disclosed in Note 56 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or any of such subsidiaries or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Managements of the Holding Company and its subsidiaries has represented, that, to the best of its knowledge and belief, other than as disclosed in Note 56 to the consolidated financial statements, no funds have been received by the Company or any of such subsidiaries, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any such subsidiaries, shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

e) The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Report on Other Legal and Regulatory Requirements ***(Continued)***

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its Managing Director and CEO during the current year, is in accordance with the provisions of Section 197 read with Schedule V to the Act. The remuneration paid to the Managing Director and CEO is as per the limits laid down under Section 197 read with Schedule V to the Act and as approved by the shareholder's through special resolution in the Annual General Meeting held on 12 August 2021. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

MPardiwalla

Mansi Pardiwala
Partner
Membership No: 108511
UDIN: 22108511AIROGG9487

Mumbai
10 May 2022

Chalet Hotels Limited

Annexure A to the Independent Auditors' report on the consolidated financial statements for the year ended 31 March 2022

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Holding Company on the consolidated financial statements for the year ended 31 March 2022, we report the following:

3(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, have unfavourable remark given by the us in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Chalet Hotels Limited	L55101MH1986PLC038538	Holding	Clause (ii)(b), (vii)(a) & (xvii)
2	Belaire Hotels Private Limited	U55101MH2007PTC170789	Subsidiary	Clause (xvii)& (xix)
3	Chalet Hotels & Properties (Kerala) Private Limited	U55101AL2006PTC020125	Subsidiary	Clause (xvii) & (xix)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

MPardiwalla

Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 22108511AIROGG9487

Mumbai
10 May 2022

Chalet Hotels Limited

Annexure B to the Independent Auditors' report on the consolidated financial statements for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Chalet Hotels Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

Chalet Hotels Limited

Annexure B to the Independent Auditors' report on the consolidated financial statements for the year ended 31 March 2022 *(Continued)*

Auditors' Responsibility *(Continued)*

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

MPardiwalla

Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 22108511AIROGG9487

Mumbai
10 May 2022

Chalet Hotels Limited

Consolidated Balance Sheet
as at March 31, 2022

	Note	As at March 31, 2022	As at March 31, 2021
			Rs in million
ASSETS			
Non-current assets			
Property, plant and equipment	2	**19,741.37**	20,594.08
Right of Use assets	37	**589.55**	-
Capital work-in-progress	3	**322.27**	358.48
Investment property	4	**13,560.39**	9,950.72
Goodwill	5	**226.11**	226.11
Other intangible assets	6	**16.48**	25.88
Financial assets			
(i) Other investments	7	**62.79**	44.94
(ii) Others	8	**387.04**	340.67
Deferred tax assets (net)	20	**2,352.68**	1,796.65
Non-current tax assets (net)		**402.67**	402.58
Other non-current assets	9	**343.70**	597.28
Total non-current assets		**38,005.06**	34,337.40
Current assets			
Inventories	10	**3,934.97**	3,912.12
Financial assets			
(i) Trade receivables	11	**436.02**	306.09
(ii) Cash and cash equivalents	12 a	**245.23**	269.02
(iii) Bank balances other than (ii) above	12 b	**753.22**	188.66
(iv) Others	13	**150.63**	98.73
Other current assets	14	**901.89**	775.92
Total current assets		**6,421.96**	5,550.54
TOTAL ASSETS		**44,427.02**	39,887.94
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	**2,050.24**	2,050.24
Other equity	16	**11,362.31**	12,110.38
Non controlling interests		**(2.62)**	(3.22)
Total equity		**13,409.92**	14,157.39
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	**21,428.13**	17,567.05
(ii) Lease liabilities		**591.47**	-
(iii) Others	18	**159.59**	190.97
Provisions	19	**80.41**	76.42
Deferred tax liabilities (net)	20	**11.93**	137.51
Other non-current liabilities		**139.80**	109.58
Total non-current liabilities		**22,411.33**	18,081.53
Current liabilities			
Financial liabilities			
(i) Borrowings	22	**3,911.69**	3,016.19
(ii) Lease liabilities		**39.70**	-
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises and	23	**89.83**	32.54
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises	23	**776.95**	796.05
(iv) Other financial liabilities	24	**623.79**	460.32
Provisions	26	**852.09**	908.94
Current tax liabilities		**195.00**	195.00
Other current liabilities	25	**2,116.72**	2,239.97
Total current liabilities		**8,605.77**	7,649.01
TOTAL EQUITY AND LIABILITIES		**44,427.02**	39,887.94
Significant Accounting Policies	1		
Notes to the Consolidated Financial Statements	2 - 57		

The notes referred to above form an integral part of the consolidated financial statements.

As per our audit report of even date attached

For BSR & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

For and on behalf of the Board of Directors of
Chalet Hotels Limited
(CIN No. L55101MH1986PLC038538)

Mansi Pardiwalla
Partner
Membership No. 108511

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Joseph Conrad Dsouza
Director
(DIN. 00010576)

Milind Wadekar
CFO
(Membership No:116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
10 May 2022

Mumbai
10 May 2022

Chalet Hotels Limited

Consolidated Statement of Profit and Loss
for the year ended March 31, 2022

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
			Rs in million
Revenue from Continuing operations			
Revenue from operations	27	**5,078.07**	2,855.76
Other income	28	**219.32**	219.44
Total income (A)		**5,297.39**	3,075.20
Expenses from Continuing operations			
Real estate development cost	29 a	**221.66**	95.06
Changes in inventories of finished good and construction work in progress	29 a	**(12.80)**	-
Food and beverages consumed	29 b	**538.63**	238.73
Operating supplies consumed	29 c	**243.76**	123.35
Employee benefits expense	30	**999.76**	893.39
Other expenses	32	**2,102.29**	1,434.63
Total expenses (B)		**4,093.30**	2,785.16
Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items from Continuing operations (C) (A-B)		**1,204.09**	290.04
Depreciation and amortisation expenses	2,4,6	**1,184.23**	1,174.62
Finance costs	31	**1,444.13**	1,519.78
(Loss) before exceptional items and tax from Continuing operations (D)		**(1,424.27)**	(2,404.36)
Exceptional items (E)		**(44.58)**	(41.71)
Provision for estimated loss on account of cancellations	33	**(44.58)**	(41.71)
(Loss) before income tax from Continuing operations (F) (D+E)		**(1,468.85)**	(2,446.07)
Tax expense (G)		**(719.53)**	(1,091.55)
Current tax (includes tax for the earlier years)	20	**(37.76)**	(63.34)
Deferred tax (credit)	20	**(681.77)**	(1,028.21)
(Loss) for the year from Continuing operations (H) (F-G)		**(749.32)**	(1,354.52)
Discontinued Operations	48		
(Loss) from discontinued operations before tax		**(65.37)**	(36.76)
Tax expense of discontinued operations		-	-
(Loss) from discontinued operations (I)		(65.37)	(36.76)
(Loss) for the year (H + I)		(814.69)	(1,391.28)
Other comprehensive income from Continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**1.65**	0.05
Income tax Credit on above		**(0.15)**	0.23
Other comprehensive income for the year, net of tax (J)		**1.50**	0.28
Total comprehensive (expense) for the year (K) (J+I+H)		**(813.19)**	(1,391.00)
Profit attributable to :			
Owners of the company		**(815.28)**	(1,390.76)
Non-controlling interests		**0.60**	(0.52)
Other comprehensive (expense) attributable to :			
Owners of the company		**1.50**	0.28
Non-controlling interests		-	-
Total comprehensive (expense) attributable to :			
Owners of the company		**(813.79)**	(1,390.48)
Non-controlling interests		0.60	(0.52)
Earnings per equity share - Continuing operations (Face value of Rs 10 each)			
Basic	34	(3.66)	(6.60)
Diluted	34	(3.66)	(6.60)
Earnings per equity share - Discontinued operations (Face value of Rs 10 each)			
Basic	34	(0.32)	(0.18)
Diluted	34	(0.32)	(0.18)
Earnings per equity share - Continuing and Discontinued operations (Face value of Rs 10 each)			
Basic	34	(3.98)	(6.78)
Diluted	34	(3.98)	(6.78)
Significant Accounting Policies	1		
Notes to the consolidated financial statements	2 - 57		

The notes referred to above form an integral part of the consolidated financial statements.

As per our audit report of even date attached

For BSR & Co. LLP
Firm's Registration No: 101248W/W-100022
Chartered Accountants

NO Pardiwalla

Mansi Pardiwalla
Partner
Membership No. 108511

Mumbai
10 May 2022

For and on behalf of the Board of Directors of
Chalet Hotels Limited
(CIN No. L55101MH1986PLC038538)

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Joseph Conrad Dsouza
Director
(DIN. 00010576)

Milind Wadekar
CFO
(Membership No:116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
10 May 2022

Chalet Hotels Limited
Consolidated Statement of Changes in Equity
as at March 31, 2022

Rs in million

(a) Equity share capital

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the reporting year	**2,050.24**	2,050.24
Balance at the end of the reporting year	**2,050.24**	2,050.24

(b) Other equity	Attributable to the owners of the Company						
	Equity Component of Compound Instrument	**Employee stock option reserve**	**Capital Reserve**	**Securities Premium**	**General reserve**	**Retained earnings***	**Total**
Balance as at March 31, 2021	**373.48**	**32.29**	**84.99**	**10,269.19**	**1,071.96**	**278.31**	**12,110.21**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting	**373.48**	**32.29**	**84.99**	**10,269.19**	**1,071.96**	**278.31**	**12,110.21**
Total comprehensive income for the year							
Adjustments:							
Equity Component of Compound Instrument	**64.85**						**64.85**
Employee stock option reserve		**1.02**					**1.02**
Transferred to retained earnings		**(9.44)**				**9.44**	
Profit (loss) for the year						**(815.28)**	**(815.28)**
Remeasurements of defined benefit plans (net of tax)						**1.50**	**1.50**
Total comprehensive (expense) for the year	**64.85**	**(8.42)**	**-**	**-**	**-**	**(804.35)**	**(747.92)**
Balance as at March 31, 2022	**438.33**	*23.87*	**84.99**	**10,269.19**	**1,071.96**	**(526.03)**	**11,362.30**
Balance at April 1, 2020	373.48	26.70	84.99	10,269.19	1,071.96	1,668.95	13,495.27
Adjustments:							
Employee stock option reserve		5.59					5.59
Profit (loss) for the year						(1,390.76)	(1,390.76)
[redacted] ned benefit plans (net of tax)						0.28	0.28
Total comprehensive (expense) for the year	-	5.59	-	-	-	(1,390.48)	(1,384.89)
Balance as at March 31, 2021	373.48	32.29	84.99	10,269.19	1,071.96	278.47	12,110.37

*Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact) Rs. 3,710.05 million (March 31, 2021 Rs.3,710.05 million)

The notes referred to above form an integral part of the consolidated financial statements

As per our audit report of even date attached

For BSR & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

For and on behalf of the Board of Directors of
L55101MH1986PLC038538
Chalet Hotels Limited

Mansi Pardiwalla
Partner
Membership No 108511

Sanjay Sethi
Managing Director & CEO
(DIN 00641243)

Joseph Conrad Dsouza
Director
(DIN 00010576)

Milind Wadekar
CFO
(Membership No:116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
10 May 2022

Mumbai
10 May 2022

Chalet Hotels Limited

Consolidated Statement of Cash Flow

for the year ended March 31, 2022

		For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	(Loss) before tax from Continuing operations	(1,468.85)	(2,446.05)
	(Loss) before tax from discontinued operations	(65.37)	(36.78)
	Adjustments for :		
	Interest income from instruments measured at amortised cost	(57.13)	(65.95)
	Depreciation and amortisation expenses	1,184.23	1,174.62
	Finance costs	1,444.13	1,519.78
	Unrealised exchange (gain) / loss	-	(20.33)
	Provision for estimated cost	44.58	41.71
	Profit on sale of property, plant and equipment (net)	(3.66)	(4.53)
	Property, plants and equipment written off	21.25	1.86
	Profit on sale of investment	(0.12)	(0.10)
	Provision for doubtful debts, Advances and Bad debt written off	5.46	11.91
	Employee stock option expense	1.02	5.59
	Export benefits and entitlements	(59.42)	(21.66)
	Provision for mark to market on derivative contract	(12.18)	62.19
	Provision for stock obsolescence	3.04	2.68
	Sundry balance written back	(0.28)	(2.25)
	Total	2,570.91	2,705.52
	Operating Profit before working capital changes	1,036.69	222.70
	Adjustments		
	(Decrease) / Increase in trade receivables and current assets	(222.40)	212.71
	(Decrease) / Increase in inventories	(10.33)	11.97
	(Decrease) in trade payables and current liabilities	(219.43)	(312.64)
	Total	(452.16)	(87.96)
	Income Taxes (net of refund)	37.67	466.98
	NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	622.20	601.72
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of property, plant and equipment, Right of Use assets (including capital work in progress, capital creditors and capital advances)	(415.92)	(482.86)
	Proceeds from sale of property, plants and equipments and investment property	19.51	14.40
	Purchase of investments (including investment property and investment property under construction)	(3,019.00)	(950.19)
	Sale/redemption of Investments	0.31	0.30
	Interest income received	56.01	64.40
	Fixed deposits matured / (placed) (net)	(598.76)	810.42
	Margin money matured / (placed) (net)	(3.12)	44.31
	NET CASH (USED IN) INVESTING ACTIVITIES (B)	(3,960.98)	(499.22)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Issue of preference shares	500.00	-
	Proceeds from long-term borrowings	7,233.66	3,970.00
	Repayment of long-term borrowings	(2,280.99)	(2,892.83)
	Payment of lease liability	(39.70)	-
	Proceeds from short-term borrowings	1.00	104.00
	Repayment of short-term borrowings	(2.74)	(100.45)
	Interest and finance charges paid	(1,301.77)	(1,421.62)
	NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	4,109.46	(340.90)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	770.69	(238.40)
	CASH AND CASH EQUIVALENTS - OPENING BALANCE	(539.18)	(300.78)
	CASH AND CASH EQUIVALENTS - CLOSING BALANCE	231.51	(539.18)

BSR & Co. LLP
14th Floor,
Chartered Accountants

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

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents (refer Note 12 a)*	**245.23**	269.02
Less: Over draft accounts from banks (refer Note 22)*	**(13.72)**	(808.20)
Cash and cash equivalents as per consolidated statement of cash flows	**231.51**	(539.18)

3 The movement of borrowings as per Ind AS 7 is as follows:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening borrowings	**19,775.04**	18,638.28
Proceeds from long-term borrowings**	**7,733.66**	4,074.00
Repayment of long-term borrowings	**(2,283.73)**	(2,993.28)
Proceeds from short-term borrowings	**1.00**	-
Non-cash adjustments	**100.14**	56.04
	25,326.10	19,775.04

* Cash and cash equivalents includes bank overdrafts that are payable on demand and form an integral part of the Company cash management.

** Includes issue of preference shares

The notes referred to above form an integral part of the consolidated financial statements.

As per our audit report of even date attached.

For BSR & Co. LLP
Firm's Registration No:101248W/W-100022
Chartered Accountants

For and on behalf of the Board of Directors of
L55101MH1986PLC038538
Chalet Hotels Limited

MPardiwalla

Mansi Pardiwalla
Partner
Membership No. 108511

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Joseph Conrad Dsouza
Director
(DIN. 00010576)

Milind Wadekar
CFO
(Membership No:116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
10 May 2022

Mumbai
10 May 2022

Chalet Hotels Limited

Notes to the Consolidated Financial Statements

1.1 Company background

The Consolidated Financial Statement comprises of consolidated financial statements of Chalet Hotels Limited ('the Company' or 'the Holding Company'), its subsidiary companies (collectively, 'the Group'). The Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400 051. The Company was incorporated under the Companies Act, 1956 on 6 January 1986 and has been converted into a public company with effect from 6 June 2018.

The Group is primarily engaged in the business of hospitality (hotels), rental and annuity business *(formerly known as commercial and retail operations)* and real estate development. At March 31, 2022, the Group has, (a) six hotels (and one service apartment building) operating at Powai and Sahar (Mumbai), Vashi (Navi Mumbai), Pune, Bengaluru and Hyderabad, (b) commercial property at Bengaluru and Sahar, Mumbai and (c) is engaged in construction and development of a residential property at Bengaluru.

In the current financial year, the Holding Company its retail operations at Bengaluru based on internally evaluated financial feasibility and commercial negotiation with existing retailers. The Holding Company will customize the property for commercial operations. (Refer note 48).

1.2 Going Concern

The novel coronavirus (COVID-19) pandemic had spread around the globe rapidly. The virus had taken its toll on not just human life, but businesses and financial markets too.

While the outbreak has had an impact on almost all entities either directly or indirectly, the tourism and hospitality industry has been adversely impacted with the spread of COVID-19, with widespread lockdowns being enforced across the world.

The Group has adjusted the measurement of certain financial assets as of and for the year ended March 31, 2022 to reflect the impact due to COVID-19.

The Group has assessed the possible effects that may result from COVID-19 on the carrying amounts of Property, plant and equipment, Investment properties, Trade Receivables, Inventories, Investments and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these consolidated financial statements has used internal and external sources of information.

As at 31 March 2022, the Group faces significant economic uncertainties due to COVID-19 which have impacted the operations of the Group adversely, particularly by way of reduction in occupancy of hotels and average realization rate per room and fall in revenue of other assets. As per the management, the Group has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities. Based on aforesaid assessment. management believes that as per estimates made conservatively, the Group will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2022.

1.3 Significant accounting policies

Basis of preparation and presentation

Compliance with Indian Accounting Standard (Ind AS)

These Consolidated financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended and other accounting principles generally accepted in India, as a going concern on accrual basis. These Consolidated Financial Statements of the Company for the year ended March 31, 2022 are approved by the Company's Audit Committee and by the Board of Directors on 10 May 2022.

(i) Basis of measurement

The Consolidated Financial Statements has been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer- Accounting policy regarding financials instruments);
- Net defined benefit (asset) / liability – plan (assets) / liability measured at fair value less present value of defined benefit obligation; and
- land at fair value on transition date.

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

(ii) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest millions, except for share data and as otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentage may not precisely reflect the absolute figures.

(iii) Use of estimates and judgements

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

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

Judgement, estimates and assumptions are required in particular for:

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

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Notes to the Consolidated Financial Statements *(Continued)*

1.3 Significant accounting policies *(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 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.

  Critical Judgements in determining the lease term: Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

1.3 Significant accounting policies *(continued)*

Critical judgements in determining the discount rate: The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

- **Fair value of financial instruments**
  Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.
  Further information about the assumptions made in measuring fair values is included in the following notes:

  Note G, J & K – impairment test of non-financial assets: key assumptions underlying recoverable amounts; and

  Note N 1(c) – Impairment of financial assets

(iv) Measurement of fair values

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

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

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

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

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

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

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

- Note 2 – Property, plant and equipment (Freehold land) Note 4 – Investment property
- Note 45 – Financial instruments

BSR & Co. LLP Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

1.3 Significant accounting policies *(continued)*

(v) 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.

Basis of consolidation

Subsidiary:
The Consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Company. Subsidiary is an entity over which the holding company has control.

The Company controls an investee when the Company has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Subsidiary is fully consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

BSR & Co. LLP Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

1.3 Significant accounting policies *(continued)*

Non-controlling interests in the results and equity of subsidiary are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Balance Sheet respectively.

In the Consolidated Financial Statements, 'Goodwill' represents the excess of the cost to the Holding company of its investment in the subsidiary over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the Consolidated financial statements.

A. Business combination

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

Common control

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

No common control

The Group uses the "acquisition method" of accounting to account for its business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Such goodwill is tested annually for impairment. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is termed as bargain purchase.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase thereafter, the Company reassesses whether it has correctly identified all the assets acquired and liabilities assumed and recognises any additional assets or liabilities that are so identified, any gain thereafter is recognised in OCI and accumulated in equity as Capital Reserve. If there does not exist clear evidence of the underlying reasons for classifying the Business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing, directly in equity as Capital Reserve.

1.3 Significant accounting policies *(continued)*

B. Revenue

i. Real estate development and sale

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

Revenue from real estate development activity is recognised at a point in time when significant risks and rewards are transferred to the Customer i.e. when the control of the residential flat is transferred to the Customer.

Cost of construction/development includes all costs directly related to the Project and other expenditure as identified by the management which are reasonably allocable to the project.

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

ii. Hospitality business

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food, beverages, smokes and allied services relating to hotel operations. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Performance obligation in contract with customers are met throughout the stay of guest in the hotel or on rendering of services and sale of goods.

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

iii. Rental income

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

Initial direct costs incurred by lessors in negotiating and arranging an operating lease is accounted as separate asset and will be recognised as an expense over the lease term on the same basis as the lease income.

iv. Income from other services

Maintenance income is recognised as and when related expenses are incurred.
Income from ancillary services are recognised as and when the services are rendered.

1.3 Significant accounting policies *(continued)*

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 Consolidated statement of profit or loss.

C. Foreign currency

Transactions and balances

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

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

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

D. Employee benefits

i. Short-term employee benefits

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

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

Also, the liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each Balance sheet date and provided for as incurred in the year in which services are rendered by employees.

CHALET HOTELS LIMITED MUMBAI

Notes to the Consolidated Financial Statements *(Continued)*

1.3 Significant accounting policies *(continued)*

ii. Post-employment benefits

Defined contribution plans

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office) and employee state insurance corporation are post-employment benefit plans under which a Group pays fixed contributions and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

- Gratuity Fund

  The Group follows unfunded gratuity except for one of its Hotel division (Westin, Hyderabad) and for Corporate office in Belaire Hotels Private Limited, its subsidiary where fund is maintained with Life Insurance Corporation of India. 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.

  The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

  When benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs"

  Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

BSR & Co. LLP Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

1.3 Significant accounting policies *(continued)*

iii. Terminal Benefits:

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

iv. Employee stock option expense

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

E. Income-tax

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

i.Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets and therefore the tax charge in the Statement of Profit and Loss.

The group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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.

1.3 Significant accounting policies *(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 Consolidated Statement of profit and loss.

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

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.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section.

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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is arrived at by the weighted average cost method.

Stocks of stores and spares and operating supplies (viz. crockery, cutlery, glassware and linen) once issued to the operating departments are considered as consumed and expensed to the Consolidated Statement of Profit and Loss. Unserviceable/damaged/discarded stocks and shortages are charged to the Consolidated Statement of Profit and Loss.

1.3 Significant accounting policies *(continued)*

Real Estate Development (Residential Flats)

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

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

G. Property, plant and equipment

i. Recognition and measurement

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

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

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation is charged to the Consolidated Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except , in whose case the life of the assets had been re-assessed as under based on technical evaluation, 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.

BSR & Co. LLP Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

1.3 Significant accounting policies *(continued)*

Asset Type	Useful Life		
	March 2022	March 2022	Schedule II
Buildings (Interior and Accessories)	14 Years	14 Years	NA
Plant and Machinery - Food and beverages and Kitchen equipment - Audio video equipment - Laundry equipment, DG set, HVAC system, Elevators, Firefighting system, - Others	 8 Years 5 Years 15 Years 14 Years	 8 Years 5 Years 15 Years 14 Years	15 Years
Electrical installations	14 Years	14 Years	10 Years
Office Equipment's - Mobile phones - Others	 2 Years 4 Years	 2 Years 4 Years	5 Years
Vehicles	5 Years	5 Years	6 Years
Carpet	7 Years	7 Years	NA
Computer software	4 Years	4 Years	NA
Furniture and Fixtures	10 Years	10 Years	8 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 capitalisation.

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

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

Impairment losses recognized in prior years are reversed when there is an indicator that the impairment losses recognized no longer exist or have decreased. Such reversals are recognized as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in previous years.

BSR & Co. LLP Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

1.3 Significant accounting policies *(continued)*

H. Intangible assets

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

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

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

Intangible assets are amortised on straight-line method over estimated useful life of 4 years, which in management's view represents the economic useful life of these assets.

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

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

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

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

I. Goodwill

In case of merger, Goodwill' represents the excess of the cost to the Holding company of its investment in the subsidiary over its share of equity, at the respective dates on which the investments are made.

In case of acquisition, Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

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

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the consolidated statement of profit and loss, to the extent the amount was previously charged to the consolidated statement of profit and loss. In case of revalued assets, such reversal is not recognised.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

1.3 Significant accounting policies *(continued)*

J. Investment property and investment property under construction

(a) Recognition and measurement

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

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.
Investment property and investment property under construction represents the cost incurred in respect of areas retail block and commercial office space. Property under construction is accounted for as investment property under construction until construction or development is complete.

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

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

(a) Depreciation

Depreciation on investment property has been provided pro rata for the period of use by the Straight Line Method. The useful lives of Investment Property is estimated by management and the same is as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life of these assets differs from Schedule II.

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

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

BSR & Co. LLP
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

1.3 Significant accounting policies *(continued)*

	Useful Life		
Asset Type	**March 2021**	**March 2020**	**Schedule II**
Buildings (Interior and Accessories)	14 Years	14 Years	NA
Plant and Machinery			
– DG set, HVAC system, Elevators and Firefighting system.	15 Years	15 Years	15 Years
- Others	14 Years	14 Years	
Electrical installations	14 Years	14 Years	10 Years
Office Equipments	4 Years	4 Years	5 Years
Carpet	7 Years	7 Years	NA
Computer software	4 Years	4 Years	NA
Furniture and Fixtures	10 Years	10 Years	8 Years

Investment properties are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell.

K. Investments

The Group reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

L. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assetsare substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Consolidated Statement of Profit and Loss using the effective interest method.

M. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The board of directors of the Group, which has been identified as being the CODM, generally assesses the financial performance and position of the Group, and makes strategic decisions.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The management committee assesses the financial performance and position of the group, and makes strategic decisions. It is identified as being the chief operating decision maker for the Group. Refer note 47 for segment information presented.

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

1.3 Significant accounting policies *(continued)*

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 Group becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement

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

(i) Financial assets measured at amortised costs
A financial asset is classified at amortised costs if it is held within a business model whose objective is to a) hold financial asset in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortisation of such interests forms part of finance income in the consolidated statement of profit and loss. Any impairment loss arising from these assets are recognised in the consolidated statement of profit and loss.

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

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

(iii) Financial assets measured at fair value through other comprehensive income (FVOCI)
- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in consolidated statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated statement of profit and loss.

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

CHALET HOTELS LIMITED MUMBAI

1.3 Significant accounting policies *(continued)*

(b) ***Derecognition***

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or

retained by the Group is recognised as a separate asset and associated liability for any amounts it may have to pay.

(c) Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement 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, eposits, and bank balance.

b) Trade receivables- The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2. **Financial liabilities**

(a) Recognition, measurement and classification

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

BSR & Co. LLP Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

1.3 Significant accounting policies *(continued)*

(b) Financial guarantee contracts

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

(c) ***Derecognition***

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

3. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the Consolidated statement of financial position when, and only when, the Group has legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. Derivative financial instruments

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

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.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.
Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets where it is probable that future economic benefits will flow to the Group are not recognised but disclosed in the Consolidated Financial Statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

BSR & Co. LLP Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

1.3 Significant accounting policies *(continued)*

P. Leases

At the inception of a contract, the Group assesses whether a contract is or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

a. Company as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. Payments received under operating leases are recognized in the Consolidated statement of profit and loss on a straight- line basis over the lease term. The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application.

b. Company as a lessee

The Company had adopted Ind AS 116 with modified retrospective approach, with effect from April 1, 2019.

Accordingly, the comparative periods have not been restated in that financial year.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straightline method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value.

The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Q. Litigation

From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the a\mount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

R. Cash and cash equivalents

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

S. Cash flow statement

Cash flows are reported using indirect method, whereby net loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

For the purpose of presentation in the statement of Cash Flows, cash and cash equivalents includes cash in hand, cash at bank and other deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

CHALET HOTELS LIMITED
MUMBAI

1.3 Significant accounting policies *(continued)*

T. Discontinued Operations

Discontinued operations are reported when a component of the Group comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale.

In the consolidated statement of profit and loss, income/ (loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative consolidated statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in Notes.

U. Government Grants

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

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

V. Earnings Per Share ("EPS")

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

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

W. Exceptional items

The Group discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Group and provides consistency with the Groups internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group.

X. Earnings before interest and depreciation and amortisation ("adjusted EBITDA")

The Group presents adjusted EBITDA in the consolidated statement of profit and loss; this is not specifically required by Ind AS 1. The terms adjusted EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Group's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

1.3 Significant accounting policies *(continued)*

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 Consolidated Statement of Profit and Loss. The Group measures adjusted EBITDA before exceptional items, on the basis of profit/ (loss) from continuing operations including other income. In its measurement, the Group does not include exceptional items, depreciation and amortisation expense, finance costs, share of profit from associate and tax expense.

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited
Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 2
Property, plant and equipment

Reconciliation of carrying amount

as at March 31, 2022

Rs in million

Particulars	Gross block				Accumulated depreciation/ amortisation				Net block
	Opening balance as at April 1, 2021	Additions	Deductions	**Closing balance as at March 31, 2022**	Opening balance as at April 1, 2021	For the year	Deductions	**Closing balance as at March 31, 2022**	**As at March 31, 2022**
Tangible assets									
Freehold land	8,134.77	-	378.10	7,756.66	-	-	-	-	7,756.66
Buildings	13,733.57	235.17	85.51	13,883.23	3,915.77	416.67	82.42	4,250.02	9,633.21
Plant and machinery	4,684.98	101.51	48.21	4,738.27	3,017.13	264.56	33.54	3,248.15	1,490.13
Data processing equipments	252.43	24.00	0.91	275.52	224.71	25.44	0.87	249.28	26.24
Electrical installations	1,662.36	41.34	0.93	1,702.77	1,156.45	84.49	0.94	1,240.00	462.78
Furniture and fixtures	2,092.01	60.04	19.46	2,132.60	1,658.74	125.70	19.38	1,765.06	367.53
Vehicles	134.32	-	16.47	117.85	129.81	0.97	16.47	114.31	3.54
Office equipments	96.81	0.14	0.66	96.29	94.57	0.96	0.54	95.00	1.29
Total	**30,791.25**	**462.21**	**550.26**	**30,703.19**	**10,197.16**	**918.79**	**154.15**	**10,961.82**	**19,741.37**

-

Note: Assets pertaining to the Commercial complex, Powai, Mumbai have been transferred from Property, plant and equipment to Investment property under construction with net block of Rs. 378.10 million (March 31, 2021: Rs 1,349.99 million) based on change of intended use of such assets (Also refer Note 4).

Rs in million

as at March 31, 2021	**Gross block**				**Accumulated depreciation**				**Net block**
Particulars	**Opening balance as at April 1, 2020**	**Additions/ Adjustments**	**Deductions/ Transfers**	**Closing balance as at March 31, 2021**	**Opening balance as at April 1, 2020**	**For the year**	**Deductions/ Transfers**	**Closing balance as at March 31, 2021**	**As at March 31, 2021**
Tangible assets									
Freehold land	8,862.40	-	727.63	8,134.77	-	-	-	-	8,134.77
Buildings	14,419.80	64.96	751.19	13,733.57	3,626.74	420.32	131.30	3,915.77	9,817.81
Plant and machinery	4,700.11	29.90	45.03	4,684.98	2,766.24	283.96	33.07	3,017.13	1,667.85
Data processing equipments	271.37	0.69	19.63	252.43	213.24	30.44	18.97	224.71	27.72
Electrical installations	1,658.10	9.97	5.71	1,662.36	1,078.94	82.25	4.74	1,156.45	505.91
Furniture and fixtures	2,082.88	11.14	2.01	2,092.01	1,527.30	133.13	1.70	1,658.74	433.27
Vehicles	157.89	-	23.57	134.32	151.85	1.53	23.57	129.81	4.51
Office equipments	97.44	0.02	0.66	96.81	93.98	1.18	0.60	94.57	2.24
Total	32,249.99	116.69	1,575.44	30,791.25	9,458.29	952.82	213.95	10,197.16	20,594.08

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063 Chartered Accountants

Note: Assets pertaining to Commercial complex, Powai, Mumbai have been transferred from Property, plant and equipment to Investment property under construction with net block of Rs. 1,349.99 million based on change of intended use of such assets (refer note 4).

Notes:

1) Refer Note 17 and Note 22 for information on Property, plant and equipment pledged as security by the Group.

2) Refer Note 38 for contractual commitments with respect to property plant and equipments.

3) In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected in the schedule above). The Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Consolidated financial statements. The carrying value of property, plant and equipment in respect of the aforementioned hotel as at March 31, 2022 is Rs.372.12 million (March 31, 2021: Rs.400.77 million).

4)The title deeds of all immovable properties (other than immovable properties where the Holding Company is the lessee and the leases agreements are duly executed in favour of the lessee) as disclosed in the Note 2 and 4 and read with Note 38 (c) of the consolidated financial statements are held in the name of the Holding Company. In respect of the land acquired on leasehold basis disclosed in Note 9 read with the footnote to Note 9 of the consolidated financial statements, the lease agreements are duly executed in favour of the Holding Company.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 3
Capital work-in-progress

1) Details of capital work-in-progress

Rs in million

Particulars	March 31, 2022	March 31, 2021
Opening balance	**416.19**	932.84
Add: Additions during the year	**434.08**	1,022.75
Less: Capitalised during the year	**(438.50)**	(140.24)
Less: Cost incurred for Commercial complex, Powai, Mumbai transfered to to Investment property under construction (Refer Note 4)	**(31.79)**	(1,399.16)
Closing Balance	**379.98**	416.19
Less: Provision for impairment	**(57.71)**	(57.71)
Net balance	**322.27**	**358.48**

1) Capital Work in Progress includes expenditure incurred by a subsidiary, "Chalet Hotels & Properties (Kerala) Private Limited." aggregating to Rs 57.71 Million (March 31, 2021: Rs 57.71 Million) in accordance with the agreement entered into with the Department of Tourism, Government of Kerala with regard to the International Convention Centre Complex (ICCC) Project. The Department of Tourism (DOT) is required to contribute the land for the project as its equity in kind and the Group and K Raheja Corp Private Limited, the joint bidders for the project are required to bring equity for the project in cash. Pending execution of the lease deed on the requisite project land and due to abnormal delays in the execution of the project the subsidiary has stopped capitalisation of borrowing costs. The management believes the project to be viable. During the year ended 31 March 2020, as there were conditions of uncertainty, the management had taken a prudent and conservative call to write off capital work in progress without prejudicing the going concern.

2) Expenses (net) capitalised to capital work-in-progress during the year.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Legal and professional charges	**13.92**	2.16
Employee costs	**34.95**	2.09
Rates, taxes and license fees	**2.46**	0.08
Repairs and maintenance	-	0.05
Interest and other finance costs	**29.63**	20.93
Depreciation	**16.35**	-
Miscellaneous expenses	**0.37**	0.66
Other income/sale of scrap	**(0.04)**	-
Total	**97.63**	**25.96**

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2022

Note 3

Capital work-in-progress *(continued)*

As at March 31, 2022

Rs in million

Particulars	Capital work in progress ageing schedule as at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	**44.31**	**1.24**	**-**	**-**	**45.55**
Projects temporarily suspended	**149.23**	**127.50**	**-**	**-**	**276.73**
Total	**193.53**	**128.74**	**-**	**-**	**322.27**

As at March 31, 2021

Rs in million

Particulars	Capital work in progress ageing schedule as at March 31, 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	198.97	124.99	4.86	-0.00	328.82
Projects temporarily suspended	2.48	14.35	5.20	7.62	29.66
Total	201.45	139.34	10.06	7.62	358.48

As at March 31, 2022

Rs in million

Particulars	Capital work in progress completion schedule as at March 31, 2022 for projects with changes in budgets / timelines			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**21.41**	-	-	-
Hotel at Powai, Mumbai	21.14	-	-	-
Hotel at Pune	0.27	-	-	-
Projects temporarily suspended	-	**271.62**	-	**5.11**
Hotel at Telangana	-	271.62	-	-
Hotel at Navi Mumbai	-	-	-	5.11
Total	**21.41**	**271.62**	-	**5.11**

As at March 31, 2021

Rs in million

Particulars	Capital work in progress completion schedule as at March 31, 2021 for projects with changes in budgets / timelines			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	-	**271.83**	-	-
Hotel at Powai, Mumbai	-	83.44	-	-
Hotel at Telangana	-	188.39	-	-
Projects temporarily suspended	-	-	-	2.65
Airoli Hotel	-	-	-	**2.65**
Total	-	271.83	-	2.65

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 4
Investment property

A. Reconciliation of carrying amount

as at March 31, 2022

Rs in million

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at April 1, 2021	Additions/ Transfers	Deductions/ Transfers	**Closing balance as at March 31, 2022**	Opening balance as at April 1, 2021	For the year	Deductions	**Closing balance as at March 31, 2022**	**As at March 31, 2022**
Commercial complex, Bengaluru I	893.37	-	-	**893.37**	131.95	25.77	-	**157.72**	**735.65**
Commercial Block II Sahar, Mumbai *(formerly known as Retail block, Sahar Mumbai)*	1,196.15	7.10	-	**1,203.25**	166.53	40.34	-	**206.87**	**996.39**
Commercial block, Sahar, Mumbai	3,203.54	-	-	**3,203.54**	259.02	85.62	-	**344.64**	**2,858.90**
Commercial Complex III ,Bengaluru *(formerly known as Retail block, Bengaluru)*	1,809.46	0.79	81.17	**1,729.08**	630.83	59.52	62.24	**628.11**	**1,100.97**
Total (A)	**7,102.52**	**7.89**	**81.17**	**7,029.24**	**1,188.33**	**211.26**	**62.24**	**1,337.34**	**5,691.90**
Investment property under construction									
Business centers and offices, Sahar, Mumbai									**19.85**
Commercial complex, Powai, (Phase 3), Mumbai									**4,924.95**
Commercial complex, Powai, (Phase 4) Mumbai									**1,038.44**
Commercial complex, Bengaluru II									**1,882.06**
Commercial Complex III ,Bengaluru *(formerly known as Retail block, Bengaluru)*									**3.20**
Total (B)								-	**7,868.49**
Total (A+B)									**13,560.39**

Note: Assets pertaining to Commercial complex, Powai, Mumbai have been transferred from Property, plant and equipment to Investment property under construction with net block of Rs in 378.10 million (March 31, 2021 Rs.1,349.99 million) (refer note 2) and from Capital work in progress to Investment property under construction of Rs in NILmillion (refer note 3), based on change of intended use of such assets.

as at March 31, 2021

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at April 1, 2020	Additions	Deductions	Closing balance as at March 31, 2021	Opening balance as at April 1, 2020	For the year	Deductions	Closing balance as at March 31, 2021	As at March 31, 2021
Commercial complex, Bengaluru I	893.37	-	-	893.37	105.00	26.95	-	131.95	761.42
Commercial Block II Sahar, Mumbai *(formerly known as Retail block, Sahar Mumbai)*	1,193.05	3.10	-	1,196.15	127.54	38.99	-	166.53	1,029.62
Commercial Block I Sahar, Mumbai.	3,202.86	0.68	-	3,203.54	171.31	87.71	-	259.02	2,944.52
Commercial Complex III ,Bengaluru *(formerly known as Retail block, Bengaluru)*	1,806.27	3.75	0.56	1,809.46	573.21	58.01	0.39	630.83	1,178.63
Total (A)	7,095.55	7.53	0.56	7,102.52	977.06	211.66	0.39	1,188.33	5,914.19
Investment property under construction									
Business centers and offices, Sahar, Mumbai									3.21
Commercial complex, Powai, Mumbai									2,749.15
Commercial complex, Bengaluru II									1,283.73
Commercial Complex III ,Bengaluru *(formerly known as Retail block, Bengaluru)*									0.44
Total (B)								-	4,036.53
Total (A+B)									9,950.72

Note: Assets pertaining to Commercial complex, Powai, Mumbai have been transferred from Property, plant and equipment to Investment property under construction with net block of Rs. 1,349.99 million (refer note 2) and from Capital work in progress to Investment property under construction of Rs. 1,399.16 million (refer note 3), based on change of intended use of such assets.

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Investment property (Continued)

Notes:
1) Refer Note 17 and Note 22 for information on Property, plant and equipment pledged as security by the Group.
2. Borrowing cost aggregating to Rs.364.10 million (March 31, 2021 Rs. 170.40 million) are capitalised under investment property under contruction.
3. Details of investment property under construction

Rs in million

Particulars	March 31, 2022	March 31, 2021
Opening Balance	4,036.52	1,019.69
Add: Additions during the year	3,429.95	275.22
Add: Cost incurred for Commercial complex, Powai, Mumbai transfered from Capital work-in-progress (refer note 2 and 3)	409.96	2,749.15
Less: Capitalised during the year	(7.89)	(7.54)
Closing Balance	**7,868.54**	4,036.53

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

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Legal and professional charges	30.42	29.72
Employee costs	38.96	81.07
Rates, taxes and license fees	1,258.16	35.58
Land*	378.01	-
Repairs and maintenance	-	0.10
Interest and other finance costs	364.10	170.40
Miscellaneous expenses	11.02	10.65
Other income/sale of scrap	(0.63)	-
Total	**2,080.04**	327.53

*Includes Freehold Land cost of Rs. 378.01 mn transferred from Property plant and equipment to Investment Property Under Construction

B. Fair value measurement

i. Fair value hierarchy **Rs in million**

Investment properties	Fair Value as on March 31, 2022	Fair Value as on March 31, 2021
Commercial complex, Bengaluru I	830.00	771.00
Commercial Block II Sahar, Mumbai *(formerly known as Retail block, Sahar Mumbai)* **	1,750.00	1,291.00
Commercial block, Sahar, Mumbai**	7,838.49	6,927.00
Commercial Complex II ,Bengaluru *(formerly known as Retail block, Bengaluru)* **	1,752.46	1,338.00

*The independent valuer is not registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
**The independent valuer registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022
ii. Valuation technique and significant unobservable inputs

Valuation technique
Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties	Valuation technique	Significant unobservable Inputs	Range March 31, 2022	Range March 31, 2021
Commercial complex, Bengaluru I	Depreciable Replacement method	NA	NA	NA
Commercial Block II Sahar, Mumbai *(formerly known as Retail block, Sahar Mumbai)*	DCF Method	Occupancy Range	94% to100%	70% to 100%
		Base Rent (Rs.)	120 for Retailers 130 for Commercials	134
		Escalation %	4.77% p.a.	5% p.a.
		WAAC	12.10%	12.40%
		Growth Rate	4.00%	3.00%
Commercial Block I Sahar, Mumbai.	DCF Method	Occupancy Range	100%	100%
		Base Rent (Rs.)	133	197
		Escalation %	4.77% p.a.	4.5% Every Year
		WAAC	12.10%	12.40%
		Growth Rate	4.00%	4.00%
Commercial Complex III ,Bengaluru (formerly known as Retail block, Bengaluru)	DCF Method	Occupancy Range	94% to100%	70% to 95%
		Base Rent (Rs.)	54.00	48.00
		Escalation %	4.77% p.a.	4% to 7%
		WAAC	12.10%	11.83%
		Growth Rate	4.00%	3.25%

C. Information regarding income and expenditure of investment property

Particulars	March 31, 2022	March 31, 2021
Rental income derived from investment properties	933.64	780.88
Direct operating expenditure (including repairs and maintenance) generating rental	83.44	71.19
Profit arising from investment properties before depreciation and indirect	850.20	709.69
Depreciation	211.26	211.66
Profit/ (Loss) arising from investment properties before indirect expenses	638.95	498.03

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

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 4
Investment property *(continued)*

As at March 31, 2022

Rs in million

Particulars	Investment property under construction ageing schedule as at March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,837.00	2,358.87	1,096.17	576.45	7,868.49
Projects temporarily suspended	-	-	-	-	-
Total	3,837.00	2,358.87	1,096.17	576.45	7,868.49

As at March 31, 2021

Particulars	Investment property under construction ageing schedule as at March 31, 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,349.81	1,088.59	219.54	378.59	4,036.54
Projects temporarily suspended	-	-	-	-	-
Total	2,349.81	1,088.59	219.54	378.59	4,036.54

As at March 31, 2022

Particulars	Investment Property Under Construction completion schedule as at March 31, 2022 for projects with changes in budgets / timelines			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	4,919.73	1,881.59	-	-
Commercial complex, Powai, (Phase 3), Mumbai	4,919.73			
Commercial Complex , Bengaluru II		1,881.59		
Projects temporarily suspended	-	-	-	-
Total	4,919.73	1,881.59	-	-

As at March 31, 2021

Particulars	Investment Property Under Construction completion schedule as at March 31, 2021 for projects with changes in budgets / timelines			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	3.22	1,283.73	2,749.17	-
Commercial complex, Powai, (Phase 3), Mumbai	-	-	2,749.17	
Commercial Complex , Bengaluru II	-	1,283.73	-	
Business Centre and office , Sahar Mumbai	3.22	-	-	
Projects temporarily suspended	-	-	-	-
Total	3.22	1,283.73	2,749.17	-

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 4
Investment property *(Continued)*

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

as at March 31, 2022

Rs in million

Particulars	Gross block: Opening balance as at April 1, 2021	Additions/ Transfers	Deductions/ Transfers	**Closing balance as at March 31, 2022**	Accumulated depreciation/amortisation: Opening balance as at April 1, 2021	For the year	Deductions	**Closing balance as at March 31, 2022**	Net block **As at March 31, 2022**
Tangible assets									
Freehold land	813.67	-	-	**813.67**	-	-	-	-	**813.67**
Buildings	4,729.84	5.23	16.27	**4,718.80**	613.85	113.53	9.79	**717.59**	**4,001.21**
Plant and machinery	1,082.06	2.66	21.61	**1,063.12**	358.34	67.24	13.00	**412.58**	**650.54**
Computers	2.33	-	-	**2.33**	2.06	0.17	-	**2.23**	**0.10**
Electrical installations	399.34	-	7.74	**391.60**	154.47	24.62	5.46	**173.64**	**217.97**
Furniture and fixtures	73.02	-	35.56	**37.46**	58.05	5.44	33.99	**29.49**	**7.97**
Office equipments	1.67	-	-	**1.67**	1.03	0.25	-	**1.28**	**0.39**
	7,101.93	**7.89**	**81.17**	**7,028.65**	**1,187.80**	**211.24**	**62.24**	**1,336.80**	**5,691.85**
Intangible assets									
Software	0.59	-	-	**0.59**	0.53	0.01	-	**0.54**	**0.05**
	0.59	-	-	**0.59**	0.53	0.01	-	**0.54**	**0.05**
Total	**7,102.52**	**7.89**	**81.17**	**7,029.24**	**1,188.33**	**211.26**	**62.24**	**1,337.35**	**5,691.90**

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

as at March 31, 2021

Rs in million

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at April 1, 2020	Additions	Deductions	Closing balance as at March 31, 2021	Opening balance as at April 1, 2020	For the year	Deductions	Closing balance as at March 31, 2021	As at March 31, 2021
Tangible assets									
Freehold land	813.67	-	-	813.67	-	-	-	-	813.67
Buildings	4,725.95	4.42	0.53	4,729.84	502.52	111.71	0.38	613.85	4,115.99
Plant and machinery	1,080.17	1.92	0.03	1,082.06	287.91	70.44	0.01	358.34	723.72
Computers	2.03	0.30	-	2.33	1.53	0.53	-	2.06	0.27
Electrical installations	399.05	0.29	-	399.34	129.85	24.62	-	154.47	244.87
Furniture and fixtures	72.82	0.20	-	73.02	53.93	4.12	-	58.05	14.97
Office equipments	1.27	0.40	-	1.67	0.80	0.23	-	1.03	0.64
	7,094.96	7.53	0.56	7,101.93	976.54	211.65	0.39	1,187.80	5,914.13
Intangible assets									
Software	0.59	-	-	0.59	0.52	0.01	-	0.53	0.06
	0.59	-	-	0.59	0.52	0.01	-	0.53	0.06
Total	7,095.55	7.53	0.56	7,102.52	977.06	211.66	0.39	1,188.33	5,914.19

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

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

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

Rs in million

Particulars	March 31, 2022	March 31, 2021
Hotel at Bengaluru	**164.04**	164.04
Commercial Complex III ,Bengaluru *(formerly known as Retail block, Bengaluru)*	**25.49**	25.49
Commercial complex, Bengaluru I	**36.58**	36.58
Total	**226.11**	226.11

The recoverable amount is based on a value-in-use calculation using the discounted cash flow method.
Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit.
The calculation of the value in use is based on the following key assumptions:

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

A. Hotel

Particulars (in %)	March 31, 2022	March 31, 2021
Discount rate	**11.70%**	12 %
Terminal value multiple	**13.5 times**	13.5 times

B. Retail

Particulars (in %)	March 31, 2022	March 31, 2021
Discount rate	**12.10%**	11.83 %
Terminal value multiple	**12.83 times**	12 times

C. Commercial complex at Bengaluru

Particulars (in %)	March 31, 2022	March 31, 2021
Discount rate	**12.10%**	11.83 %
Terminal value multiple	**12.83 times**	12 times

Discount rate
The discount rate is a pre tax measure based on the rate of 0 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, 2022 and March 31, 2021 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 MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 6
Other intangible assets

as at March 31, 2022 **Rs in million**

	Gross block				Accumulated amortisation				Net block
Particulars	Opening balance as at April 1, 2021	Additions	Deductions	**Closing balance as at March 31, 2022**	Opening balance as at April 1, 2021	Charged for the year	Deductions	**Closing balance as at March 31, 2022**	**As at March 31, 2022**
Trade marks	0.04	-	-	0.04	0.04	-	-	0.04	-
Computer software	103.39	1.54	0.24	104.69	77.51	10.94	0.24	88.21	16.48
Total	**103.43**	**1.54**	**0.24**	**104.73**	**77.55**	**10.94**	**0.24**	**88.25**	**16.48**

As at March 31, 2021

	Gross block				Accumulated amortisation				Net block
Particulars	Opening balance as at April 1, 2020	Additions	Deductions	Closing balance as at March 31, 2021	Opening balance as at April 1, 2020	Charged for the year	Deductions	Closing balance as at March 31, 2021	As at March 31, 2021
Trade marks	0.04	-	-	0.04	0.04	-	-	0.04	-
Computer software	102.34	2.31	1.26	103.39	68.65	10.12	1.26	77.51	25.88
Total	102.38	2.31	1.26	103.43	68.69	10.12	1.26	77.55	25.88

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2022

Note 7

Particulars	**As at March 31, 2022**	As at March 31, 2021
		Rs in million
Other Investments		
Measured at fair value through profit and loss		
Unquoted, fully paid up:		
Investments in equity shares (non-trade, unquoted)		
In other companies (equity shares of Rs.10/- each fully paid)		
1,000 (March 31, 2021: 1,000) shares of Stargaze Properties Private Limited	**0.01**	0.01
6,050 (March 31, 2021: 8,000) shares of Renew Wind Power Energy (AP) Limited	**0.61**	0.80
9,91,345 (March 31, 2021: 6,22,960) shares of Krishna Valley Power Private Limited	**19.91**	12.54
10,44,500 (March 31, 2021: 10,44,500) shares of Sahyadri Renewable Energy Private Limited	**31.46**	31.46
3,55,000 (March 31, 2021: NIL) shares of Vikramaditya Renewable Energy Private Limited	**10.67**	-
Measured at amortised cost		
National Saving Certificates	**0.13**	0.13
	62.79	44.94
Aggregate amount of unquoted securities	**62.79**	44.94
Aggregate amount of quoted securities	-	-
Market value of quoted securities	-	-
Aggregate amount of impairment in the value of investments	-	-

Note 8

	As at March 31, 2022	As at March 31, 2021
Other non-current financial assets		
(Unsecured, considered good)		
To other than related parties		
Deposits with banks with more than 12 months maturity	**269.89**	231.45
Deposits		
Security deposits - related parties (refer note 49)	**20.07**	18.40
Security deposits - others	**86.97**	90.82
Others	**10.11**	-
	387.04	**340.67**

Note 9

Other non-current assets		
(Secured, unsecured, considered good)		
To other than related parties		
(Unsecured, considered good)		
Capital advances	**145.85**	358.25
Less: Provision for doubtful advances	**(1.80)**	(2.47)
Prepayments (refer footnote)	**199.65**	213.62
Deferred Finance Expenses	-	27.88
	343.70	597.28

In December 2005, the Holding 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 Holding 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 Consolidated financial statements.The balance of prepaid lease rental in relation to such leasehold land as of March 31, 2022 is Rs.49.74 million (March 31, 2021: Rs.50.93 million).

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2022

Note 10

Inventories

(valued at lower of cost and net realisable value)

Hospitality :		
Food, beverages and smokes	**86.69**	77.03
Stores and spares	**4.05**	3.17
Property development :		
Developed property	**-**	-
Property under development (refer note 49)	**4,182.32**	4,180.78
Less: Provision for impairment	**(429.79)**	(442.65)
Property under development	**3,752.53**	3,738.13
Materials at site	**89.22**	91.10
Retail:		
Materials at site	**2.48**	2.69
	3,934.97	3,912.12

Note 11

Trade receivables

(Unsecured, considered good, unless otherwise stated)

Trade receivables	**329.24**	213.28
Less: Allowance for doubtful trade receivables	**(17.96)**	(9.11)
Considered good	**311.28**	204.17
Trade receivables	**12.86**	22.81
Less: Allowance for doubtful trade receivables	**(3.57)**	(10.58)
Trade Receivables which have significant increase in Credit Risk	**9.29**	12.23
Trade receivables	**12.58**	70.91
Less: Allowance for doubtful trade receivables	**(12.58)**	(70.91)
Credit Impaired	**-**	-
Unbilled revenue	**129.09**	100.85
Less: Provision for impairment	**(13.64)**	(11.16)
	115.45	89.69
	436.02	306.09

Above balances of trade receivables include balances with related parties (refer note 46)

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2022

Trade receivables Ageing Schedule

As at March 31, 2022

Particulars	Unbilled revenue	Outstanding for following periods from date of Invoice					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	115.45	288.77	5.33	15.45	15.36	0.65	441.01
Undisputed Trade Receivables – which have significant increase in credit risk	-	0.22	-	-	-	-	0.22
Undisputed Trade receivable – credit impaired	13.64	9.72	-	-	1.49	1.37	26.22
Disputed Trade receivables - considered good	-	-	-	-	-	3.68	3.68
Disputed Trade receivables – which have significant increase in credit risk	-	0.06	-	-	-	12.58	12.64
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	129.09	298.77	5.33	15.45	16.85	18.28	483.77

As at March 31, 2021

Particulars	Unbilled revenue	Outstanding for following periods from date of Invoice					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	100.85	169.10	32.69	8.09	0.78	0.08	311.59
Undisputed Trade Receivables – which have significant increase in credit risk	-	8.67	0.89	8.47	-	-	18.03
Undisputed Trade receivable – credit impaired	-	0.48	-	0.80	0.06	-	1.34
Disputed Trade receivables - considered good	-	0.15	0.30	0.99	0.53	0.57	2.54
Disputed Trade receivables – which have significant increase in credit risk	-	0.09	0.34	4.06	0.27	0.02	4.78
Disputed Trade receivables – credit impaired	-	-	-	5.07	63.34	1.16	69.57
Total	100.85	178.49	34.22	27.48	64.98	1.83	407.85

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

Rs in million

Note 12 a
Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balance with banks		
- Current accounts	**235.92**	263.58
Cash on hand	**9.31**	5.44
	245.23	269.02

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.

Note 12 b
Other bank balances

In term deposit accounts (balances held as margin money)	**45.21**	138.23
In term deposit accounts (others)	**708.01**	50.43
	753.22	188.66

Includes accrued interest of Rs. 8.11 Million (March 31, 2021: 3.12 million)

Note 13
Other current financial assets

	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
To other than related parties		
Export benefits and entitlements	**49.92**	-
Mark to market derivative contracts	-	-
Deposits		
Security deposits - related parties (refer Note 46)	**13.61**	12.32
Security deposits - others	**9.33**	9.44
Option deposits - related parties (refer Note 46)	**50.00**	50.00
Others	**27.77**	26.97
	150.63	98.73

Note 14
Other current assets
(Unsecured, considered good)
To other than related parties

Advance to suppliers	**121.74**	42.34
Less: Provision for doubtful advances	**(10.73)**	(10.73)
	111.01	31.61
Indirect tax balances/receivable credits	**46.46**	33.30
Unbilled revenue	**571.05**	571.29
Prepayment	**165.27**	128.56
Others	**8.10**	11.16
	901.89	775.92

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Note 15
Share capital

Rs in million

(a) Details of the authorised, issued, subscribed and fully paid-up share capital as below:

Particulars	March 31, 2022	March 31, 2021
(i) Authorised		
229,100,000 (March 31, 2021: 229,100,000) equity shares of the par value of Rs. 10 each	**2,291.00**	2,291.00
(ii) Issued, subscribed and paid-up		
205,023,864 (March 31, 2021: 205,023,864) equity shares of the par value of Rs. 10 each	**2,050.24**	2,050.24
Total	**2,050.24**	2,050.24

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

Particulars	March 31, 2022		March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Number of equity shares outstanding at the beginning of the year	**205,023,864**	**2,050.24**	205,023,864	2,050.24
Number of equity shares outstanding at the end of the year	**205,023,864**	**2,050.24**	205,023,864	2,050.24

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

Particulars	March 31, 2022		March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Casa Maria Properties LLP	**16,496,280**	**8.05%**	16,496,280	8.05%
Capstan Trading LLP	**16,495,680**	**8.05%**	16,495,680	8.05%
Raghukool Estate Development LLP	**16,495,680**	**8.05%**	16,495,680	8.05%
Touchstone Properties and Hotels Private Limited	**14,500,000**	**7.07%**	14,500,000	7.07%
Anbee Construction LLP	**13,116,180**	**6.40%**	13,116,180	6.40%
Cape Trading LLP	**13,116,180**	**6.40%**	13,116,180	6.40%
K Raheja Private Limited	**12,400,000**	**6.05%**	12,400,000	6.05%
Ivory Properties And Hotels Private Limited	**3,571,533**	**1.74%**	11,351,833	5.54%
Ravi Raheja	**5,163,159**	**2.52%**	10,326,318	5.04%
Neel Raheja	**10,326,318**	**5.04%**	10,326,318	5.04%
	121,681,010	**59.37%**	134,624,469	65.69%

*Ivory Properties and Hotels Private Limited (Registered owner) holds 104 Equity Shares for and on behalf of the beneficiaries of Ivory Property Trust, out of its total shareholding of 35,71,533 Equity Shares.

(d) Rights, preferences and restrictions attached to equity shares.

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

(e) Details of shares held by promoters

As at March 31, 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Neel Chandru Raheja	10,326,318	-	10,326,318	5.04%	0.0%
	Ravi Chandru Raheja	10,326,318	(5,163,159)	5,163,159	2.52%	2.5%
	Jyoti Chandru Raheja	-	7,780,300	7,780,300	3.79%	-3.8%
	Sumati Ravi Raheja	-	5,163,159	5,163,159	2.52%	-2.5%
	Ivory Properties And Hotels Private Ltd	11,351,833	(7,780,300)	3,571,533	1.74%	3.8%
	K Raheja Private Limited	12,400,000	-	12,400,000	6.05%	0.0%
	K Raheja Corp Private Limited	3,785,824	-	3,785,824	1.85%	0.0%
	Touchstone Properties And Hotels Pvt Ltd	14,500,000	-	14,500,000	7.07%	0.0%
	Genext Hardware And Parks Private Ltd	800,000	-	800,000	0.39%	0.0%
	Cape Trading Llp	13,116,180	-	13,116,180	6.40%	0.0%
	Casa Maria Properties LLP	16,496,280	-	16,496,280	8.05%	0.0%
	Capstan Trading Llp	16,495,680	-	16,495,680	8.05%	0.0%
	Palm Shelter Estate Development LLP	7,692,387	-	7,692,387	3.75%	0.0%
	Raghukool Estate Developement LLP	16,495,680	-	16,495,680	8.05%	0.0%
	Anbee Constructions LLP	13,116,180	-	13,116,180	6.40%	0.0%
Total	Total	146,902,680	-	146,902,680	71.65%	0.0%
Total Number of Equity Shares		**205,023,864**		**205,023,864**		

As at March 31, 2021

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Neel Chandru Raheja	10,326,318	-	10,326,318	5.04%	0.0%
	Ravi Chandru Raheja	10,326,318	-	10,326,318	5.04%	0.0%
	Ivory Properties And Hotels Private Ltd	11,351,833	-	11,351,833	5.54%	0.0%
	K Raheja Private Limited	12,400,000	-	12,400,000	6.05%	0.0%
	K Raheja Corp Private Limited	3,785,824	-	3,785,824	1.85%	0.0%
	Touchstone Properties And Hotels Pvt Ltd	14,500,000	-	14,500,000	7.07%	0.0%
	Genext Hardware And Parks Private Ltd	8,000,000	(7,200,000)	800,000	0.39%	3.5%
	Cape Trading LLP	13,116,180	-	13,116,180	6.40%	0.0%
	Casa Maria Properties LLP	16,496,280	-	16,496,280	8.05%	0.0%
	Capstan Trading LLP	16,495,680	-	16,495,680	8.05%	0.0%
	Palm Shelter Estate Development LLP	1,006	7,691,381	7,692,387	3.75%	-3.8%
	Raghukool Estate Developement LLP	16,495,680	-	16,495,680	8.05%	0.0%
	Anbee Constructions LLP	13,116,180	-	13,116,180	6.40%	0.0%
Total		**146,411,299**	**491,381**	**146,902,680**		
Total Number of Equity Shares		**205,023,864**		**205,023,864**		

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2022

Rs in million

Note 16	As at March 31, 2022	As at March 31, 2021
Other equity		
Equity Component of Compound Instruments		
Balance at the beginning of the year	**373.48**	373.48
Add: Additions during the year	**64.85**	-
At the end of the year	**438.33**	373.48
ESOP plan reserve		
Balance at the beginning of the year	**32.29**	26.70
Add: Additions during the year	**1.02**	5.59
Less: Transferred to retained earnings	**(9.44)**	-
At the end of the year	**23.87**	32.29
Securities premium account		
Balance at the beginning of the year	**10,269.19**	10,269.19
At the end of the year	**10,269.19**	10,269.19
General reserve		
Balance at the beginning of the year	**1,071.96**	1,071.96
At the end of the year	**1,071.96**	1,071.96
Capital reserve		
Balance at the beginning of the year	**84.99**	84.99
Add: Additions during the year	-	-
At the end of the year	**84.99**	84.99
Retained earnings		
Balance at the beginning of the year	**278.31**	1,668.95
Add: (Loss) for the year	**(813.79)**	**(1,390.48)**
Add: Transferred from employee stock option reserve	**9.44**	-
Proposed dividend*	-	-
Tax on dividend*	-	-
At the end of the year	**(526.03)**	278.47
	11,362.31	12,110.38

Amount less than million

Nature and purpose of reserves

Equity Component of Compound Instruments

Equity component of Component Instruments comprises of the impact of fair valuation of preference shares issued by the Company.

Securities premium account

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

General reserve

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

Capital reserve

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

Employee stock option plan reserve

Represents expense recognised towards employee stock option plans issued by the company. (Refer Note 47).

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders. It includes impact of fair valuation of land on transition to Ind AS and are presently not available for distribution to shareholders (net of related tax impact): Rs. 3,710.05 million (March 31, 2021 Rs.3,710.05 million).

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Rs in million

Note 17
Long-term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings		
Secured		
Rupee term loans		
i) From bank (refer note A)	11,385.24	11,276.57
ii) From financial institutions (refer note A)	7,633.46	3,997.07
Foreign currency term loans		
i) From bank (refer note A)	662.76	1,098.80
Preference share liability		
Non-cumulative redeemable preference shares (refer note B)	1,746.67	1,194.61
	21,428.13	17,567.05

A) Terms of repayment

Particulars	Sanction Amount	Loan Outstanding as at March 31, 2022 / March 31, 2021	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. million	Rs. million	As at March 31, 2022	As at March 31, 2021		
TERM LOANS- Rupee Loans						
Standard Chartered Bank*	2,000.00	998.01 (1,295.42)	8.80% to 7.75%	9.30% to 8.80%	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.
HDFC Bank Ltd*	2,500 (Term loan - Rs.2,300 million with Rs 200 million OD as a sub-limit of term	2235.13 (1979.06)	7.75% to 7.55%	8.95% to 7.75%	Repayable in quarterly 30 instalments from December 2021 to March 2029.	
HSBC Ltd	1,150 (Term loan - Rs.1,130 million with Rs 20 million OD as a sub-limit of term loan)	1010.01 (1072.93)	7.90% to 7.05%	8.90% to 7.90%	Repayable in monthly installments starting from January 2020 to December 2029.	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.

Note 17

Particulars	Sanction Amount	Loan Outstanding as at March 31, 2022 / March 31, 2021	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. million	Rs. million	As at March 31, 2022	As at March 31, 2021		
ICICI Bank Ltd	3,080 (Term Loan - Rs. 2,285 million with Rs. 300 million OD as a sub-limit of term loan)	1,004.31 (1,336.57)	8.40% to 8.25%	9.25% to 8.40%	Repayable quarterly instalment starting from December 2017 to September 2025.	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.
Standard Chartered Bank	645.00	645.00	6.66%	-	Repayable in 48 monthly installments starting October, 2023	It is secured by (i) Second Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii)Second 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.
HDFC Bank Ltd	1,350.00	1,350.00	6.50%	-	Repayable in 48 monthly installments starting July, 2023	
Standard Chartered Bank *	900 (Term Loan - Rs. 750 million and OD Rs. 150 million)	626.18 (702.15)	8.80% to 7.40%	9.30% to 8.80%	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.
ICICI Bank Ltd	2,500.00	2455.42 (2476.21)	8.45% to 8.35%	8.45% to 8.40%	Repayable in 36 Quarterly installments starting from Jan-22	First pari passu charge on the immovable & movable fixed assets of the Marriott hotel, Bengaluru ("Hotel") First pari passu charge on current assets of the Hotel First pari passu charge on receivables of the Hotel

Particulars	Sanction Amount	Loan Outstanding as at March 31, 2022 / March 31, 2021	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. million	Rs. million	As at March 31, 2022	As at March 31, 2021		
ICICI Bank Ltd	1,900.00	653.68 (864.49)	8.40% to 8.25%	9.25% to 8.40%	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.
Housing Development Finance Corporation Limited	2,000.00	1,996.00	6.75%	-	Loan to be repaid in Equated Monthly Installments over a period of 120 months starting April 2024	It is secured by (i) Exclusive 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.
Axis Bank Ltd	120.00	6.40 (9.14)	12.65% to 12.00%	12.65%	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company. iii. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and
DBS Bank Ltd	3,250(Term Loan - Rs. 2,900 million, DSRA OD Rs.150 million and OD Rs. 200 million)	2,656.83 (2,786.88)	7.85% to 7.02%	9.35% to 7.85%	Repayable in Monthly instalments from April 2020 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present and future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Bajaj Finance Ltd	5,000.00	456.26 (498.66)	7.85% to 7.02%	9.00% to 7.85%	Repayable in Monthly instalments from April 2020 to Sept 2025.	

Note 17

Particulars	Sanction Amount	Loan Outstanding as at March 31, 2022 / March 31, 2021	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. million	Rs. million	As at March 31, 2022	As at March 31, 2021		
From Financial Institutions						
Housing Development Finance Corporation Limited	1,350.00	340.60 (535.12)	7.50% to 7.20%	8.65% to 7.50%	Repayable in 0 monthly instalment from loan drawn out date i.e. October 2014.	It is secured by (i) Exclusive charge on immovable property and receivables at Four Points By Sheraton, Vashi (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Four Points By Sheraton, Vashi (iii) Guarantee by related party.
Housing Development Finance Corporation Limited	2,500 (Line of Credit)	1,600.00 (1700.00)	7.50% to 7.20%	9.25% to 7.50%	Line of credit to be reduced every year starting 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	6,000	2,770.16	7.95%	0.00%	Loan to be repaid in Equated Monthly Installments over a period of 120 months starting July 2026	It is secured by (i) Exclusive charge on immovable property and receivables (both present and future) from Commercial project located in Powai (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 project located in Powai
Housing Development Finance Corporation Limited	3,600.00	1,598.62 (1826.11)	7.50% to 7.20%	8.65% to 7.50%	Repayable in 0 monthly instalment from loan drawn out date i.e. December 2015.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Westin Hotel (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Westin Hotel.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Particulars	Sanction Amount	Loan Outstanding as at March 31, 2022 / March 31, 2021	Carrying rate of Interest	Carrying rate of Interest	Repayment/ Modification of terms	Security Details
	Rs. million	Rs. million	As at March 31, 2022	As at March 31, 2021		
Foreign Currency Loans						
From Banks						
ICICI Bank Ltd - Bahrain	USD 48 million (drawn down USD 12.2 million)	550.61 (819.70)	4.00% fixed plus 3 month libor	4.00% fixed plus 3 month libor	Repayable quarterly from June 2018 to March 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.
Axis Bank Ltd	USD 35 million	590.51 (838.32)	4.5% + 6 months LIBOR	4.5% + 6 months LIBOR	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company. iii. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and

*The bank has confirmed that no event of default has been called due to the breach of covenants during the year 2021-22.
There are no material breaches of the covenants associated with the borrowings (referred to above).
The Company has utilized the funds raised during the year for the purposes for which they were taken except amount of Rs 600 million which has been temporarily invested in deposits with banks

Name of bank	Month	Particulars	Amount as per	Amount as reported in the	Difference	Reason for material discrepencies
Indian Overseas Bank	Jun-21	Inventory	19.62	20.29	(0.67)	The inventory amount reported in monthly statement are shown at gross level wereas in books it is reported at net level.
Indian Overseas Bank	Sep-21	Inventory	18.64	19.28	(0.64)	
Indian Overseas Bank	Dec-21	Inventory	19.55	20.19	(0.64)	
Indian Overseas Bank	Mar-22	Inventory	25.15	25.79	(0.64)	

B) Preference Share Capital

(a) Details of the Authorised, Issued, Subscribed and Paid-up Preference Share Capital as below:

Rs in million

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Authorised		
1,600 (March 31, 2021: 1600) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each	**160.00**	160.00
10,000 (March 31, 2021: 10,000) 0.001% Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each- Series A	**1,000.00**	1,000.00
10,000 (March 31, 2021: 10,000) 0.001% Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each- Series B	**1,000.00**	1,000.00
(ii) Issued, Subscribed and paid-up		
1,600 (March 31, 2021: 1600) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each	**160.00**	160.00
20,000 (March 31, 2021: 20,000) (Series A 10,000 and Series B 10,000) 0.001% Non-cumulative, Non-convertible redeemable preference shares. Series A: Fully-paid up Rs. 100,000 each (Fully paid up Rs.100,000 each in year ended March 31, 2021) and Series B: Partly-paid up Rs.75,000 each (partly paid up Rs. 75,000 each in year ended March 31, 2021).	**1,586.67**	1,034.61
Total	**1,746.67**	1,194.61

CHALET HOTELS LIMITED
MUMBAI

BSR & Co. LLP
14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063
Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

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

Particulars	As at March 31, 2022 Number	Amount	As at March 31, 2021 Number	Amount
1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each				
Number of Preference shares outstanding at the beginning of the year	1,600	160.00	1,600	160.00
Issued during the year	-	-	-	-
Number of Preference shares outstanding at the end of the year	1,600	160.00	1,600	160.00
10,000 (March 31, 2021: 10,000) (Series A) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and fully paid up of Series A Rs 100,000 each.				
Number of Preference shares outstanding at the beginning of the year	10,000	828.00	10,000	758.74
Adjustments* / Issued during the year	-	93.56	-	69.26
Number of Preference shares outstanding at the end of the year	10,000	921.56	10,000	828.00
10,000 (March 31, 2021: 10,000) (Series B) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and partly paid up of Series B Rs 100,000 each.				
Number of Preference shares outstanding at the beginning of the year	10,000	206.60	10,000	189.24
Adjustments* / Issued during the year**	-	458.50	-	17.36
Number of Preference shares outstanding at the end of the year	10,000	665.10	10,000	206.60
Total	21,600	1,746.66	21,600	1,194.61

*Adjustments represents notional interest on debt components of Preferences share
** Call made against issued Series B Non-cumulative, Non-convertible redeemable preference shares

(c) Shareholder holding more than 5% Preference shares in the Group is set out below:

Particulars	As at March 31, 2022 No. of Shares held	% of Holding	As at March 31, 2021 No. of Shares held	% of Holding
1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each				
Chandru Lachmandas Rahejajointly with Jyoti Chandru Raheja*	1,600	100%	1,600	100%
*Held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust				
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs.100,000 each subscribed and fully paid up (31 March 2020:10,000 partly paid up Rs.100,000 each)				
Series A				
Mr Ravi Chandru Raheja	2,325	23.25%	2,325	23.25%
Mr Neel Chandru Raheja	2,325	23.25%	2,325	23.25%
K Raheja Corp Private Limited	4,500	45%	4,500	45%
Ivory Properties and Hotels Private Limited	850	8.5%	850	8.5%
Total	10,000	100%	10,000	100%
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs.100,000 each subscribed and partly paid up of Rs 25,000 each. (31 March 2020:10,000 partly paid up Rs. 25,000 each)				
Series B				
Mr Ravi Chandru Raheja	2,325	23.25%	2,325	23.25%
Mr Neel Chandru Raheja	2,325	23.25%	2,325	23.25%
K Raheja Corp Private Limited	4,500	45%	4,500	45%
Ivory Properties and Hotels Private Limited	850	8.5%	850	8.5%
Total	10,000	100%	10,000	100%

(d) Rights, Preferences and restrictions attached to preference shares

The Company has two classes of preference shares having a par value of Rs.100,000 each per share.

1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each.

Rights, Preferences and restrictions attached to 0.00% Non-cumulative redeemable preference shares The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the Company for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of Re.1 per preference share per year.

Preference shares issued by the Company are due for redemption at par. Accordingly, the preference shares are liable to be redeemed at any time at the option of the Company but not later than June 4, 2023.

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

20,000 0.00%(Series A) Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each.

20,000 0.00%(Series B) Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each.

Rights, Preferences and restrictions attached to 0.00% (Series A & Series B) Non-cumulative, Non-convertible redeemable preference shares

The preference shares do not carry any voting rights.
With respect to the Residential project at Bengaluru ("Project"), w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Company either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0.00% Non- Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Company of Rs.2,000.00 million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Company has a paid up preference share capital of Rs.1,750 million as at March 31, 2022 (March 31, 2021: Rs.1,250 million).

The Preference Shares do not carry any voting rights whatsoever in any meetings of the shareholders of the Company or of members of any class of shares of the Company.
Subject to applicable laws, other than the amounts payable for redemption, no amounts shall be payable to the Preference Shareholders, whether by way of dividend or in any other manner whatsoever.

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

CHALET HOTELS LIMITED MUMBAI

B S R & Co. LLP Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2022

Rs in million

Note 18

Other non-current financial liabilities

	As at March 31, 2022	As at March 31, 2021
Security deposits	**128.89**	**187.01**
Retention money	**6.72**	**3.96**
Deferred government grant	**23.98**	-
	159.59	**190.97**

Note 19
Provisions

	As at March 31, 2022	As at March 31, 2021
Provision for gratuity	**80.41**	76.42
	80.41	76.42

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 20
Tax expense

Rs in million

(a) Amounts recognised in Statement of Profit and Loss for continuing operations

Current income tax expense	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
Current year	(37.76)	(63.34)
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(681.77)	(1,028.21)
Deferred tax charge/ (credit)	(681.77)	(1,028.21)
Excess provision for the earlier years	-	-
Tax charge/ (credit) for the year	(719.53)	(1,091.55)

(b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	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	1.65	(0.15)	1.50	0.05	0.23	0.28
	1.65	(0.15)	1.50	0.05	0.23	0.28

(c) Reconciliation of effective tax rate for continuing operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(Loss) before tax	(1,534.22)	(2,482.83)
Group's domestic tax rate	34.94%	34.94%
Tax using the Group's domestic tax rate	(536.12)	(867.60)
Tax effect of:		
Recogition of deferred tax on previously unrecognised tax losses	1.74	-
Expenses not allowed under tax	40.85	30.27
Income not subject to tax	-	0.00
Standard deduction	(89.21)	(70.32)
Indexation of land and investment property	(125.58)	(84.60)
Provision for Impairment of Investment	-	-
Transfer from Property, plant and equipment to Investment property	-	(124.16)
Consolidation Adjustments	26.55	69.09
Others	37.76	82.45
	(644.01)	(964.87)

The Company's weighted average tax rates for years ended March 31, 2022 and March 31, 2021 is 41.98 % and 38.86 %, 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.

During the year, the Company has transfer Property, plant and equipment to Investment property on Company has recognised deferred tax assest of Rs NIL million as at March 31, 2022 (March 31, 2021: (Rs 124.16) million).

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Tax expenses (Continued)

(e) Movement in deferred tax balances

Movement in deferred tax balances for the year ended March 31, 2022

Rs in million

Particulars	**Net balance as at March 31, 2021**	**Recognised in profit or loss credit/(charge)**	**Recognised in OCI**	**Recognised in equity**	**Others**	**Net balance as at March 31, 2022**
Deferred tax asset/(liabilities)						
Property, plant and equipment	(2,915.50)	141.06	-	-	-	(2,774.44)
Investment property	138.58	54.37	-	-	-	192.95
Assets classified as held for sale	0.05	-	-	-	-	0.05
Real estate inventory	(20.24)	-	-	-	-	(20.24)
Expenditure on specified business u/s 35 AD	2,165.89	426.79	-	-	-	2,592.68
Investments	(0.00)	-	-	-	-	(0.00)
Provisions	412.00	(89.50)	(0.29)	-	-	322.21
Borrowings	(15.53)	(22.73)	-	-	-	(38.26)
Other current liabilities	145.26	-	-	-	-	145.26
Other current assets	(198.44)	(1.11)	-	-	-	(199.55)
Unabsorbed depreciation/ carry forward tax losses	1,248.05	109.06	-	-	-	1,357.11
Unabsorbed losses on House property	416.82	(0.71)	-	-	-	416.11
Employee Stock Option	2.91	1.56	-	-	-	4.47
Inventory	6.78	4.57	-	-	-	11.35
Right of use assets and lease liability	-	14.55	-	-	-	14.55
MAT Credit Entitlement	195.00	-	-	-	-	195.00
Other items	77.51	44.01	-	-	-	121.52
Deferred tax assets/(liabilities)	**1,659.13**	**681.92**	**(0.29)**	**-**	**-**	**2,340.76**

Rs in million

Particulars	**Net balance as at March 31, 2022**
Deferred tax assets	2,352.68
Deferred tax liabilities	11.93
Net deferred tax assets/(liabilities)	2,340.76

Movement in deferred tax balances for the year ended March 31, 2021

Rs in million

Particulars	Net balance as at March 31, 2020	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Others (Amount)	Net balance as at March 31, 2021
Deferred tax asset/(liabilities)						
Property, plant and equipment	(3,185.42)	269.92	-	-	-	(2,915.50)
Investment property	157.40	(18.82)	-	-	-	138.58
Assets classified as held for sale	0.05	-	-	-	-	0.05
Real estate inventory	(20.24)	-	-	-	-	(20.24)
Expenditure on specified business u/s 35 AD	2,165.89	-	-	-	-	2,165.89
Investments	(0.00)	-	-	-	-	(0.00)
Provisions	414.05	(2.28)	0.23	-	-	412.00
Borrowings	(21.71)	6.18	-	-	-	(15.53)
Other current liabilities	145.26	-	-	-	-	145.26
Other current assets	(165.52)	(32.92)	-	-	-	(198.44)
Unabsorbed depreciation/ carry forward tax losses	411.50	740.23	-	-	-	1,151.73
Unabsorbed losses on House property	372.14	44.68	-	-	-	416.82
Inventory	5.72	1.06	-	-	-	6.78
Employee Stock Option	2.04	0.87	-	-	-	2.91
MAT Credit Entitlement	195.00	-	-	-	-	195.00
Other items	154.54	19.29	-	-	-	173.83
Deferred tax assets/(liabilities)	630.69	1,028.21	0.23	-	-	1,659.13

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2022

Rs in million

Particulars	**Net balance as at March 31, 2021**
Deferred tax assets	1,796.65
Deferred tax liabilities	137.51
Net deferred tax assets/(liabilities)	**1,659.14**

Tax expenses (Continued)

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 year over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.

Unrecognised deferred tax assets

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

Particulars	**March 31, 2022**			March 31, 2021		
	Gross amount	**DTA not recognised**	**Expiry date**	Gross amount	DTA not recognised	Expiry date
Business Loss	-	-	-	0.31	0.11	31 March 2025
Unabsorbed depreciation	**1,184.80**	**414.02**	NA	1,184.80	414.02	NA
Total	**1,184.80**	**414.02**		**1,185.11**	**414.13**	

Deferred tax assets for the carry forward of unused tax losses on business and house property 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 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 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 Company. The business losses can be carried forward for a year of 8 years as per the tax regulations and the Company expects to recover the losses.

Further, the Group had incurred losses in relation to the residential project at Bengaluru pursuant to litigation which arose during the financial year ended 31 March 2014. During the financial year ended 31 March 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Company, decided that the Company should proactively consider re-commencement of construction up to the permissible limits and engage with the buyers above the 0th floor for evaluating possible options.Consequently, the Company has made a provision for estimated losses on such cancellations pertaining to all flats above 0 floors and recognised the same during the financial year ended 31 March 2018 (refer note 35). 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.1,773.20 million as at March 31, 2022 (March 31, 2021 : Rs.1,568.60 million) on the carried forward lossess of the Company.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Rs in million

Particulars	As at **March 31, 2022**	As at March 31, 2021
Note 21		
Other non-current liabilities		
Deferred finance income	139.80	109.58
	139.80	109.58
Note 22		
Borrowings		
Secured		
Over draft accounts from banks	13.72	808.20
Unsecured		
From related parties	35.99	35.79
Current maturity of long term debt (refer Note 17)	3,861.98	2,172.20
	3,911.69	3,016.19

A) Terms of repayment
Rate of interest

Particulars	**Sanction Amount** Rs in million	**Carrying rate of Interest** As at March 31, 2022	**Carrying rate of Interest** As at March 31, 2021	**Repayment/ Modification of terms**	**Security Details**
Standard Chartered Bank	500 (Including two sub limit of 20 millionn each)	9.55% to 7.25%	10.05% to 7.60%	Renewal every year.	Secured against land parcel admeasuring 6,826 sq. mtrs. at Powai (including future receivables)
ICICI Bank Ltd	3,080 (Term Loan - Rs. 2,285 million with Rs. 300 million OD as a sub-limit of term loan) OD 300 (Including four sublimit -20 million, 20 million 10 million and 5 millionn)	8.35% to 8.30%	9.25% to 8.35%	Renewal every year and maturity is in September 2026 in line with the Term loan.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
DBS Bank Ltd	3250(Term Loan - Rs. 2900 million, DSRA OD Rs.150 million and OD Rs. 200 million)	7.2% to 7.25%	8.70% to 7.20%	Renewal every year and maturity is in September 2025 in line with the Term loan.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022
Note 22
Borrowings ***(Continued)***

Particulars	Sanction Amount Rs in million	Carrying rate of Interest As at March 31, 2022	Carrying rate of Interest As at March 31, 2021	Repayment/ Modification of terms	Security Details
Indian Overseas Bank	50.00	11.55%	12.55%	Renewal every year.	Cash Credit is secured by hypothecation of inventories, crockery, cutlery, and linen held by the Company at its property in Powai, both present and future.
ICICI Bank Ltd	1,900 (Term Loan - 1,530 million and OD 150 million)	8.35% to 8.30%	9.25% to 8.35%	Renewal every year and maturity is in June 2025 in line with the Term loan.	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
HDFC Bank Ltd	2,500 (Term loan - Rs.2,300 million with Rs 200 million OD as a sub-limit of term loan)	8.30% to 8.25%	8.30%	'Overdraft to be reduced on a proportionate basis in line with term loan repayment.	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.
HSBC Ltd	1,150 (Term loan - Rs.1,130 million with Rs 20 million OD as a sub-limit of term loan)	8.25% to 7.40%	8.26%	Repayable in monthly installments starting from January 2020 to December 2029.	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
Standard Chartered Bank	900 (Term Loan - Rs. 750 million and OD Rs. 150 million)	7.60% to 7.25%	10.25% to 9.50%	Overdraft to be reduced on a proportionate basis in line with term loan repayment.	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.50.00 million.

*the bank has confirmed that no event of default has been called due to the breach of covenants during the year 2021-22.

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

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Rs in million

Note 23	As at March 31, 2022	As at March 31, 2021
Trade payables		
Total outstanding dues of micro enterprises and small enterprises and (refer Note 39)	**89.83**	32.54
Total outstanding dues to creditors other than micro enterprises and small enterprises	**776.95**	796.05
	866.78	828.59

Trade payable Ageing Schedule

As at March 31, 2022

Particulars	Outstanding for following periods from date of Invoice/Accrual				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	**88.99**	**-**	**0.04**	**0.71**	**89.74**
Total outstanding dues of creditors other than micro enterprises and small enterprises	**696.55**	**50.91**	**21.74**	**7.84**	**777.04**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	785.54	50.91	21.78	8.55	866.78

As at March 31, 2021

Particulars	Outstanding for following periods from date of Invoice/Accrual				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	32.38	-	-	0.16	32.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	611.82	141.63	26.28	16.32	796.05
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	644.20	141.63	26.28	16.48	828.59

Note 24
Current - Other financial liabilities

Creditors for capital expenditure		
- Total outstanding dues of micro enterprises and small enterprises and (refer Note 39)	**77.04**	56.39
- Total outstanding dues to creditors other than micro enterprises and small enterprises	**303.94**	109.91
Retention payable	**43.82**	19.17
Security deposits	**85.27**	92.03
Mark to market derivative contracts	**12.18**	62.19
Other liabilities	**101.54**	120.63
	623.79	460.32

Note 25
Other current liabilities

Income received in advance (unearned revenue)		
Advances from customers towards sale of residential flats*	**1,660.47**	1,868.37
Advances from customers towards hospitality services	**151.77**	125.21
Deferred finance income	**4.41**	-
Statutory dues payable**	**300.07**	246.39
Employee Dues	**-**	-
	2,116.72	2,239.97

*Advances from customers towards sale of residential flats includes amount refundable to customers on estimated cancellation of flats for the year ended March 31, 2022 above 10 floors of Rs NIL million (March 31, 2021: Rs 692.13 million refer Note 33).

**Statutory dues payable includes ESIC, TDS payable , provident fund payable, indirect taxes payable etc.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Note 26
Short-term provisions

Provision for gratuity	**33.70**	34.75
Provision for compensated absences	**44.65**	38.84
Provision for estimated / actual cancellation and alteration cost (Refer foot note and Note 33).	**773.74**	835.35
	852.09	908.94

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 earlier interim order passed by the Karnataka High Court, in the petition filed by the Company, the Company had suspended construction activity and sale of flats at the Project.

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

By Judgement dated 29 May, 2020 the Karnataka High Court had allowed the writ petition in part, quashing the cancellation of the NOC and remanding back the matter to HAL for re-survey in a time bound manner and thereafter to proceed in accordance with law. HAL filed an appeal challenging the said order. In November 2020, your Company also filed an appeal challenging certain parts of the order.

In October 2021, the Company and HAL after discussions, signed terms for an amicable settlement of all the disputes between the parties, as per which the Company would undertake demolition of already constructed structures above 932 meters Above Mean Sea Level 'AMSL'. Further, the Hon'ble Karnataka High Court on October 26, 2021, disposed of the Writ Appeals in terms of the settlement. The Company has executed Supplemental MOUs with all existing flat owners, with revised terms inter-alia consenting to the revised development plans, subject to applicable regulatory approvals. Further, flat owners above 10th floor have consented to relocate to lower floors.

Demolition work of the area above 10th floor for all the 9 buildings has been completed in April 2022, and the NOC from HAL has been received. Process for obtaining all other approvals is underway.
Accordingly, the Company is reworking the estimated cost of completion of the project upto 10th floor as per the aforementioned plan and reassessing the cost of demolition of super structure above 932 meters AMSL. The excess/short provision on this account, if any, will be reviewed and accounted in the subsequent accounting period, upon confirmation from statutory authorities.

The Company had estimated and accounted interest payable on cancellation to flat owners above 10 floors amounting to Rs 553.94 million as at 31 March, 2022. The said provision shall be reversed upon receipt of all regulatory approvals from statutory authorities.

With respect to the said residential project, w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Company either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0% Non-Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Company of Rs.2,000.00 Million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Company has a paid-up preference share capital of Rs. 1,750 Million as at March 31, 2022 (March 31, 2021: Rs.1,250.00 Million).

Movement for provision for estimated / actual cancellation and alteration cost

Rs in million

Particulars	**As at March 31, 2022**	As at March 31, 2021
Provision for cost of alteration of super structure	**161.15**	250.00
Provision for estimated/actual cancellation		
Opening balance	**585.35**	543.47
Provisions made during the year*	**73.84**	41.88
Provisions utilised during the year	**(46.59)**	-
Closing balance	**612.60**	585.35
Total	**773.75**	835.35

* Includes Rs. 29.26 million for demolition of Bengaluru multiplex and Inorbit mall conversion into commercial.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited
Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2022

Rs in million

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Note 27		
Revenue from operations from Continuing operations		
(a) Sale of services		
Hospitality:		
Room income	**2,195.09**	1,131.66
Food, beverages and smokes	**1,565.44**	683.77
Others services	**297.79**	202.52
Rental / Annuity Business (formerly known as Retail & Commercial):		
Lease rent	**933.64**	780.88
(b) Sale of products		
Real estate:		
Sale of residential flats	-	-
Rental / Annuity Business (formerly known as Retail & Commercial):		
Maintenance and other recoveries	**70.95**	52.71
Revenue from other services	**15.16**	4.22
	5,078.07	2,855.76

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2022

Rs in million

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Note 28		
Other income		
Interest income from instruments measured at amortised cost	**57.13**	65.13
Net mark to market gain on derivative contracts	**2.00**	-
Gain on foreign exchange fluctuation (net)	**-**	18.20
Export benefits and entitlements	**59.42**	21.66
Profit on sale of investments (net)	**0.12**	0.01
Profit on sale of property, plant and equipment (net)	**3.66**	4.53
Interest on income tax refund	**26.85**	85.47
Miscellaneous income	**70.14**	24.44
	219.32	219.44

Rs in million

Particulars	**For the year ended March 31, 2022**	For the year ended March 31, 2021
Note 29 a		
Real estate development cost		
(i) Real estate development cost	**221.66**	95.06
	221.66	**95.06**
(ii) Changes in inventories of finished good and work in progress		
Opening project work in progress	**4,114.78**	4,106.15
	4,114.78	4,106.15
Add:		
Incurred during the year	**1.54**	8.63
Less: Closing stock		
Transferred to property under development project	**4,129.12**	4,114.78
	(12.80)	-
Total real estate development cost	**208.86**	95.06
Note 29 b		
Food and beverages consumed*		
Food and beverages materials at the beginning of the year	**77.03**	95.21
Purchases	**548.29**	220.55
Food and beverages materials at the end of the year	**86.69**	77.03
	538.63	238.73

*Includes complimentaries Rs 48.43 million (March 31, 2021: Rs.21.19 million)

Note 29 c		
Operating supplies consumed		
Purchases	**243.76**	123.35
	243.76	123.35
Note 30		
Employee benefits expense		
Salaries, wages and bonus	**840.53**	785.34
Contributions to provident fund and other funds	**49.40**	40.24
Staff welfare expenses	**108.81**	62.22
Employee stock option expense (Refer Note 47)	**1.02**	5.59
	999.76	893.39

CHALET HOTELS LIMITED MUMBAI

B S R & Co. LLP Chartered Accountants

Rs in million

Note 31
Finance costs

Interest expenses	**1,424.34**	1,467.74
Exchange differences regarded as an adjustment to borrowing cost	**18.49**	-
Other borrowing cost	**1.30**	52.04
	1,444.13	1,519.78

Note 32
Other expenses

Travelling and conveyance expenses	**7.41**	6.06
Power and fuel *	**462.88**	331.60
Rent	**24.20**	21.39
Repairs and maintenance		
- Buildings	**40.29**	49.03
- Plant and machinery	**156.86**	124.28
- Others	**45.37**	34.51
Insurance	**39.86**	41.54
Rates and taxes	**275.38**	193.39
Business promotion expenses	**115.60**	64.81
Commission	**100.15**	38.44
Royalty and management fees	**141.76**	57.33
Legal and professional charges	**137.07**	90.77
Other hotel operating cost	**147.43**	92.77
Bad debt written off	**0.22**	-
Provision for doubtful debts	**5.24**	10.24
Loss on foreign exchange fluctuation (Net)	**16.15**	-
Donations	**0.02**	-
Director sitting fees	**4.52**	4.28
Payment to auditors (Refer Note 40)	**13.20**	12.97
Buyout labour & manpower contract	**147.36**	45.36
Corporate social responsibility expenses	**0.66**	4.49
Reversal of Export benefits and entitlements	**-**	123.20
Sunk cost	**77.16**	-
Reversal of unbilled revenue	**-**	0.99
Miscellaneous expenses **	**143.50**	87.18
	2,102.29	1,434.63

*Net of Rs. 12.25 million (March 31, 2021: Rs.26.46 million) on account of recoveries.
**Net of Rs. 1.57 Million (March 31, 2021: Rs.2.47 Million) on account of recoveries.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2022

Note 33 **Rs in million**

Exceptional items

	For the year ended March 31, 2022	For the year ended March 31, 2021
Exceptional items		
-Provision for estimated cost in relation to potential cancellation	(44.58)	(41.71)
Total	(44.58)	(41.71)

Notes:

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

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

By Judgement dated 29 May, 2020 the Karnataka High Court had allowed the writ petition in part, quashing the cancellation of the NOC and remanding back the matter to HAL for re-survey in a time bound manner and thereafter to proceed in accordance with law. HAL filed an appeal challenging the said order. In November 2020, your Company also filed an appeal challenging certain parts of the order.

In October 2021, the Company and HAL after discussions, signed terms for an amicable settlement of all the disputes between the parties, as per which the Company would undertake demolition of already constructed structures above 932 meters Above Mean Sea Level 'AMSL'. Further, the Hon'ble Karnataka High Court on October 26, 2021, disposed of the Writ Appeals in terms of the settlement. The Company has executed Supplemental MOUs with all existing flat owners, with revised terms inter-alia consenting to the revised development plans, subject to applicable regulatory approvals. Further, flat owners above 10th floor have consented to relocate to lower floors.

Demolition work of the area above 10th floor for all the 9 buildings has been completed in April 2022, and the NOC from HAL has been received. Process for obtaining all other approvals is underway. Accordingly, the Company is reworking the estimated cost of completion of the project upto 10th floor as per the aforementioned plan and reassessing the cost of demolition of super structure above 932 meters AMSL. The excess/short provision on this account, if any, will be reviewed and accounted in the subsequent accounting period, upon confirmation from statutory authorities.

The Company had estimated and accounted interest payable on cancellation to flat owners above 10 floors amounting to Rs 553.94 million as at 31 March, 2022. The said provision shall be reversed upon receipt of all regulatory approvals from statutory authorities.

With respect to the said residential project, w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Company either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0.001% Non-Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Company of Rs.2,000.00 Million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Company has a paid-up preference share capital of Rs. 1,750 Million as at March 31, 2022 (March 31, 2021: Rs.1,250 Million).

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2022

Note 34
Earnings Per Share (EPS) (IND AS 33)

Rs in million

Particulars	**March 31, 2022**	March 31, 2021
(Loss) attributable to equity shareholders from Continuing operations	**(749.92)**	(1,354.00)
(Loss) attributable to equity shareholders from Discontinued operations	**(65.37)**	(36.76)
(Loss) attributable to equity holders of the Company	**(815.28)**	(1,390.76)
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**205,023,864**	205,023,864
Number of equity shares outstanding at the end of the year	**205,023,864**	205,023,864
Earnings per equity share - Continuing operations (Face value of Rs 10 each)		
Basic	**(3.66)**	(6.60)
Diluted	**(3.66)**	(6.60)
Earnings per equity share - Discontinued operations (Face value of Rs 10 each)		
Basic	**(0.32)**	**(0.18)**
Diluted	**(0.32)**	**(0.18)**
Earnings per equity share - Continuing and Discontinued operations (Face value of Rs 10 each)		
Basic	(3.98)	(6.78)
Diluted	**(3.98)**	**(6.78)**

Weighted average number of shares is the number of equity shares outstanding at the beginning of the year/ year adjusted by the number of equity shares issued during year/ year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
The impact of dilution on account of ESOP will not be considered if they are anti-dilutive.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2022

Note 35
Government grant **Rs in million**

Export Promotion Capital Goods (EPCG) scheme
The Group under the EPCG scheme receives a grant from the Government towards import of capital goods without any levy of import duty. The Group has an obligation towards future exports of the Group.
The Group has recognised a deferred grant at the point of waiver of import duty in relation to import of capital goods. Given that the grant is conditional on fulfillment of future export obligation, the same is treated as a revenue grant and is accordingly recognised in the Statement of Profit and Loss on fulfilment of such obligation.

Particulars	**March 31, 2022**	March 31, 2021
Opening Balance	-	-
Grants received during the year	**33.40**	21.66
Less: Released to Statement of Profit and Loss	**(9.42)**	(21.66)
Closing balance	**23.98**	-

Served from India scheme (SFIS)/Service exports from India scheme (SEIS)
The Group under SFIS / SEIS receives an entitlement / credit to be sold separately (only in case of SEIS) or utilised against future imports.
The Group recognises income in respect of duty credit entitlement arising from export sales under the SFIS/SEIS of the Government of India in the year of exports, provided there is no significant uncertainty regarding the entitlement and availment of the credit and the amount thereof. Export credit entitlement can be utilized within specified benefit year, by way of adjustment against duties payable on purchase of capital equipments, spare parts and consumables or sale of such licenses.

Particulars	**March 31, 2022**	March 31, 2021
Opening balance	-	123.20
Grants received during the year	**50.00**	-
Less: Utilisation	**(0.08)**	-
Less: Written off	-	(123.20)
Closing balance	**49.92**	-
Income recognised in Statement of Profit and Loss on account of EPCG (A)	**9.42**	21.66
Income recognised in Statement of Profit and Loss on account of SFIS/SEIS (B)	**50.00**	-
Total income recognised in the Statement of Profit and Loss (A+B)	**59.42**	21.66

CHALET HOTELS LIMITED MUMBAI

B S R & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Note 36
Employee benefits

Rs in million

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

The Group has recognised the following amounts in the Consolidated Statement of Profit and Loss for the year.

Particulars	March 31, 2022	March 31, 2021
Employer's contribution to Provident Fund and ESIC	49.40	40.24
	49.40	40.24

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:

(i) Hotel division of holding company (Westin, Hyderabad) where fund is maintained with Life Insurance Corporation of India.
(ii) One of the subsidiary company (Corporate office) 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, 2022. 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, 2022	March 31, 2021
Defined benefit obligation	112.34	109.50
Less: Fair value of plan assets	(3.43)	(3.38)
Net defined benefit obligation	**108.91**	106.12

Fair value of the plan assets and present value of the defined benefit obligation
The amount included in the Balance sheet arising from the Group's obligation and plan assets in respect of its defined benefit schemes is as follows:

	Particulars	March 31, 2022	March 31, 2021
1	**Movement in defined benefit obligation:**		
	At the beginning of the year	109.50	110.71
	Liabilities assumed on business combination	-	-
	Recognised in profit or loss	-	-
	Current service cost	10.24	11.80
	Interest cost	4.55	5.92
	Recognised in other comprehensive income	(0.42)	
	Actuarial (gains)/losses on obligations -	-	
	Due to change in demographic assumptions	0.64	-
	Due to change in financial assumptions	(2.80)	2.58
	Due to experience	0.98	(2.99)
	Benefit paid	(10.35)	(18.52)
	At the end of the year	112.34	109.50
2	**Movement in fair value of plan assets:**		
	At the beginning of the year	3.38	3.56
	Recognised in profit or loss		
	Interest income	0.04	0.23
	Expected return on plan assets	0.02	(0.41)
	Employer contributions	-	-
	Benefit paid	-	-
	At the end of the year	3.43	3.38
3	**Recognised in profit or loss**		
	Current service cost	10.24	11.80
	Interest expense	4.70	5.92
	Interest income	0.04	0.22
	For the year	14.90	17.50
4	**Recognised in other comprehensive income**		
	Actuarial (gains)/losses on obligations	(1.65)	(0.05)
	For the year	(1.65)	(0.05)

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

CHALET HOTELS LIMITED MUMBAI

& Co. LLP 14th Floor, Central B Wing and North C Wing, Chartered Accountants

Note 35
Employee benefits (Continued)

6 The principal actuarial assumptions used for estimating The Group's benefit obligations are set out below (on a weighted average basis):
Employees of Chalet Hotels Limited

Particulars	**March 31, 2022**	March 31, 2021
Rate of increase in salaries (%)	**6 -9%**	5 -7%
Discount rate (%)	**5.15%**	4.25% - 6.79%
Employee turnover rate	**22-56%**	22 -57.5%
Mortality rate during employment	**Indian Assured Lives Mortality 2012-14 (Urban)**	Indian Assured Lives Mortality (2006-08)

7 **Sensitivity of the defined benefit obligation**

Particulars	**March 31, 2022**		March 31, 2021	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	(2.91)	3.12	(2.86)	3.07
Rate of increase in salaries (1% movement)	3.01	(2.86)	2.94	(2.80)
Rate of employee turnover (1% movement)	(0.55)	0.58	(0.66)	0.69

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

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

8 Expected contributions to gratuity fund for the year ended March 31, 2023 is Rs.31.14 million (March 31, 2022): Rs.30.55 million

9 **The expected future cash flows as at March 31, 2022 were as follows**

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
March 31, 2022	**31.14**	**21.93**	**42.35**	**27.63**	**123.05**
Defined benefit obligation (gratuity - non funded)	**29.05**	**20.71**	**41.00**	**27.35**	**118.10**
Defined benefit obligation (gratuity)	**2.09**	**1.22**	**1.36**	**0.28**	**4.95**
March 31, 2021	30.55	20.81	39.94	26.27	117.56
Defined benefit obligation (gratuity - non funded)	28.78	19.57	38.14	24.83	111.32
Defined benefit obligation (gratuity)	1.77	1.24	1.80	1.43	6.24

(c) **Short-term compensated absences:**
Compensated absences, classified as long term benefits is recognised as an expense and included in "Employee benefits expense" in the Consolidated Statement of Profit and Loss during the year. The following table provides details in relation to compensated absences.

Particulars	**March 31, 2022**	March 31, 2021
(Reversal) / Expenses for the year	**5.81**	(22.60)
Closing balance	**44.65**	38.84

In case of subsidiary - Belaire Holdings Private Limited (BHPL), the liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each Balance sheet date and provided for as incurred in the year in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Compensated absences which are not expected to occur within 12 months of the end of the period in which the employee render the service are recognized at an actuary determined liability as per the present value of the defined benefit obligation.

CHALET HOTELS LIMITED MUMBAI

& Co. LLP Chartered Accountants

Note 37

Operating leases

A. Leases as lessor

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

i) Amount recognised in the Consolidated Statement of Profit and Loss :

Rs in million

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Income from lease of shops in hotels included in revenue from operations	5.81	9.89
Income from lease of office premises included in revenue from operations	895.15	772.64
Income from lease of investment properties included in revenue from operations	38.49	8.24
Total	939.45	790.77

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

Future minimum lease receivables	For the year ended March 31, 2022	For the year ended March 31, 2021
Less than one year	6.45	12.51
Between one and five years	14.67	41.81
More than five years	-	287.32
	21.12	341.64

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

Future minimum lease receivables	For the year ended March 31, 2022	For the year ended March 31, 2021
Less than one year	745.46	834.52
Between one and five years	3,243.81	3,319.14
More than five years	2,177.74	3,357.60
Total	6,167.00	7,511.26

Note 37
Operating leases *(continued)*

B. Leases as lessee

Right-of-use assets (Rs. in million)

Particulars	Land and Buildings	Total
Cost		
Balance at March 31, 2021	-	-
Additions	649.09	649.09
Disposals	-	-
Balance at March 31, 2022	**649.09**	**649.09**
Accumulated depreciation and impairment		
Balance at March 31, 2021	-	-
Depreciation	59.54	59.54
Impairment loss	-	-
Eliminated on disposals of assets	-	-
Balance at March 31, 2022	**59.54**	**59.54**
Carrying amounts		
As at 1 April 2021	-	-
Balance at March 31, 2022	**589.55**	**589.55**
Lease Liabilities		
Balance at March 31, 2021	-	-
Additions	621.20	621.20
Less:Disposals	-	-
Add: Interest Expense on lease Liabilities	46.91	46.91
Less: Total cash outflow for leases	36.95	36.95
Balance at March 31, 2022	**631.17**	**631.17**

Breakdown of lease expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term lease expense	8.25	**3.92**
Low value lease expense	32.49	**64.69**
Total lease expense	**40.74**	**68.61**

Maturity analysis - Undiscounted (Rs. in million)

Particulars	Total
March 31, 2022	
Lease liabilities	
Less than 1 year	88.67
Between 1 and 2 years	181.03
2 and 5 years	296.67
Over 5 years	336.17
Total	**901.55**

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2022

Rs in million

Note 38
Contingent liabilities and commitments (to the extent not provided for)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Contingent liabilities		
Claims against the Group not acknowledged as debts		
Disputed service tax demands	**67.39**	62.15
Disputed income tax demands	**323.51**	331.95
Disputed VAT demands	**13.08**	12.70
Non-Agricultural Tax (refer note g)	**-**	8.29
Disputed provident funds demands	**5.80**	5.80
Labour Dispute	**12.21**	-
Transportation Charges	**0.08**	-
Power Facilitation Agreement	**36.17**	-
Contractors Claim	**113.77**	-
Guarantees Given by the Banks and Counter Guarantee By the Company	**-**	64.93
Performance Guarantees given to Department of Tourism of Kerala	**50.00**	50.00
SFIS/SEIS Scheme	**16.73**	5.74

a. The Group is a party to various other proceedings in the normal course of business and does not expect the outcome of these proceedings to have an adverse effect on its financial conditions, results of operations or cash flows.

b. Further, claims by parties in respect of which the Management has been legally advised that the same are frivolous and not tenable, have not been considered as contingent liabilities as the possibility of an outflow of resources embodying economic benefits is highly remote.

c. In December 2005, the Group had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited.The Group has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Consolidated financial information. The balance of prepaid lease rental in relation to such leasehold land as of March 31, 2022 is Rs. 49.74 million (March 31, 2021: Rs.50.93 million) and carrying value of property, plant and equipment as at March 31, 2022 is Rs.372.12 million (March 31, 2021: Rs.400.77 million).

d.Show Cause Notice issued by CGST & Central Excise Division, Bhopal in July 2019 with reference to utilisation of SFIS benefits by the Company for purchase of glass and a demand to make payment of Excise Duty of Rs. Nil million. The Company has filed a reply in the matter, requesting to not precipitate the matter in view of the existing Court Order of Gujarat High Court. Personal Hearings were held on October 10, 2020 on behalf of the Company and former director, Mr. Ramesh Valecha however no orders have been passed.

e. There are numerous interpretative issues relating to the Supreme Court (SC) judgment on provident fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

f. The Group has considered as at March 31, 2022 Rs. 41.59 million (March 31, 2021: Rs. 25.16 million) towards service tax refund receivable against cancellations of flats. One of the company's claim was rejected by the Customs, Excise & Service Tax Appellate Tribunal, Regional Bench, Bangalore on grounds of time limitations.The Group had filed appeal with Honourable High Court of Karnataka in this regard. The matter is pending before the Honourable High court of Karnataka.

g. The Group has recieved notice from, The Tahilsdar, Kurla, vide five notices demanded aggregate payment of Rs. Nil million towards Non-Agricultural Tax which was kept in abeyance vide GR dated July 31, 2016. In the said notice, the authority demanded the levy in view of the aforesaid GR being recalled by the State Government vide subsequent GR dated February 14, 2018. Group has in response to the said Demand Notice, sought references of the said GR's and the calculation upon which the Authority has arrived at the amounts payable by Group in the said notice. Group is awaiting response from the Authorities. However, an advance of Rs. Nil million has been paid to the authorities under protest.

Commitments

	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**3,154.96**	3,165.83
b. The Company has issued a letter of undertaking to provide need based financial support to Belaire Hotels Private Limited, its wholly owned subsidiary	-	-
c. Others (Specify)	-	-

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2022

Note 39

Total outstanding dues of micro enterprises and small enterprises

During the year, Micro small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
The amounts remaining unpaid to micro and small enterprises as at the end of the year.		
Principal	89.73	32.53
Interest	0.10	0.01
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.10	0.01
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Note 40

Payment to auditors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit fees	10.51	9.52
Tax audit fees	0.50	0.55
Other services	1.65	2.49
Out of pocket expenses	0.54	0.41
Amount debited to Consolidated Statement of Profit and Loss (excluding taxes)	13.20	12.97

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 41
Corporate Social Responsibility

	31-Mar-22	31-Mar-21
		Rs. in million
Details of CSR expenditure:	**31-Mar-22**	**31-Mar-21**
a) Gross amount required to be spent by the Company during the year	-	4.49
b) Amount approved by the Board to be spent during the year	2.50	4.49
c) Amount spent during the year ending on 31March 2022:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
d) Amount spent during the year ending on 31March 2021:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	0.66	4.49
	-	-
e) Details related to spent / unspent obligations:	**31-Mar-22**	**31-Mar-21**
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	-	-
iii) Unspent amount in relation to:	-	-
- Ongoing project	-	-
- Other than ongoing project	-	-

Details of ongoing project and other than ongoing project

March 31, 2022 — **Rs. in million**

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	From Company's bank A/c	From Separate CSR Unspent A/c
-	-	-	-	-	-	-

Rs. in million

In case of S. 135(5) (Other than ongoing Project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	-	0.66	(0.66)

March 31, 2021 — **Rs. in million**

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	From Company's bank A/c	From Separate CSR Unspent A/c
-	-	-	-	-	-	-

Rs. in million

In case of S. 135(5) (Other than ongoing Project)				
Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	-	4.49	4.49	-

CHALET HOTELS LIMITED
MUMBAI

BSR & Co. LLP
Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)

as at March 31, 2022

Rs in million

Note 42

Financial instruments - Fair values and risk management

(A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
March 31, 2022	**FVTPL**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets							
Investment in equity shares	62.66		62.66	-	-	62.66	62.66
Other investments	-	0.13	0.13	-	0.13		0.13
Other non-current financial assets	-	387.04	387.04	-	-	-	-
Current financial assets			-				
Trade receivables	-	436.02	436.02	-	-	-	-
Cash and cash equivalents	-	245.23	245.23	-	-		-
Other bank balances	-	753.22	753.22	-	-		-
Other current financial assets	-	150.63	150.63	-	-	-	-
Derivative asset	-	-	-	-	-	-	-
	62.66	1,972.27	2,034.93	-	0.13	62.66	62.79
Non-current financial liabilities							
Borrowings	-	21,428.13	21,428.13	-	21,428.13	-	21,428.13
Other non-current financial liabilities	-	159.59	159.59	-	159.59	-	159.59
Current financial liabilities			-				-
Borrowings	-	3,911.69	3,911.69	-	-	-	-
Trade payables	-	866.78	866.78	-	-	-	-
Other financial liabilities	-	611.61	611.61	-	-	-	-
Derivative liability	-	12.18	12.18	-	12.18	-	12.18
	-	26,989.98	26,989.98	-	21,599.90	-	21,599.90

	Carrying amount			Fair value			
March 31, 2021	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in equity shares	44.81		44.81	-	-	44.81	44.81
Other investments	-	0.13	0.13	-	0.13	-	0.13
Others	-	340.67	340.67	-	-	-	-
Current financial assets							
Trade receivables	-	306.09	306.09	-	-	-	-
Cash and cash equivalents	-	269.02	269.02	-	-	-	-
Other bank balances	-	188.66	188.66	-	-	-	-
Other current financial assets	-	98.73	98.73	-	-	-	-
Derivative asset	-	-	-	-	-	-	-
	44.81	1,203.30	1,248.11	-	0.13	44.81	44.94
Non-current financial liabilities							
Borrowings	-	17,567.05	17,567.05	-	17,603.82	-	17,603.82
Other non-current financial liabilities	-	190.97	190.97	-	190.96	-	190.96
Current financial liabilities							
Borrowings	-	3,016.19	3,016.19	-	-	-	-
Trade payables	-	828.59	828.59	-	-	-	-
Other financial liabilities	-	398.13	398.13	-	-	-	-
Derivative liability	-	62.19	62.19	-	62.19	-	62.19
	-	22,063.12	22,063.12	-	17,856.97	-	17,856.97

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants

Financial instruments - Fair values and risk management *(Continued)*

(i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :
- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach, and for certain equity shares equals to the cost.
- the fair value for the currency swap is determined using forward exchange rate for balance maturity.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

The investments included in level 3 of the fair value hierarchy have been valued using the discounted cash flow technique to arrive at the fair value.

(ii) Fair value measurements using significant unobservable inputs (level 3)

Reconciliation of level 3 fair values

	FVTPL Equity shares
Balance at March 31, 2021	44.81
Additions / Deletions during the year	17.85
Balance at March 31, 2022	**62.66**

(iii) Sensitivity analysis

The Group has invested in equity shares of entities engaged in generation of hydro power for securing the supply of renewable energy. The Group does not have any exposure or rights to variable returns. Hence no sensitivity is required for such equity shares.

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.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 42
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 hospitality business. For other segments the company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

Rs in million

Particulars	**March 31, 2022**	March 31, 2021
(a) Trade Receivables considered good - Secured;		
(b) Trade Receivables considered good - Unsecured;		
Less than 6 months	**404.22**	270.10
More than 6 months	**49.22**	44.03
Total	**453.44**	314.13
(c) Trade Receivables which have significant increase in Credit Risk; and	**13.73**	22.81
(d) Trade Receivables - credit impaired	**16.60**	70.91

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

Particulars	**March 31, 2022**	March 31, 2021
Balance as at March 31, 2021	**101.76**	116.52
Impairment loss recognised / (reversed)	**(54.01)**	(14.76)
Balance as at March 31, 2022	47.75	101.76

(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.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Rs in million

Note 42

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, 2022	**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)	25,290.11	29,793.06	3,896.29	4,784.88	15,468.95	5,642.93
Security deposits	159.59	159.59	-	64.80	21.63	73.16
Current, non derivative financial liabilities						
Borrowings	49.71	49.71	49.71	-	-	-
Trade payables	866.78	866.78	866.78	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	623.79	623.79	623.79	-	-	-
Derivative financial liabilities						
Forward exchange contract (gross settled)						
- Outflow	341.20	341.20	341.20	-	-	-
- Inflow	(328.35)	(328.35)	(328.35)	-	-	-
Total	27,002.83	31,505.78	5,449.42	4,849.68	15,490.58	5,716.09

			Contractual cash flows			
March 31, 2021	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)	19,739.25	23,961.83	3,506.77	4,956.05	11,105.91	4,393.10
Security deposits	190.97	190.97	-	58.08	21.63	111.26
Current, non derivative financial liabilities						
Borrowings	843.99	843.99	843.99	-	-	-
Trade payables	828.59	828.59	828.59	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	460.32	460.32	460.32	-	-	-
Derivative financial liabilities						
Forward exchange contract (gross settled)						
- Outflow	721.80	721.80	721.80	-	-	-
- Inflow	(673.88)	(673.88)	(673.88)	-	-	-
Total	22,111.05	26,333.62	5,687.59	5,014.13	11,127.54	4,504.36

The Group has sufficient current assets comprising of Trade Receivables, Cash & Cash Equivalents, Other Bank Balances (other than restricted balances), Loans and Other Current Financial Assets to manage the liquidity risk, if any in relation to current financial liabilities.The Group has overdraft facilities, general corporate borrowings, which are used to ensure that the financial obligations are met as they fall due in case of any deficit.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Note 42
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 years and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recognised liabilities. The Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

Particulars	**Buy / Sell**	**Currency**	**Cross Currency**	**March 31, 2022**		March 31, 2021	
Forward contract	Buy	USD	INR	USD	4.33 million	USD	9.00 million

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

The amounts reflected in the table below represent the exposure to respective currency in Indian Rupees :

Particulars	**March 31, 2022**			March 31, 2021		
	USD	**EUR**	**GBP**	USD	EUR	GBP
Financial liabilities						
Foreign currency loans (including interest accrued)	**1,147.61**	-	-	1,530.22	-	-
Trade payables	**219.79**	-	**0.02**	268.00	0.19	0.03
	1,367.40	-	**0.02**	1,798.22	0.19	0.03
Derivatives						
Foreign currency forward exchange contract	**(328.35)**	-	-	(673.88)	-	-
	(328.35)	-	-	(673.88)	-	-
Net exposure	**1,039.05**	-	**0.02**	1,124.35	0.19	0.03

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at 31 March, 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.

Particulars	**Profit or loss before tax**			
	March 31, 2022		March 31, 2021	
Effect in INR (before tax)	**Strengthening**	**Weakening**	Strengthening	Weakening
USD (1% movement)	**10.39**	**(10.39)**	11.24	(11.24)

Rs in million

Note 42

Financial instruments – Fair values and risk management *(Continued)*

(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, 2022	NIL
March 31, 2021	NIL

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is as follows.

Particulars	*Carrying amount*	
	March 31, 2022	March 31, 2021
Fixed-rate instruments		
Non current borrowings		
Non-cumulative redeemable preference shares	**1,746.67**	1,194.61
Current borrowings		
Loan from related parties other than directors	**35.99**	35.79
Total	**1,782.66**	1,230.40
Variable-rate instruments		
Non current borrowings		
Rupee term loans from banks	**11,385.24**	11,276.57
Rupee term loans from financial institutions	**7,633.46**	3,997.07
Foreign currency term loans from banks	**662.76**	1,098.80
Current borrowings		
Cash credit/overdraft accounts from banks	**13.72**	808.20
Current maturity of long term debt	**3,861.98**	2,172.20
Total	**23,557.16**	19,352.84
TOTAL	**25,339.82**	20,583.24

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.

Particulars	Profit or loss before tax	
	100 bps increase	**100 bps decrease**
March 31, 2022	**(235.57)**	**235.57**
March 31, 2021	(193.53)	193.53

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Rs in million

Note 43

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 at is as follows:

Particulars	**March 31, 2022**	March 31, 2021
Total borrowings	**25,339.82**	20,583.24
Less: Cash and cash equivalents	**245.23**	269.02
Less: Bank deposits	**753.22**	188.66
Adjusted net debt	**24,341.37**	20,125.56
Total equity	**13,409.92**	14,157.39
Adjusted net debt to adjusted equity ratio	**1.82**	1.42

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 44 **Rs in million**

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

(b) Following are reportable segments
Reportable segment
Hospitality (Hotels)
Real Estate
Rental / Annuity Business *(formerly known as Retail & Commercial)*

B. Information about reportable segments

For the quarter ended March 31, 2022	Reportable segments					
Particulars	Hospitality (Hotels)	Real Estate	Rental / Annuity Business	Rental / Annuity Business (Discontinued operations) (Refer note 48)	Unallocated	Total
Revenue						
External Customers	4,099.74	-	1,016.75	33.25		5,149.74
Inter-segment				-		-
Total Revenue	4,099.74	-	1,016.75	33.25	-	5,149.74
Segment profit / (loss) before tax	(306.65)	(283.13)	644.08	(65.37)	-	(11.06)
Unallocated expenses						
Interest Expenses	-	-	-	-	(1,444.13)	(1,444.13)
Depreciation	-	-	-	-	(4.56)	(4.56)
Other Expenses	-	-	-	-	(255.36)	(255.36)
Total Unallocated Expenses	-	-	-	-	(1,704.05)	(1,704.05)
Unallocated income						
Interest Income	-	-	-	-	57.13	57.13
Other Income	-	-	-	-	123.76	123.76
Total Unallocated Income	-	-	-	-	180.89	180.89
Profit before Taxation	-	-	-	-	-	(1,534.22)
Tax expenses						(719.53)
Profit after taxation						(814.69)
Segment assets	21,438.39	3,923.21	14,500.33	-	4,565.09	44,427.01
Segment liabilities	1,845.85	2,504.54	862.50	-	25,804.20	31,017.10
Other disclosures						
Capital expenditure	376.38	0.72	3,844.73	-	1.09	4,222.92
Depreciation and amortisation	968.21	0.21	211.26	-	4.56	1,184.23
Non cash expenses other than depreciation and amortisation	10.62	-	-	75.46	-	86.08

Rs in million

For the year ended March 31, 2021	Reportable segments					
Particulars	Hospitality (Hotels)	Real Estate	Rental / Annuity Business	Rental / Annuity Business (Discontinued operations) (Refer note 48)	Unallocated	Total
Revenue						
External Customers	2,021.28	0.00	837.81	92.76	-	2,951.85
Inter-segment				-		
Total Revenue	2,021.28	0.00	837.81	92.76	-	2,951.85
Segment profit / (loss) before tax	(1,170.63)	(160.99)	553.65	(36.76)	-	(814.73)
Unallocated expenses						
Interest Expenses	-	-	-	-	(1,519.78)	(1,519.78)
Depreciation	-	-	-	-	(5.68)	(5.68)
Other Expenses	-	-	-	-	(358.73)	(358.73)
Total Unallocated Expenses	-	-	-	-	(1,884.19)	(1,884.19)
Unallocated income						
Interest Income	-	-	-	-	64.73	64.73
Other Income	-	-	-	-	151.58	151.58
Total Unallocated Income	-	-	-	-	216.31	216.31
Loss before Taxation	(1,170.63)	(160.99)	553.65	(36.76)	(1,667.88)	(2,482.61)
Tax Credit						(1,091.55)
Loss after taxation						(1,391.06)
Segment assets	21,997.29	3,889.43	10,971.62	-	3,029.60	39,887.94
Segment liabilities	1,108.13	2,780.41	488.84	-	21,353.16	25,730.54
Other disclosures						
Capital expenditure	957.12	-	239.84	-	2.22	1,199.18
Depreciation and amortisation	957.10	0.30	211.54	-	5.68	1,174.63
Non cash expenses other than depreciation and amortisation	22.74	-	2.19	-	132.38	157.32

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 45

Details of interests in subsidiaries

Subsidiaries

The details of the Company's subsidiary at March 31, 2022 is set below. The country of incorporation is also the principal place of business.

Name of entity	Country of Incorporation	Shareholding % As on March 31, 2022	Shareholding % As on March 31, 2021
Chalet Hotels & Properties (Kerala) Private Limited	India	**90 %**	90 %
Belaire Hotels Private Limited	India	**100 %**	100 %
Sea Pearl Hotels Private Limited	India	**100 %**	100 %

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, 2022	Non-controlling interest March 31, 2021
Chalet Hotels & Properties (Kerala) Private Limited	India	**10 %**	10 %
Belaire Hotels Private Limited	India	**0 %**	0 %
Sea Pearl Hotels Private Limited	India	**0 %**	0 %

The balance attributable towards the non-controlling interest of Chalet Hotels & Properties (Kerala) Private Limited was (Rs.36.33 million) (March 31, 2021 Rs. 33.71 million), Accordingly, disclosures applicable to non-controlling interest have not been provided.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2022

Note 46
Related Party Disclosures, as required by Indian Accounting Standard 24 are given below:

List of related parties

Relationship	Name of party 31 March 2022	31 March 2021
Key Managerial Personnel / Relative (KMP)	Sanjay Sethi -Managing Director & CEO	Sanjay Sethi -Managing Director & CEO Rajeev Newar, CFO & Executive Director (ceased to be an Executive Director w.e.f. August 2, 2020 and ceased to be CFO w.e.f. August 19, 2020)
Non- Executive directors/Relative	Ravi C Raheja Neel C Raheja	Ravi C Raheja Neel C Raheja
Independent directors	Hetal Gandhi Arthur De Haast Joseph Conrad D'Souza Radhika Piramal	Hetal Gandhi Arthur De Haast Joseph Conrad D'Souza Radhika Piramal
Other KMP as per Companies Act, 2013	Milind Wadekar Chief Financeal Officer Rajneesh Malhotra, Chief Operating Officer (w.e.f October 28th, 2021) Christabelle Baptista, Company Secrectary	Milind Wadekar Christabelle Baptista, Company Secrectary
Enterprises Controlled / Jointly controlled by Non-executive directors	Brookfields Agro & Development Private Limited Newfound Properties and Hotels Private Limited Convex Properties Private Limited Grange Hotels And Properties Private Limited Immense Properties Private Limited Novel Properties Private Limited Pact Real Estate Private Limited Paradigm Logistics & Distribution Private Limited Aqualine Real Estate Private Limited Feat Properties Private Limited Carin Properties Private Limited Asterope Properties Private Limited (erstwhile Flabbergast Properties Private Limited) K Raheja Corp Advisory Services (Cyprus) Private Limited Content Properties Private Limited K Raheja Corp Investment Managers LLP	Brookfields Agro & Development Private Limited Cavalcade Properties Private Limited Convex Properties Private Limited Grange Hotels And Properties Private Limited Immense Properties Private Limited Novel Properties Private Limited Pact Real Estate Private Limited Paradigm Logistics & Distribution Private Limited Sustain Properties Private Limited Aqualine Real Estate Private Limited Feat Properties Private Limited Carin Properties Private Limited Asterope Properties Private Limited (erstwhile Flabbergast Properties Private Limited) Sundew Real Estate Private Limited K Raheja Corp Advisory Services (Cyprus) Private Limited Content Properties Private Limited Grandwell Properties And Leasing Private Limited K Raheja Corp Investment Managers LLP
Shareholders of the Company	Anbee Constructions LLP Cape Trading LLP Capstan Trading LLP Casa Maria Properties LLP Ivory Properties And Hotels Private Limited K. Raheja Corp Private Limited K. Raheja Private Limited Palm Shelter Estate Development LLP Raghukool Estate Development LLP Touchstone Properties And Hotels Private Limited Ivory Property Trust Genext Hardware & Parks Private Limited Jyoti C. Raheja Sumati R. Raheja	Anbee Constructions LLP Cape Trading LLP Capstan Trading LLP Casa Maria Properties LLP Ivory Properties And Hotels Private Limited K. Raheja Corp Private Limited K. Raheja Private Limited Palm Shelter Estate Development LLP Raghukool Estate Development LLP Touchstone Properties And Hotels Private Limited Ivory Property Trust Genext Hardware & Parks Private Limited
Other Related parties #	Gigaplex Estate Private Limited Horizonview Properties Private Limited Inorbit Malls (India) Private Limited K Raheja Corp Investment Managers LLP K Raheja Corporate IT Park (Hyderabad) Ltd K.Raheja Corporate Services Private Limited Krc Infrastucture And Projects Private Ltd Mindspace Business Parks Pvt. Ltd. Pact Real Estate Private Limited Paradigm Logistics & Distribution Pvt. Ltd. Sundew Properties Limited Sycamore Properties Pvt. Ltd. Trion Properties Private Limited Shoppers Stop Ltd. Inorbit Malls (India) Private Limited KRC Infrastructure and Projects Private Ltd	Intime Properties Limited Eternus Real Estate Private Limited Shoppers Stop Limited Inorbit Malls (India) Private Limited K Raheja IT Park (Hyderabad) Limited Mindspace Business Parks Private Limited Paradigm Logistics & Distribution Private Limited Sundew Properties Limited Trion Properties Private Limited Newfound Properties & Leasing Private Limited
# The above mentioned parties are not related to the Company, viz. Chalet Hotels Limited as per the definition under IND AS 24. These parties have been reported on the basis of their classification as Related Party under the Companies Act 2013.		
Member of K. Raheja Corp Group	K Raheja Corporate Services Private Limited	K Raheja Corporate Services Private Limited

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2022

Note 46

Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

Related party disclosures for Year ended March 31, 2022

(Amount in Millions)

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	Sale of services - Lease rent	-	4.99
2	Sales of services - Rooms income, Food, beverages and smokes	-	3.39
3	Other Income	-	7.16
4	Other expenses	2.47	90.55
5	Director sitting fees	4.53	-
6	Salaries, wages and bonus	63.42	-
7	Deposit paid	-	1.29
8	Advance Given	-	0.03
9	Preference share	232.50	267.50
	Balances outstanding as at the year-end		
10	Trade payables	-	0.57
11	Trade Receivables	-	2.45
12	Deposit receivable	-	107.94
13	Advance Given	-	0.03
14	Preference shares outstanding	813.75	936.25
15	Investment in equity shares outstanding	-	27.78

The Holding Company has issued a letter of undertaking to provide need based financial support to

1 Belaire Hotels Private Limited, its wholly owned subsidiary

2 Chalet Hotels & Properties (Kerala) Private Limited,

Significant transactions with material related parties for year ended March 31, 2022

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	**Sale of services - Lease rent**		
	Shoppers Stop Limited	-	4.99
2	**Sales of services - Rooms income, Food, beverages and smokes**		
	Genext Hardware And Parks Private Limited	-	0.01
	Gigaplex Estate Private Limited	-	0.03
	Horizonview Properties Private Limited	-	0.02
	Inorbit Malls (India) Private Limited	-	0.11
	K Raheja Corp Investment Managers LLP	-	0.05
	K Raheja Corp Private Limited	-	0.31
	K Raheja Corporate IT Park (Hyderabad) Ltd	-	0.01
	K Raheja Pvt Ltd	-	0.02
	K.Raheja Corporate Services Private Limited	-	2.49
	KRC Infrastucture And Projects Private Ltd	-	0.03
	Mindspace Business Parks Pvt. Ltd.	-	0.07
	Pact Real Estate Private Limited	-	0.00
	Paradigm Logistics & Distribution Pvt. Ltd.	-	0.01
	Sundew Properties Limited	-	0.02
	Sycamore Properties Pvt. Ltd.	-	0.02
	Trion Properties Private Limited	-	0.19
3	**Other Income**		
	Shoppers Stop Ltd.	-	2.46
	K Raheja Corp Private Limited	-	4.70
4	**Other expenses**		
	Arthur De Haast	2.47	-
	Shoppers Stop Limited	-	0.07
	Inorbit Malls (India) Private Limited	-	2.98
	K.Raheja Corporate Services Private Limited	-	43.79
	Sundew Properties Limited	-	43.77

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants

Note 46
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

5	**Director sitting fees**		
	Arthur De Haast	0.60	-
	Hetal Gandhi	0.95	-
	Joseph Conrad D' Souza	0.95	-
	Neel C.Raheja	0.68	-
	Radhika Dilip Piramal	0.45	-
	Ravi C.Raheja	0.90	-
6	**Salaries, wages and bonus**		
	Christabelle Baptista	3.16	-
	Milind Wadekar	8.13	-
	Rajib Dattaray	2.90	-
	Rajneesh Malhotra	4.65	-
	Sanjay Sethi	44.58	-
7	**Deposit paid**		
	K.Raheja Corporate Services Private Limited	-	1.29

* *Amount less than million*

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
8	**Advance Given**		
	Shoppers Stop Limited	-	0.03
9	**Preference shares**		
	Ivory Properties and Hotels Private Limited	-	42.50
	K Raheja Corp Private Limited	-	225.00
	Neel C.Raheja	116.25	
	Ravi C.Raheja	116.25	-
10	**Trade payables**		
	Inorbit Malls (India) Private Limited	-	0.06
	K.Raheja Corporate Services Private Limited	-	0.51
11	**Trade Receivables**		
	Inorbit Malls (India) Private Limited	-	0.03
	K Raheja Corp Investment Managers LLP	-	0.05
	K Raheja Corp Private Limited	-	0.63
	K Raheja Corp Pvt. Ltd	-	0.70
	K Raheja Corporate IT Park (Hyderabad) Ltd	-	0.01
	K Raheja Pvt Ltd	-	0.02
	K.Raheja Corporate Services Private Limited	-	0.96
	Shoppers Stop Limited	-	1.95
	KRC Infrastucture And Projects Private Ltd	-	0.03
	Pact Real Estate Private Limited	-	0.00
	Trion Properties Private Limited	-	0.02
12	**Deposit receivable**		
	K.Raheja Corporate Services Private Limited	-	13.61
	Mindspace Business Parks Pvt. Ltd.	-	50.00
	Sundew Properties Limited	-	44.33
13	**Preference shares outstanding**		
	Ivory Properties and Hotels Private Limited	-	148.75
	K Raheja Corp Private Limited	-	787.50
	Neel C.Raheja	406.88	-
	Ravi C.Raheja	406.88	-
14	**Investment in equity shares outstanding**		
	K Raheja Corp Private Limited	-	27.78

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 46
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

Related party disclosures for Year ended March 31, 2021

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	Sale of services - Lease rent	-	9.80
2	Sales of services - Rooms income, Food, beverages and smokes	-	0.96
3	Other Income	-	11.64
4	Other expenses	1.28	42.19
5	Director sitting fees	4.27	
6	Salaries, wages and bonus	74.09	-
7	Interest expenses	-	2.09
8	Loan Borrowed	-	3.55
9	Deposit paid	-	45.00
	Balances outstanding as at the year-end		
10	Trade payables	-	3.92
11	Loans payable	-	24.69
12	Interest payable	-	8.36
13	Deposit receivable	-	106.65
14	Deposit payable	-	20.28
15	Capital Creditors	-	31.31
16	Preference shares outstanding	581.25	668.75
17	Investment in equity shares outstanding	-	27.78
	**Amount less than million*		

Significant transactions with material related parties for year ended March 31, 2021

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	**Sale of services - Lease rent**		
	Shoppers Stop Limited	-	9.80
2	**Sales of services - Rooms income, Food, beverages and smokes**		
	Inorbit Malls (India) Private Limited	-	0.01
	K Raheja Corp Private Limited	-	0.01
	Mindspace Business Parks Private Limited	-	0.54
	Paradigm Logistics & Distribution Private Limited	-	0.38
	Sundew Properties Limited	-	0.03
3	**Other Income**		
	K Raheja Corp Private Limited	-	4.20
	Shoppers Stop Ltd.	-	7.44
4	**Other expenses**		
	Arthur De Haast	1.28	-
	Inorbit Malls (India) Private Limited	-	8.83
	K.Raheja Corporate Services Private Limited	-	31.15
	Newfound Properties & Leasing Private Limited		0.78
	K Raheja IT Park (Hyderabad) Limited	-	1.45
5	**Director sitting fees**		
	Arthur De Haast	0.63	-
	Hetal Gandhi	0.78	-
	Joseph Conrad D' Souza	0.88	-
	Neel C.Raheja	0.70	-
	Radhika Dilip Piramal	0.52	-
	Ravi C.Raheja	0.78	-

BSR & Co. LLP Chartered Accountants

CHALET HOTELS LIMITED MUMBAI

6	**Salaries, wages, bonus and stock option related expenses**		
	Sanjay Sethi *	54.45	
	Rajeev Newar *	9.99	-
	Milind Wadekar	3.54	
	Christabelle Baptista	2.44	
	Rajib Dattaray	3.67	-

*The managerial remuneration paid/payable by the Group for FY 2020-21 is in excess of limits laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act by Rs.47.49 million. During the current year, the term of the Managing Director & CEO ended on 08 February, 2021 and he has been re-appointed by the Board, subject to approval of the shareholders at the next Annual General Meeting. Consequently, proportionate remuneration from 09 February 2021 of Rs.6.63 million is subject to approval of the shareholders.

Significant transactions with material related parties for year ended March 31, 2021

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
7	**Interest expenses**		
	K Raheja Corp Private Limited	-	2.09
8	**Loan Borrowed**		
	K Raheja Corp Private Limited	-	3.55
9	**Deposit paid**		
	Mindspace Business Parks Private Limited	-	45.00
10	**Trade Payables**		
	Inorbit Malls (India) Private Limited	-	2.81
	K.Raheja Corporate Services Private Limited	-	0.12
	Newfound Properties & Leasing Private Limited	-	0.99
11	**Loan payable**		
	K Raheja Corp Private Limited	-	24.69
12	**Interest payable**		
	K Raheja Corp Private Limited	-	8.36
13	**Deposit receivable**		
	Sundew Properties Limited	-	44.33
	K.Raheja Corporate Services Private Limited	-	12.32
	Mindspace Business Parks Private Limited	-	50.00
14	**Deposit payable**		
	Shoppers Stop Ltd.	-	20.28
15	**Capital Creditors**		
	Sundew Properties Limited	-	31.31
16	**Preference shares outstanding**		
	Ivory Properties and Hotels Private Limited	-	106.25
	K Raheja Corp Private Limited	-	562.50
	Neel C.Raheja	290.63	-
	Ravi C.Raheja	290.63	-
17	**Equity shares outstanding**		
	K Raheja Corp Private Limited	-	27.78

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)

for the year ended March 31, 2022

Rs in million

Note 47
Employee Stock Option Schemes

Description of share-based payment arrangements:

At March 31, 2022, Company had following share-based payment arrangements:

Employee Stock Option Plan 2018:

The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company. The plan is established is with efffect from 12 June 2018 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (Rs) per share
'Chalet Hotels Limited'-'Employee Stock Option Plan'- 2018	200,000	For the Options to vest, the Grantee has to be in employment of the Group on the date of the vesting.	The exercise year for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise.	3 years	26/Jun/18	One year from vesting year	320

Reconciliation of Outstanding share options

The number and weighted-average exercise price of share options under the share option plans are as follows:

Particulars	March 31, 2022		March 31, 2021	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	320	200,000	320	200,000
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed/ forfeited /surrendered	320	66,000	-	-
Outstanding at the end of the year	320	134,000	320	200,000
Exercisable at the end of the year	320	134,000	320	132,000

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the Statement of Profit and Loss over the vesting year.
The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	Unit	Chalet Hotels Limited'-'Employee Stock Option Plan'-	Description of inputs used
Fair value of the option at grant date	Rs/share	143 - 189	As per Black Scholes Model
Exercise price	Rs/share	320	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	31.91% - 32.77%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	1.99 - 3.99	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	7.4% - 7.85%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at March 31, 2022 have an exercise price of Rs 320.

* *calculated considering simple average method*

The expense recognised for the year ended March 31, 2022 is Rs. 1.02 million (March 31, 2021 is Rs. 5.59 million)

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
for the year ended March 31, 2022

Rs in million

Note 48
Discontinued Operations

In the previous financial year, the Holding Company has discontinued its retail operations at Sahar, Mumbai based on internally evaluated financial feasibility and commercial negotiation with existing retailers. The Holding Company will customize the property for commercial operations.

During the current year the Holding Company had decided to terminate the agreements with all retailers of Inorbit mall ,Bengaluru and convert the same to a commercial space.

The Income and EBITDA of retail operations at Sahar, Mumbai and Inorbit mall, Bengaluru has been disclosed separately as income and EBITDA from discontinued business operations. The discontinued business costs includes all direct and indirect costs of retail operations at Sahar, Mumbai and Inorbit mall, Bengaluru.

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Revenue	**33.25**	92.76
Expenses	**98.62**	129.54
Results from operations	**(65.37)**	(36.78)
Income Tax	**-**	-
Loss from discontinued operations, net of tax	**(65.37)**	(36.78)

The Loss from discontinued operation of Rs -65.37 million (March 31, 2021 Rs -36.78 million is attributable entirely to the owners of the company, of the loss from continuing operations Rs. -749.33 million (March 31, 2021 Rs. -1,354.50).

The cash flows of the discontinued operations for the year are presented below:

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Net Cash Generated From Operating Activities	**(51.06)**	(6.80)
Net Cash (Used In) /Generated From Investing Activities	**-**	-
Net Cash Generated From /(Used In) Financing Activities	**-**	-

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 49
Bengaluru residential project

	March 31, 2022	March 31, 2021
Inventories	**4,182.32**	4,180.78
Less: Provisions for impairment	**(429.79)**	(442.65)
Inventories, net	**3,752.53**	3,738.13
Advances from customers towards sale of residential flats	**1,660.78**	1,868.68

Note 50
Amalgamation
The Holding Company at its meeting held on 11 August 2020 has approved scheme of amalgamation of Belaire Hotels Private Limited (BHPL) and Seapearl Hotels Private Limited (SHPL), its wholly owned subsidiaries, with the Company under Section 230 to 232 of the Companies Act, 2013, with effect from 1 April 2020, (the Appointed Date) subject to the approval of the statutory and regulatory authorities. Post the approval received from the shareholders, petition for sanction of the scheme of amalgamation has been filed with National Company Law Tribunal (NCLT) on 26 April 2021.The scheme of amalgamation is pending for approval by NCLT. Accordingly, the Scheme has not been given effect to in the consolidated financial statements for the year ended March 31, 2022.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

Note 51

Disclosure under Ind AS 115, Revenue from Contracts with Customers

Rs in million

Details of contract balances

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Details of Contract Balances:		
Balance as at beginning of the year	**(1,868.68)**	(1,868.68)
Trade receivables as on March 31, 2021	-	-
Less: Repayment to the customer on cancellation	**207.90**	-
Significant change due to other reasons	-	-
Balance as on March 31, 2022	**(1,660.78)**	(1,868.68)
Total	**(1,660.78)**	(1,868.68)

As on March 31, 2022 revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is Rs Nil.

Information on performance obligations in contracts with Customers:

Real Estate Development Project:
The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects as at March 31, 2022.

Particulars	**2023**	**2024-2026**	**Beyond 2026**	**Total**
Contract Revenue	-	**2,039.28**	-	**2,039.28**
Contract Expense	-	**2,027.90**	-	**2,027.90**
Total	-	**11.38**	-	**11.38**

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects as at March 31, 2021

Particulars	2021	2021-2025	Beyond 2025	Total
Contract Revenue	-	1,525.28	-	1,525.28
Contract Expense	-	1,496.71	-	1,496.71
Total	-	28.57	-	28.57

Hospitality and Commercial & Retail
The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 52

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 III

for the year ended March 31, 2022

	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 % of Consolidated total comprehensive income**	**Amount**
Parent								
Chalet Hotels Limited	102%	13,693.81	85%	(636.09)	19%	0.29	85%	(635.80)
Subsidiary (parent's share)								
Chalet Hotel & Properties (Kerala) Private Limited	0%	(38.14)	1%	(5.96)	0%	-	1%	(5.96)
Belaire Hotels Private Limited	6%	821.77	15%	(111.03)	81%	1.21	15%	(109.82)
Seapearl Hotels Private Limited	1%	108.44	0%	2.73	0%	-	0%	2.73
Non-controlling interests in subsidiary	0%	(2.62)	0%	-	0%	-	0%	-
Eliminations	-9%	(1,173.32)	0%	1.03	0%	-	0%	1.03
At March 31, 2022	100%	13,409.93	100%	(749.32)	100%	1.50	100%	(747.82)

for the year ended March 31, 2021

	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 % of Consolidated total comprehensive income	Amount
Parent								
Chalet Hotels Limited	101%	14,329.11	86%	(1,167.94)	-154%	(0.43)	87%	(1,168.37)
Subsidiary (parent's share)								
Chalet Hotel & Properties (Kerala) Private Limited	0%	(32.18)	0%	(5.19)	0%	-	0%	(5.19)
Belaire Hotels Private Limited	7%	931.58	16%	(222.04)	254%	0.71	16%	(221.33)
Seapearl Hotels Private Limited	1%	105.72	0%	3.64	0%	-	0%	3.64
Non-controlling interests in subsidiary	0%	(3.22)	0%	-	0%	-	0%	-
Eliminations	-8%	(1,173.61)	-3%	37.04	0%	-	-3%	37.04
At March 31, 2021	100%	14,157.40	100%	(1,354.49)	100%	0.28	100%	(1,354.21)

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063. Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 53
Ratio Analysis and its elements

Rs in million

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance (more than 25%)
Current ratio	Current Assets	Current Liabilities	0.75	0.73	**3%**	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	1.89	1.45	**30%**	Debt Equity ratio was higher on account of increased capital expenditure during the year.
Debt Service Coverage ratio	Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest	Debt Service=Interest + Lease Payments+Current maturity of long term debt	0.34	0.35	**4%**	
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	(0.06)	(0.10)	**38%**	Return on Equity ratio improved due to progressive recovery of business on account of reduced impact of pandemic.
Inventory Turnover ratio	Cost of goods sold	Average Inventory of Hotel Units	6.30	2.65	**138%**	Inventory turnover ratio was higher due to recovery of hotels business post pandemic.
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivable	13.69	7.90	**73%**	Trade Receivable turnover ratio was higher due to recovery of hotels business post pandemic.
Trade Payable Turnover Ratio	Total Expenses - Employee Cost- Real estate development cost-	Average Trade Payables	3.36	1.76	**91%**	Trade payable turnover ratio was due to higher credit period on account of improved business.
Net Capital Turnover Ratio	Revenue from operations	Working capital = (Current assets – Current liabilities)	(2.33)	(1.36)	**-71%**	Net Capital Turnover ratio improved due to progressive recovery of business on account of reduced impact of pandemic.
Net Profit ratio	Net Profit	Total Income	(0.15)	(0.45)	**66%**	Net profit ratio improved due to progressive recovery of business on account of reduced impact of pandemic.
Return on Capital Employed	EBIT	Average Capital Employed	0.04	0.01	**297%**	Return on Capital Employed improved due to progressive recovery of business on account of reduced impact of pandemic.
Return on Investment	Net Profit	Gross block of PPE , Intangible & IP	(0.02)	(0.04)	**41%**	Return on Investment improved due to progressive recovery of business on account of reduced impact of pandemic.

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP Chartered Accountants 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 54
Details of Struck Off Companies

Rs in million

As on March 31, 2022

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	Investments in securities	-	
Octel Cloud Solution	Receivables	0.03	No
Sambhu Facility Services Private-Ind	Payables	0.19	No
	Other outstanding balances (to be specified)		

As on March 31, 2021

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	Investments in securities	-	-
Octel Cloud Solution	Receivables	0.03	No
	Payables	-	-
	Other outstanding balances (to be specified)	-	-

CHALET HOTELS LIMITED MUMBAI

Rs in million

Note 55
Disclosure under Section 186 of the Companies Act 2013

The operations of the Group 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, 2022 as per section 186(4) of the Companies Act, 2013:

Name of entity	March 31, 2021	Investments made	Investments redeemed / sold	March 31, 2022
Stargaze Properties Private Limited	0.01	-	-	0.01
Krishna Valley Power Private Limited	12.54	7.37	-	19.91
Sahyadri Renewable Energy Private Limited	31.46	-	-	31.46
Renew Wind Power Energy (AP) Limited	0.80	-	0.20	0.61
Vikramaditya Renewable Energy Private Limited	-	10.67		10.67
National saving certificates	0.13	-	-	0.13

Details of investments made during the year ended March 31, 2021 as per section 186(4) of the Companies Act, 2013:

Name of entity	March 31, 2020	Investments made	Investments redeemed / sold	March 31, 2021
Stargaze Properties Private Limited	0.01	-	-	0.01
Intime Properties Limited	-	-	-	-
Krishna Valley Power Private Limited	12.54	-	-	12.54
Sahyadri Renewable Energy Private Limited	31.46	-	-	31.46
Renew Wind Power Energy (AP) Limited	1.00	-	0.20	0.80
National saving certificates	0.13	-	-	0.13

CHALET HOTELS LIMITED MUMBAI

BSR & Co. LLP 14th Floor, Central B Wing and North C Wing, Nesco IT Park4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400 063 Chartered Accountants

Notes to the Consolidated Financial Statements (Continued)
as at March 31, 2022

Note 56
The respective Managements of the Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 57
Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April 1, 2021.

As per our audit report of even date attached.
For BSR & Co. LLP
Chartered Accountants
Firm's Registration No:101248W/W-100022

For and on behalf of the Board of Directors of
Chalet Hotels Limited
L55101MH1986PLC038538

Mansi Pardiwalla
Partner
Membership No. 108511

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Joseph Conrad Dsouza
Director
(DIN. 00010576)

Milind Wadekar
CFO
(Membership No:116372)

Christabelle Baptista
Company Secretary
(Membership No: A17817)

Mumbai
10 May 2022

Mumbai
10 May 2022

B S R & Co. LLP
Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Independent Auditors' Report

To the Members of Chalet Hotels Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Chalet Hotels Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

1. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

a) We draw attention to Note 41 (c) of the consolidated financial statements, in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Holding Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP
(a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Emphasis of Matter *(Continued)*

Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the consolidated financial statements as at and for the year ended 31 March 2021 to the carrying value of the leasehold rights (reflected as prepayments) aggregating to Rs. 50.93 million (31 March 2020: Rs. 52.13 million) and the hotel assets thereon (reflected as property, plant and equipment) as at 31 March 2021 is Rs. 400.77 million (31 March 2020: Rs. 427.21 million) respectively.

Our opinion is not modified in respect of this matter.

b) We draw attention to Note 49 to the consolidated financial statements relating to remuneration paid / payable to the Managing Director & CEO of the Holding Company for the financial year ended 31 March 2021, being in excess of the limits prescribed under Section 197 of the Act, by Rs 47.49 million, of which the proportionate remuneration from 09 February 2021 of Rs 6.63 million is subject to approval of the shareholders.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deferred Tax Assets (refer note 22 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
The carrying amount of the Deferred Tax Assets represents 4.16 % of the Group total assets. **Recognition and measurement of deferred tax assets** Under Ind AS, the Group is required to reassess recognition of deferred tax asset at each reporting date. The Group has recognised deferred tax assets on brought forward losses / deductions and other temporary differences, as set out in note 22 to the consolidated financial statements The Group's deferred tax assets in respect of brought forward losses / deductions are based on the projected profitability. Such projected profitability is based on approved business plans, which demonstrate availability of sufficient taxable income to utilise such losses / deductions. We focused on this area as recognition of deferred tax requires significant judgment in estimating future taxable income and accordingly recognition of deferred tax.	Our audit procedures included: • Obtained the approved business plans, projected profitability statements. • Evaluated the design and testing the operating effectiveness of controls over quarterly assessment of deferred tax balances and underlying data. • Evaluated the projections of future taxable profits. Testing the underlying data and assumptions used in the profitability projections and performing sensitivity analysis. • Assessed the recoverability of deferred tax assets by evaluating profitability, Group's forecasts and fiscal developments. • Considered the adequacy of the Group's disclosures on deferred tax and assumptions used. The Group's disclosures concerning income taxes are included in note 22 to the consolidated financial statements.

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Key Audit Matters *(Continued)*

Impact of COVID 19 on Going concern (refer note 57 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
The impact of the COVID-19 pandemic and measures to control the virus, have created uncertainties related to going concern for the Group. The Group has assessed the impact of COVID-19 on the future cash flow projections. The Group has prepared a range of scenarios to estimate cash flows from operating activities and the financing requirements. Based on the above, the consolidated financial statements of the Group for the year ended March 31, 2021 have been prepared on a going concern basis. In view of uncertainties identified outlined above, we identified a key audit matter related to going concern due to the significant judgement required to conclude on the going concern assumption.	Our audit procedures included: • Obtained understanding of the key controls relating to the Group's forecasting process. • Obtained an understanding of key assumptions adopted by the Group in preparing the cash flow forecast, for revenue, fixed costs, operating costs, capital expenditure and commitments. Assessed the key assumptions based on our understanding of the Group's business. • Compared the future expected cash flows in the cash flow forecast with the Group's business plan approved by the Board of Directors • Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Group and its impact on the going concern assumption • Obtained details of borrowing disbursed subsequent to the year end and tested with underlying documentation • Assessed compliance with the loan covenants during the year, and subsequent to the year end • Considered the adequacy of the Group's disclosure in respect of management's assessment of going concern assumption.

Litigations and Claims (refer note 10, 28, 35 and 41 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2021, the Group has two key litigations pertaining to Bengaluru Residential project carried under inventories and leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. We focused on this area as a key audit matter due to inherent uncertainty in measurement as per accounting standards to determine amount to be provided for and the disclosures to be made.	Our procedures included, amongst others: • Evaluated the design and implementation of the Group's controls over the assessment of litigations and completeness of disclosures and tested operating effectiveness of these controls. • Read correspondence from the Group's external lawyers in response to our requests of significant litigations and assessed the competence and objectivity of the external lawyers; and • Additionally, considered effect of new information post 1 April 2021 till the date of signing of the report to evaluate any change required in the Group's position as at 31 March 2021. • Assessed the Group's disclosures adequately reflect the quantitative and qualitative considerations in relation to the matters in accordance with auditing standards.

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's directors' report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

A) As required by Section 143(3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

(c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(e) on the basis of the written representations received from the directors of the Group companies as on 31 March 2021 taken on record by the Board of Directors of the Group companies, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of Act; and

(f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:

i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer note 10 and 41 to the consolidated financial statements;

ii. provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer note 28 to the consolidated financial statements in respect of such items as it relates to the Group;

iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2021; and

Independent Auditors' Report *(Continued)*

Chalet Hotels Limited

Report on Other Legal and Regulatory Requirements ***(Continued)***

iv. he disclosures in the consolidated financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we report that :

i. We draw attention to Note 49 to the consolidated financial statements relating to remuneration paid / payable to the Managing Director & CEO of the Holding Company for the financial year ended 31 March 2021, being in excess of the limits prescribed under Section 197 of the Act by Rs 47.49 million, of which the proportionate remuneration from 09 February 2021 of Rs 6.63 million is subject to approval of the shareholders; and

ii. the Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

MANSI CUSROW PARDIWALLA
Digitally signed by MANSI CUSROW PARDIWALLA
Date: 2021.05.18 23:22:02 +05'30'

Mansi Pardiwala
Partner
Membership No: 108511
UDIN: 21108511AAAACW8147

Mumbai
18 May 2021

Chalet Hotels Limited

Annexure A to the Independent Auditors' report on the consolidated financial statements for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1 A (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021 we have audited the internal financial controls with reference to consolidated financial statements of Chalet Hotels Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material

Chalet Hotels Limited

Annexure A to the Independent Auditors' report on the consolidated financial statements for the year ended 31 March 2021 *(Continued)*

Auditors' Responsibility ***(Continued)***

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

MANSI CUSROW PARDIWALLA
Digitally signed by MANSI CUSROW PARDIWALLA
Date: 2021.05.18 23:24:22 +05'30'

Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 21108511AAAACW8147

Mumbai
18 May 2021

Consolidated Balance Sheet
as at 31 March 2021

(Rs. in million)

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	**20,594.08**	22,791.79
Capital work-in-progress	3	**358.48**	875.13
Investment property	4	**9,950.72**	7,138.18
Goodwill	5	**226.11**	226.11
Other intangible assets	6	**25.88**	33.69
Financial assets			
(i) Other Investments	7	**44.94**	45.14
(ii) Loans	8	**109.22**	113.38
(iii) Others	9	**231.45**	70.88
Other non-current assets	10	**597.28**	605.63
Deferred tax assets (net)	22	**1,796.65**	852.81
Non-current tax assets (net)		**402.58**	797.01
Total non-current assets		**34,337.40**	**33,549.75**
Current assets			
Inventories	11	**3,912.12**	3,924.09
Financial assets			
(i) Trade receivables	12	**216.40**	416.78
(ii) Cash and cash equivalents	13a	**269.02**	76.42
(iii) Bank balances other than (ii) above	13b	**188.66**	1,202.40
(iv) Loans	14	**71.76**	30.80
(v) Others	15	**26.97**	151.80
Other current assets	16	**865.61**	775.54
Total current assets		**5,550.54**	**6,577.83**
TOTAL ASSETS		**39,887.94**	**40,127.58**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	**2,050.24**	2,050.24
Other equity	18	**12,110.38**	13,495.27
Non controlling interests		**(3.22)**	(2.70)
Total equity		**14,157.40**	**15,542.81**
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	19	**17,603.82**	16,643.84
(ii) Others	20	**190.97**	198.27
Provisions	21	**76.42**	76.33
Deferred tax liabilities (net)	22	**137.51**	222.11
Other non-current liabilities	23	**109.58**	132.51
Total non current liabilities		**18,118.30**	**17,273.06**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	**843.99**	404.77
(ii) Trade payables	25		
(a) Total outstanding dues of micro enterprises and small enterprises and		**32.54**	30.09
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises		**796.05**	1,031.94
(iii) Other financial liabilities	26	**2,595.75**	2,501.28
Other current liabilities	27	**2,239.97**	2,259.32
Provisions	28	**908.94**	889.29
Current tax liabilities		**195.00**	195.02
Total current liabilities		**7,612.24**	**7,311.71**
TOTAL EQUITY AND LIABILITIES		**39,887.94**	**40,127.58**

Significant Accounting Policies	1
Notes to the Consolidated Financial Statements	2 - 57

The notes referred to above form an integral part of the consolidated financial statements

As per our audit report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

MANSI CUSROW PARDIWALLA Digitally signed by MANSI CUSROW PARDIWALLA Date: 2021.05.18 23:25:57 +05'30'

SANJAY SETHI Digitally signed by SANJAY SETHI Date: 2021.05.18 20:22:55 +05'30'

JOSEPHCONRAD AGNELO DSOUZA Digitally signed by JOSEPHCONRAD AGNELO DSOUZA Date: 2021.05.18 20:57:22 +05'30'

Milind Babaji Wadekar Digitally signed by Milind Babaji Wadekar Date: 2021.05.18 20:16:35 +05'30'

Mansi Pardiwalla
Partner
Membership No: 108511

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Joseph Conrad D'souza
Director
(DIN. 00010576)

Milind Wadekar
Interim CFO

CHRISTABELLE BAPTISTA Digitally signed by CHRISTABELLE BAPTISTA Date: 2021.05.18 22:11:34 +05'30'

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
18 May 2021

Mumbai
18 May 2021

Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(Rs. in million)

	Note	For the ended 31 March 2021	For the year ended 31 March 2020
Income from Continuing operations			
Revenue from Continuing operations	29	**2,943.87**	9,808.49
Other income	30	**223.38**	278.97
Total income (A)		**3,167.25**	**10,087.46**
Expenses from Continuing operations			
Real estate development cost	31(a)	**95.06**	205.56
Changes in inventories of finished good and construction work in progress	31(a)	**-**	23.34
Food and beverages consumed	31(b)	**242.87**	828.39
Operating supplies consumed	31(c)	**123.35**	306.71
Employee benefits expense	32	**906.57**	1,516.67
Other expenses	34	**1,505.50**	3,498.85
Total expenses (B)		**2,873.35**	**6,379.52**
Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items from Continuing operations (C) (A-B)		**293.90**	**3,707.94**
Depreciation and amortisation expenses	2,4,6	**1,174.62**	1,133.17
Finance costs	33	**1,519.78**	1,461.76
(Loss) / Profit before exceptional items and tax from Continuing operations (D)		**(2,400.50)**	**1,113.01**
Exceptional items (E)	35	**(41.71)**	(41.71)
(Loss) / Profit before income tax from Continuing operations (F) (D+E)		**(2,442.21)**	**1,071.30**
Tax expense (G)		**(1,091.55)**	12.22
Current tax	22	**1.66**	195.33
Deferred tax credit	22	**(1,028.21)**	(183.11)
Excess provision for the earlier years	22	**(65.00)**	-
(Loss) / Profit for the year from Continuing operations (H) (F-G)		**(1,350.66)**	**1,059.08**
Discontinued Operations	51		
(Loss) from discontinued operations before tax		(40.62)	(62.82)
Tax expense of discontinued operations		-	-
(Loss) from discontinued operations (I)		**(40.62)**	**(62.82)**
(Loss) / Profit for the year (H + I)		**(1,391.28)**	**996.26**
Other comprehensive (expense) from Continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**0.05**	(17.33)
Income tax credit on above		**0.23**	6.06
Other comprehensive Income / (expense) for the year, net of tax (I)		**0.28**	**(11.27)**
Total comprehensive (expense) / Income for the year (J) (H+I)		**(1,391.00)**	**984.99**
(Loss) / Profit attributable to :			
Owners of the company		**(1,390.76)**	**1,026.75**
Non-controlling interests		**(0.52)**	(30.49)
Other comprehensive (expense) attributable to :			
Owners of the company		**0.28**	(11.27)
Non-controlling interests		**-**	-
Total comprehensive (expense) / Income attributable to :			
Owners of the company		**(1,390.48)**	**1,015.48**
Non-controlling interests		(0.52)	(30.49)
Earnings per equity share - Continuing operations (Face value of Rs 10 each)			
Basic	36	**(6.59)**	**5.31**
Diluted	36	**(6.59)**	**5.31**
Earnings per equity share - Discontinued operations (Face value of Rs 10 each)			
Basic	36	**(0.19)**	**(0.30)**
Diluted	36	**(0.19)**	**(0.30)**
Earnings per equity share - Continuing and Discontinued operations (Face value of Rs 10 each)			
Basic	36	**(6.78)**	**5.01**
Diluted	36	**(6.78)**	**5.01**
Significant Accounting Policies	1		
Notes to the Consolidated Financial Statements	2 - 57		

The notes referred to above form an integral part of the consolidated financial statements

As per our audit report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

MANSI CUSROW PARDIWALLA Digitally signed by MANSI CUSROW PARDIWALLA Date: 2021.05.18 23:27:25 +05'30'

Mansi Pardiwalla
Partner
Membership No: 108511

Mumbai
18 May 2021

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

SANJAY SETHI Digitally signed by SANJAY SETHI Date: 2021.05.18 20:23:29 +05'30'

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

JOSEPHCONRAD AGNELO DSOUZA Digitally signed by JOSEPHCONRAD AGNELO DSOUZA Date: 2021.05.18 20:58:28 +05'30'

Joseph Conrad D'souza
Director
(DIN. 00010576)

Milind Babaji Wadekar Digitally signed by Milind Babaji Wadekar Date: 2021.05.18 20:17:13 +05'30'

Milind Wadekar
Interim CFO

CHRISTABELLE BAPTISTA Digitally signed by CHRISTABELLE BAPTISTA Date: 2021.05.18 22:13:18 +05'30'

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
18 May 2021

Consolidated Statement of Cash Flow
for the year ended 31 March 2021

(Rs. in million)

	For the ended 31 March 2021	For the year ended 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
(Loss) / Profit before tax from Continuing operations	**(2,442.21)**	1,071.30
(Loss) before tax from discontinued operations	**(40.62)**	(62.82)
Adjustments for :		
Interest income from instruments measured at amortised cost	**(65.95)**	(49.47)
Depreciation and amortisation expenses	**1,174.62**	1,133.17
Finance costs	**1,519.78**	1,461.62
Impairment of Capital Work in Progress and capital advances	**-**	59.51
Unrealised exchange (gain) / loss	**(20.33)**	46.64
Dividend received*	**-**	0.00
Provision for estimated cost	**41.71**	41.71
Profit on sale of property, plant and equipment (net)	**(4.53)**	(11.20)
Property, plants and equipment written off	**1.86**	6.31
Profit on sale of investment	**(0.10)**	(3.94)
Provision for doubtful debts, Advances and Bad debt written off	**11.91**	14.43
Employee stock option expense	**5.59**	12.06
Export benefits and entitlements	**(21.66)**	(132.72)
Provision for mark to market on derivative contract	**62.19**	(28.60)
Provision for stock obsolescence	**2.68**	6.78
Proposed dividend*	**-**	0.00
Tax on dividend*	**-**	0.00
Sundry balance written back	**(2.25)**	-
Total	**2,705.52**	**2,556.31**
Operating Profit before working capital changes	**222.69**	**3,564.79**
Adjustments		
Decrease in trade receivables and current assets	**212.71**	23.61
Decrease in inventories	**11.97**	35.33
(Increase) in trade payables & current liabilities	**(312.64)**	(842.58)
Total	**(87.96)**	**(783.64)**
Income Taxes (net of refund)	**466.98**	(256.73)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**601.71**	**2,524.41**
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, plant and equipment (including capital work in progress, capital creditors and capital advances)	**(482.86)**	(960.91)
Proceeds from sale of property, plants and equipments and investment property	**14.40**	65.08
Purchase of investments (including investment property and investment property under construction)	**(950.19)**	(2,316.43)
Sale of Investments	**0.30**	5.88
Interest income received	**64.40**	48.90
Fixed deposits matured / (placed) (net)	**810.42**	(731.24)
Margin money matured / (placed) (net)	**44.31**	(48.52)
NET CASH GENERATED (USED IN) INVESTING ACTIVITIES (B)	**(499.22)**	**(3,937.24)**
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of preference shares	**-**	740.00
Proceeds from long-term borrowings	**3,970.00**	6,035.00
Repayment of long-term borrowings	**(2,892.83)**	(4,042.14)
Proceeds from short-term borrowings	**104.00**	2.00
Repayment of short-term borrowings	**(100.45)**	(55.24)
Proposed dividend*	**-**	0.00
Tax on dividend*	**-**	0.00
Interest and finance charges paid	**(1,421.61)**	(1,351.76)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES (C)	**(340.89)**	**1,327.86**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(238.40)**	**(84.97)**
CASH AND CASH EQUIVALENTS - OPENING BALANCE	**(300.78)**	**(238.70)**
Acquired in Business Combination (refer note 40)	**-**	**22.89**
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**(539.18)**	**(300.78)**

***Amount less than million**

Consolidated Statement of Cash Flow (Continued)
for the year ended 31 March 2021

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

	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents (refer note 13a)	**269.02**	76.42
Less: Over draft accounts from banks (refer note 24)*	**(808.20)**	(377.20)
Cash and cash equivalents as per consolidated statement of cash flow	**(539.18)**	**(300.78)**

3 The movement of borrowings as per Ind AS 7 is as follows:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening borrowings	**18,638.28**	14,821.58
Acquired in Business Combination (refer note 40)	**-**	1,149.13
Proceeds from long-term borrowings**	**4,074.00**	6,777.00
Repayment of long-term borrowings	**(2,993.28)**	(4,097.38)
Non-cash adjustments	**56.04**	(12.05)
	19,775.04	**18,638.28**

* Cash and cash equivalents includes bank overdrafts that are payable on demand and form an integral part of the company cash management.

** Includes Issue of preference shares

The notes referred to above form an integral part of the Consolidated financial statements.

As per our audit report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

MANSI CUSROW PARDIWALLA Digitally signed by MANSI CUSROW PARDIWALLA Date: 2021.05.18 23:28:57 +05'30'

SANJAY SETHI Digitally signed by SANJAY SETHI Date: 2021.05.18 20:24:06 +05'30'

JOSEPHCONRAD AGNELO DSOUZA Digitally signed by JOSEPHCONRAD AGNELO DSOUZA Date: 2021.05.18 20:59:19 +05'30'

Milind Babaji Wadekar Digitally signed by Milind Babaji Wadekar Date: 2021.05.18 20:17:41 +05'30'

Mansi Pardiwalla
Partner
Membership No: 108511

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Joseph Conrad D'souza
Director
(DIN. 00010576)

Milind Wadekar
Interim CFO

CHRISTABELLE BAPTISTA Digitally signed by CHRISTABELLE BAPTISTA Date: 2021.05.18 22:15:06 +05'30'

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
18 May 2021

Mumbai
18 May 2021

Chalet Hotels Limited

Consolidated Statement of Changes in Equity

as at 31 March 2021

(Rs in million)

(a) Equity share capital

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the reporting year	**2,050.24**	2,050.24
Balance at the end of the reporting year	**2,050.24**	2,050.24

(b) Other equity	**Attributable to the owners of the Company**						
	Equity Component of Compound Instrument	**ESOP reserve**	**Capital Reserve**	**Securities Premium**	**General reserve**	**Retained earnings***	**Total**
Balance at 31 March 2020	**373.48**	**26.70**	**84.99**	**10,269.19**	**1,071.96**	**1,668.95**	**13,495.27**
Adjustments:							
Employee stock option reserve	-	**5.59**	-	-	-	-	**5.59**
Loss for the year	-	**-**	**-**	-	-	**(1,390.76)**	**(1,390.76)**
Remeasurements of defined benefit plans (net of tax)	-	**-**	**-**	-	-	**0.28**	**0.28**
Total comprehensive expense for the year	**-**	**5.59**	**-**	**-**	**-**	**(1,390.48)**	**(1,384.89)**
Balance at 31 March 2021	**373.48**	**32.29**	**84.99**	**10,269.19**	**1,071.96**	**278.47**	**12,110.38**
Balance at 1 April 2019	167.06	14.64	0.16	10,269.19	1,071.96	653.47	12,176.48
Adjustments:							
Equity Component of Compound Instrument	206.42	-	-	-	-	-	206.42
Employee stock option reserve	-	12.06	-	-	-	-	12.06
Capital Reserve	-	-	84.83	-	-	-	84.83
Profit for the year	-	-	-	-	-	1,026.75	1,026.75
Proposed dividend**	-	-	-	-	-	(0.00)	(0.00)
Tax on dividend**	-	-	-	-	-	(0.00)	(0.00)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	(11.27)	(11.27)
Total comprehensive income for the year	**206.42**	**12.06**	**84.83**	**-**	**-**	**1,015.48**	**1,318.79**
Balance at 31 March 2020	**373.48**	**26.70**	**84.99**	**10,269.19**	**1,071.96**	**1,668.95**	**13,495.27**

*Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact) Rs 3,710.05 million (31 March 2020 Rs.3,710.05 million).

**Amount less than million

The notes referred to above form an integral part of the consolidated financial statements.

As per our audit report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

MANSI CUSROW PARDIWALLA Digitally signed by MANSI CUSROW PARDIWALLA Date: 2021.05.18 23:54:57 +05'30'

Mansi Pardiwalla
Partner
Membership No: 108511

Mumbai
18 May 2021

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

SANJAY SETHI Digitally signed by SANJAY SETHI Date: 2021.05.18 20:24:56 +05'30'

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

JOSEPHCONRAD AGNELO DSOUZA Digitally signed by JOSEPHCONRAD AGNELO DSOUZA Date: 2021.05.18 21:00:04 +05'30'

Joseph Conrad D'souza
Director
(DIN. 00010576)

Milind Babaji Wadekar Digitally signed by Milind Babaji Wadekar Date: 2021.05.18 20:18:10 +05'30'

Milind Wadekar
Interim CFO

CHRISTABELLE BAPTISTA Digitally signed by CHRISTABELLE BAPTISTA Date: 2021.05.18 22:17:00 +05'30'

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
18 May 2021

Notes to the Consolidated Financial Statements

1.1 Company background

The Consolidated Financial Statement comprises of consolidated financial statements of Chalet Hotels Limited ('the Company' or 'the Holding Company'), its subsidiary companies (collectively, 'the Group'). The Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400 051. The Company was incorporated under the Companies Act, 1956 on 6 January 1986 and has been converted into a public company with effect from 6 June 2018.

The Group is primarily engaged in the business of hospitality (hotels), commercial and retail operations and real estate development. At March 31, 2021, the Group has, (a) six hotels (and one service apartment building) operating at Powai and Sahar (Mumbai), Vashi (Navi Mumbai), Pune, Bengaluru and Hyderabad, (b) developed residential property at Hyderabad (c) Retail Block at Sahar, Mumbai and at Bengaluru, (d) commercial property at Bengaluru and Sahar, Mumbai and (e) is engaged in construction and development of a residential property at Bengaluru.

In the current financial year, the Holding Company has discontinued its retail operations at Sahar, Mumbai based on internally evaluated financial feasibility and commercial negotiation with existing retailers. The Holding Company will customize the property for commercial operations. (Refer note 51).

1.2 Going Concern

As at 31 March 2021, the Group faces significant economic uncertainties due to COVID-19 which have impacted the operations of the Group adversely starting from the month of March 2020 onwards particularly by way of reduction in occupancy of hotels and average realization rate per room and fall in revenue of other assets. During the year, the hotels have been operational though at a significantly reduced occupancy rate. Management has undertaken various cost saving initiatives to maximise operating cash flows in the given situation. Management has assessed the impact of existing and anticipated effects of COVD-19 on the future cash flow projections on the basis of significant assumptions as per the available information. As per the management, the Group has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Group will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March, 2021.

1.3 Significant accounting policies

Basis of preparation and presentation

Compliance with Indian Accounting Standard (Ind AS)

These Consolidated financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended and other accounting principles generally accepted in India, as a going concern on accrual basis. These Consolidated Financial Statements of the Company for the year ended March 31, 2021 are approved by the Company's Audit Committee and by the Board of Directors on 18 May 2021.

1.3 Significant accounting policies *(continued)*

(i) Basis of measurement

The Consolidated Financial Statements has been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer- Accounting policy regarding financials instruments);
- Net defined benefit (asset) / liability – plan (assets) / liability measured at fair value less present value of defined benefit obligation; and
- land at fair value on transition date.

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

(ii) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest millions, except for share data and as otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentage may not precisely reflect the absolute figures.

(iii) Use of estimates and judgements

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

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

Judgement, estimates and assumptions are required in particular for:

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

- **Recognition and measurement of defined benefit obligations**
  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined 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.

Notes to the Consolidated Financial Statements *(Continued)*

1.3 Significant accounting policies *(continued)*

- **Recognition of deferred tax assets**
  Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

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

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

- **Determining whether an arrangement contains a lease**
  At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

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

  Critical Judgements in determining the lease term: Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

  Critical judgements in determining the discount rate: The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes to the Consolidated Financial Statements *(Continued)*

1.3 Significant accounting policies *(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 G, J & K – impairment test of non-financial assets: key assumptions underlying recoverable amounts; and

  Note N 1(c) – Impairment of financial assets

(iv) Measurement of fair values

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

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

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

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

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

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

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

- Note 2 – Property, plant and equipment (Freehold land) Note 4 – Investment property
- Note 45 – Financial instruments

Notes to the Consolidated Financial Statements *(Continued)*

1.3 Significant accounting policies *(continued)*

(v) 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.

Basis of consolidation

Subsidiary:
The Consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Company. Subsidiary is an entity over which the holding company has control.

The Company controls an investee when the Company has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Subsidiary is fully consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

Notes to the Consolidated Financial Statements *(Continued)*

1.3 Significant accounting policies *(continued)*

Non-controlling interests in the results and equity of subsidiary are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Balance Sheet respectively.

In the Consolidated Financial Statements, 'Goodwill' represents the excess of the cost to the Holding company of its investment in the subsidiary over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the Consolidated financial statements.

A. Business combination

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

Common control

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

No common control

The Group uses the "acquisition method" of accounting to account for its business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Such goodwill is tested annually for impairment. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is termed as bargain purchase.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase thereafter, the Company reassesses whether it has correctly identified all the assets acquired and liabilities assumed and recognises any additional assets or liabilities that are so identified, any gain thereafter is recognised in OCI and accumulated in equity as Capital Reserve. If there does not exist clear evidence of the underlying reasons for classifying the Business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing, directly in equity as Capital Reserve.

1.3 Significant accounting policies *(continued)*

B. Revenue

i. Real estate development and sale

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

Revenue from real estate development activity is recognised at a point in time when significant risks and rewards are transferred to the Customer i.e. when the control of the residential flat is transferred to the Customer.

Cost of construction/development includes all costs directly related to the Project and other expenditure as identified by the management which are reasonably allocable to the project.

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

ii. Hospitality business

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, food, beverages, smokes and allied services relating to hotel operations. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Performance obligation in contract with customers are met throughout the stay of guest in the hotel or on rendering of services and sale of goods.

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

iii. Rental income

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

Initial direct costs incurred by lessors in negotiating and arranging an operating lease is accounted as separate asset and will be recognised as an expense over the lease term on the same basis as the lease income.

iv. Income from other services

Maintenance income is recognised as and when related expenses are incurred.
Income from ancillary services are recognised as and when the services are rendered.

Notes to the Consolidated Financial Statements *(Continued)*

1.3 Significant accounting policies *(continued)*

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 Consolidated statement of profit or loss.

C. Foreign currency

<u>Transactions and balances</u>

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

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

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

D. Employee benefits

i. Short-term employee benefits

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

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

Also, the liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each Balance sheet date and provided for as incurred in the year in which services are rendered by employees.

1.3 Significant accounting policies *(continued)*

ii. Post-employment benefits

Defined contribution plans

The defined contribution plans i.e. provident fund (administered through Regional Provident Fund Office) and employee state insurance corporation are post-employment benefit plans under which a Group pays fixed contributions and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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

- Gratuity Fund

  The Group follows unfunded gratuity except for one of its Hotel division (Westin, Hyderabad) and for Corporate office in Belaire Hotels Private Limited, its subsidiary where fund is maintained with Life Insurance Corporation of India. 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.

  The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

  When benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs"

  Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

1.3 Significant accounting policies *(continued)*

iii. Terminal Benefits:

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

iv. Employee stock option expense

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

E. Income-tax

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

i. Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets and therefore the tax charge in the Statement of Profit and Loss.

The group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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.

Notes to the Consolidated Financial Statements *(Continued)*

1.3 Significant accounting policies *(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 Consolidated Statement of profit and loss.

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

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.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on September 20, 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section.

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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present condition and location. Cost is arrived at by the weighted average cost method.

Stocks of stores and spares and operating supplies (viz. crockery, cutlery, glassware and linen) once issued to the operating departments are considered as consumed and expensed to the Consolidated Statement of Profit and Loss. Unserviceable/damaged/discarded stocks and shortages are charged to the Consolidated Statement of Profit and Loss.

1.3 Significant accounting policies *(continued)*

Real Estate Development (Residential Flats)

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

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

G. Property, plant and equipment

i. Recognition and measurement

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

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

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation is charged to the Consolidated Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except , in whose case the life of the assets had been re-assessed as under based on technical evaluation, 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.

1.3 Significant accounting policies *(continued)*

Asset Type	Useful Life		
	March 2021	March 2020	Schedule II
Buildings (Interior and Accessories)	14 Years	14 Years	NA
Plant and Machinery - Food and beverages and Kitchen equipment - Audio video equipment - Laundry equipment, DG set, HVAC system, Elevators, Firefighting system, - Others	 8 Years 5 Years 15 Years 14 Years	 8 Years 5 Years 15 Years 14 Years	15 Years
Electrical installations	14 Years	14 Years	10 Years
Office Equipment's - Mobile phones - Others	 2 Years 4 Years	 2 Years 4 Years	5 Years
Vehicles	5 Years	5 Years	6 Years
Carpet	7 Years	7 Years	NA
Computer software	4 Years	4 Years	NA
Furniture and Fixtures	10 Years	10 Years	8 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 capitalisation.

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

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case of such reversal, the carrying amount of the asset is increased so as not to exceed the carrying amount that would have been determined had there been no impairment loss.

Impairment losses recognized in prior years are reversed when there is an indicator that the impairment losses recognized no longer exist or have decreased. Such reversals are recognized as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in previous years.

1.3 Significant accounting policies *(continued)*

H. Intangible assets

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

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

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

Intangible assets are amortised on straight-line method over estimated useful life of 4 years, which in management's view represents the economic useful life of these assets.

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

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

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

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

I. Goodwill

In case of merger, Goodwill' represents the excess of the cost to the Holding company of its investment in the subsidiary over its share of equity, at the respective dates on which the investments are made.

In case of acquisition, Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

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

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the consolidated statement of profit and loss, to the extent the amount was previously charged to the consolidated statement of profit and loss. In case of revalued assets, such reversal is not recognised.

1.3 Significant accounting policies *(continued)*

J. Investment property and investment property under construction

(a) Recognition and measurement

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

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2016, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.
Investment property and investment property under construction represents the cost incurred in respect of areas retail block and commercial office space. Property under construction is accounted for as investment property under construction until construction or development is complete.

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

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

(a) Depreciation

Depreciation on investment property has been provided pro rata for the period of use by the Straight Line Method. The useful lives of Investment Property is estimated by management and the same is as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life of these assets differs from Schedule II.

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

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

1.3 Significant accounting policies *(continued)*

	Useful Life		
Asset Type	**March 2021**	**March 2020**	**Schedule II**
Buildings (Interior and Accessories)	14 Years	14 Years	NA
Plant and Machinery			
– DG set, HVAC system, Elevators and Firefighting system.	15 Years	15 Years	15 Years
- Others	14 Years	14 Years	
Electrical installations	14 Years	14 Years	10 Years
Office Equipments	4 Years	4 Years	5 Years
Carpet	7 Years	7 Years	NA
Computer software	4 Years	4 Years	NA
Furniture and Fixtures	10 Years	10 Years	8 Years

Investment properties are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell.

K. Investments

The Group reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

L. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assetsare substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Consolidated Statement of Profit and Loss using the effective interest method.

M. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The board of directors of the Group, which has been identified as being the CODM, generally assesses the financial performance and position of the Group, and makes strategic decisions.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The management committee assesses the financial performance and position of the group, and makes strategic decisions. It is identified as being the chief operating decision maker for the Group. Refer note 47 for segment information presented.

Notes to the Consolidated Financial Statements *(Continued)*

1.3 Significant accounting policies *(continued)*

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 Group becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement

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

(i) Financial assets measured at amortised costs

A financial asset is classified at amortised costs if it is held within a business model whose objective is to a) hold financial asset in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortisation of such interests forms part of finance income in the consolidated statement of profit and loss. Any impairment loss arising from these assets are recognised in the consolidated statement of profit and loss.

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

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

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

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

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

Notes to the Consolidated Financial Statements *(Continued)*

1.3 Significant accounting policies *(continued)*

(b) ***Derecognition***

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or

retained by the Group is recognised as a separate asset and associated liability for any amounts it may have to pay.

(c) Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement 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, eposits, and bank balance.

b) Trade receivables- The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2. **Financial liabilities**

(a) Recognition, measurement and classification

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

1.3 Significant accounting policies *(continued)*

(b) Financial guarantee contracts

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

(c) ***Derecognition***

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

3. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the Consolidated statement of financial position when, and only when, the Group has legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. Derivative financial instruments

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

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.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.
Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets where it is probable that future economic benefits will flow to the Group are not recognised but disclosed in the Consolidated Financial Statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

1.3 Significant accounting policies *(continued)*

P. **Leases**

At the inception of a contract, the Group assesses whether a contract is or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an asset the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capability of a physical distinct asset. If the supplier has a substantive substitution right, then the asset is not identified
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

a. Company as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. Payments received under operating leases are recognized in the Consolidated statement of profit and loss on a straight- line basis over the lease term. The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application.

b. Company as a lessee

<u>Lease Liability</u>
At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

<u>Short-term lease and leases of low-value assets</u>
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of less than 12 months or less and leases of low-value assets.
The election for short-term leases shall be made by class of underlying asset to which the right of use relates. A class of underlying asset is a grouping of underlying assets of a similar nature and use in Group's operations. The election for leases for which the underlying asset is of low value can be made on a lease-by-lease basis.

Q. Litigation

From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the a\mount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

1.3 Significant accounting policies *(continued)*

R. Cash and cash equivalents

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

S. **Cash flow statement**

Cash flows are reported using indirect method, whereby net loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

For the purpose of presentation in the statement of Cash Flows, cash and cash equivalents includes cash in hand, cash at bank and other deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

T. Discontinued Operations

Discontinued operations are reported when a component of the Group comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group operations is classified as held for sale or has been disposed of, if the component either (1) represents a separate major line of business or geographical area of operations and (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or (3) is a subsidiary acquired exclusively with a view to resale.

In the consolidated statement of profit and loss, income/ (loss) from discontinued operations is reported separately from income and expenses from continuing operations. The comparative consolidated statement of profit and loss is re-presented; as if the operation had been discontinued from the start of the comparative period. The cash flows from discontinued operations are presented separately in Notes.

U. Government Grants

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

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

Notes to the Consolidated Financial Statements *(Continued)*

1.3 Significant accounting policies *(continued)*

V. Earnings Per Share ("EPS")

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

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

W. Exceptional items

The Group discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Group and provides consistency with the Groups internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group.

X. Earnings before interest and depreciation and amortisation ("adjusted EBITDA")

The Group presents adjusted EBITDA in the consolidated statement of profit and loss; this is not specifically required by Ind AS 1. The terms adjusted EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Group's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Measurement of adjusted EBITDA

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

<u>Standard issued but not yet effective</u>

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

Notes to the Consolidated Financial Statements *(Continued)*

Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Note 2
Property, plant and equipment

Reconciliation of carrying amount

as at 31 March 2021 **(Rs in million)**

Particulars	Gross block Opening balance as at 1 April 2020	Additions/ Adjustments	Deductions/ Transfers	Closing balance as at 31 March 2021	Accumulated Opening balance as at 1 April 2020	For the year	Deductions/ Transfers	Closing balance as at 31 March 2021	Net block As at 31 March 2021
Freehold land	8,862.40	-	727.63	8,134.77	-	-	-	-	8,134.77
Buildings	14,419.80	64.96	751.19	13,733.57	3,626.74	420.32	131.30	3,915.77	9,817.81
Plant and machinery	4,700.11	29.90	45.03	4,684.98	2,766.24	283.96	33.07	3,017.13	1,667.85
Data processing equipments	271.37	0.69	19.63	252.43	213.24	30.44	18.97	224.71	27.72
Electrical installations	1,658.10	9.97	5.71	1,662.36	1,078.94	82.25	4.74	1,156.45	505.91
Furniture and fixtures	2,082.88	11.14	2.01	2,092.01	1,527.30	133.13	1.70	1,658.74	433.27
Vehicles	157.89	-	23.57	134.32	151.85	1.53	23.57	129.81	4.51
Office equipments	97.44	0.02	0.66	96.81	93.98	1.18	0.60	94.57	2.24
Total	**32,250.30**	**116.69**	**1,575.74**	**30,791.25**	**9,458.51**	**952.84**	**214.18**	**10,197.17**	**20,594.08**

Note: Assets pertaining to Commercial complex, Powai, Mumbai have been transferred from Property, plant and equipment to Investment property under construction with net block of Rs. 1,349.99 million based on change of intended use of such assets (refer note 4).

as at 31 March 2020

Particulars	Gross block					Accumulated depreciation/ amortisation					Net block
	Opening balance as at 1 April 2019	Acquired in Business Combination (refer note 40)	Additions	Deductions	Closing balance as at 31 March 2020	Opening balance as at 1 April 2019	Acquired in Business Combination (refer note 40)	For the year	Deductions	Closing balance as at 31 March 2020	As at 31 March 2020
Tangible assets											
Freehold land	7,960.94	880.97	20.49	-	8,862.40	-	-	-	-	-	8,862.40
Buildings	12,582.31	1,675.65	196.06	34.22	14,419.80	3,152.31	107.19	398.36	31.12	3,626.74	10,793.06
Leasehold improvements	6.92	0.31	-	6.92	0.31	6.92	0.21	0.01	6.92	0.22	0.09
Plant and machinery	4,177.79	478.01	75.24	30.93	4,700.11	2,403.68	136.11	247.35	20.90	2,766.24	1,933.87
Data processing equipments	215.55	7.45	51.90	3.53	271.37	186.07	6.07	24.32	3.22	213.24	58.13
Electrical installations	1,598.17	60.20	1.31	1.58	1,658.10	977.88	28.76	73.68	1.38	1,078.94	579.16
Furniture and fixtures	1,982.18	97.65	18.93	15.88	2,082.88	1,333.49	60.98	147.61	14.78	1,527.30	555.58
Vehicles	233.95	-	0.68	76.74	157.89	208.69	-	18.37	75.21	151.85	6.04
Office equipments	95.91	0.77	1.08	0.32	97.44	92.53	0.35	1.41	0.31	93.98	3.46
Total	**28,853.72**	**3,201.01**	**365.69**	**170.12**	**32,250.30**	**8,361.57**	**339.67**	**911.11**	**153.84**	**9,458.51**	**22,791.79**

Notes:

1) Refer note 19 and 24 for information on property, plant and equipment pledged as security by the Group.

2) Refer note 41 for contractual commitments with respect to property plant and equipments.

3) In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected in the schedule above). The Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the standalone financial statements. The carrying value of property, plant and equipment in respect of the aforementioned hotel as at 31 March 2021 is Rs. 400.77 million (31 March 2020: Rs. 427.21 million).

Note 3
Capital work-in-progress

(Rs in million)

1) Details of capital work-in-progress

Particulars	**31 March 2021**	31 March 2020
Opening balance	**932.84**	342.47
Add: Additions during the year	**1,022.76**	988.69
Less: Capitalised during the year	**(140.25)**	(398.32)
Less: Cost incurred for Commercial complex, Powai, Mumbai transfered to to Investment property under construction (refer note 4)	**(1,399.16)**	-
Closing balance	**416.19**	**932.84**
Less: Provision for impairment	**(57.71)**	(57.71)
Net balance	**358.48**	**875.13**

Notes:

1) Capital Work in Progress includes expenditure incurred by a subsidiary, "Chalet Hotels & Properties (Kerala) Private Limited." aggregating to Rs. 57.71 million (31 March 2020: Rs. 57.71 million) in accordance with the agreement entered into with the Department of Tourism, Government of Kerala with regard to the International Convention Centre Complex (ICCC) Project. The Department of Tourism (DOT) is required to contribute the land for the project as its equity in kind and the Group and K Raheja Corp Private Limited, the joint bidders for the project are required to bring equity for the project in cash. Pending execution of the lease deed on the requisite project land and due to abnormal delays in the execution of the project the subsidiary has stopped capitalisation of borrowing costs. The management believes the project to be viable. During the year ended 31 March 2020, as there were conditions of uncertainty, the management had taken a prudent and conservative call to write off capital work in progress without prejudicing the going concern.

2) Expenses (net) capitalised to capital work-in-progress during the year.

Particulars	**For the year ended 31 March 2021**	For the year ended 31 March 2020
Legal and professional charges	**2.16**	80.71
Employee costs	**2.09**	74.98
Rates, taxes and license fees	**0.08**	162.27
Repairs and maintenance	**0.05**	-
Miscellaneous expenses	**0.66**	20.34
Interest and other finance costs	**20.93**	35.00
Other income/sale of scrap	**-**	(3.30)
Total	**25.97**	370.00

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 4
Investment property

A. Reconciliation of carrying amount

as at 31 March 2021 **(Rs in million)**

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at April 1, 2020	Additions	Deductions/Transfer out	Closing balance as at 31 March 2021	Opening balance as at April 1, 2020	For the year	Deductions	Closing balance as at 31 March 2021	As at 31 March 2021
Commercial complex, Bengaluru I	893.37	-	-	**893.37**	105.00	26.95	-	**131.95**	761.42
Retail block, Sahar, Mumbai	1,193.05	3.10	-	**1,196.15**	127.54	38.99	-	**166.53**	1,029.62
Commercial block, Sahar, Mumbai	3,202.86	0.68	-	**3,203.54**	171.31	87.71	-	**259.02**	2,944.52
Retail block, Bengaluru	1,806.27	3.75	0.56	**1,809.46**	573.21	58.01	0.39	**630.83**	1,178.63
Total (A)	**7,095.55**	**7.53**	**0.56**	**7,102.52**	**977.06**	**211.66**	**0.39**	**1,188.33**	**5,914.19**
Investment property under construction									
Business centers and offices, Sahar, Mumbai	`								3.21
Commercial complex, Powai, Mumbai*									2,749.15
Commercial complex, Bengaluru II									1,283.73
Mall Building under Construction, Bengaluru II									0.44
Total (B)									**4,036.53**
Total (A+B)									**9,950.72**

Note: Assets pertaining to Commercial complex, Powai, Mumbai have been transferred from Property, plant and equipment to Investment property under construction with net block of Rs. 1,349.99 million (refer note 2) and from Capital work in progress to Investment property under construction of Rs. 1,399.16 million (refer note 3), based on change of intended use of such assets.

Year ended 31 March 2020

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at April 1, 2019	Additions/Transfers	Deductions/Transfers	Closing balance as at 31 March 2020	Opening balance as at April 1, 2019	For the year	Deductions/ Transfers	Closing balance as at 31 March 2020	As at 31 March 2020
Commercial complex, Bengaluru I	893.37	-	-	**893.37**	77.05	27.95	-	105.00	**788.37**
Retail block, Sahar, Mumbai	1,191.90	30.46	29.31	**1,193.05**	88.75	38.79	-	127.54	**1,065.51**
Commercial block, Sahar, Mumbai	3,141.63	61.23	-	**3,202.86**	85.14	86.17	-	171.31	**3,031.55**
Retail block, Bengaluru	1,782.99	24.52	1.24	**1,806.27**	512.28	62.01	1.08	573.21	**1,233.06**
Hyderabad flats	15.27	-	15.27	**-**	0.78	0.05	0.83	-	**-**
Total (A)	**7,025.16**	**116.21**	**45.82**	**7,095.55**	**764.00**	**214.97**	**1.91**	**977.06**	**6,118.49**
Investment property under construction									
Business centers and offices, Sahar, Mumbai									9.04
Commercial complex, Bengaluru II									1,009.91
Mall Building under Construction, Bengaluru II									0.74
Total (B)									**1,019.69**
Total (A+B)									**7,138.18**

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Investment property (Continued)

Notes:

1. Refer note 19 and 24 for information on investment property pledged as security by the Group.

2. Borrowing cost aggregating to Rs. 98.88 millions (31 March 2020 Rs. 66.86 millions) are capitalised under investment property under construction.

3. Details of investment property under construction

(Rs in million)

Particulars	31 March 2021	31 March 2020
Opening Balance	1,019.69	548.41
Add: Additions during the year	275.22	558.19
Add: Cost incurred for Commercial complex, Powai, Mumbai transfered from Capital work-in-progress (refer note 2 and 3)	2,749.16	-
Less: Capitalised during the year	(7.54)	(86.91)
Closing Balance	**4,036.53**	**1,019.69**

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

Particulars	For the year ended	
	31 March 2021	31 March 2020
Legal and professional charges	29.72	11.68
Employee costs	81.07	28.10
Rates, taxes and license fees	35.58	0.04
Repairs and maintenance	0.10	0.24
Interest and other finance costs	170.40	66.86
Miscellaneous expenses	10.65	7.40
Other income/sale of scrap	-	(1.32)
Total	**327.52**	**113.00**

Note 4
Investment property *(Continued)*

B. Fair value measurement

(Rs in million)

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 31 March 2021	Fair Value as on 31 March 2020
Commercial complex, Bengaluru I	**771.00**	**826.00**
Retail block, Sahar, Mumbai	**1,291.00**	**1,339.00**
Commercial block, Sahar, Mumbai	**6,927.00**	**6,948.00**
Retail block, Bengaluru	**1,338.00**	**1,344.00**

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 years, occupancy rate, lease incentive costs such as rent-free years and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms. The land of Commercial Complex, Bengaluru is valued by residual method. The valuation of Retail block, Sahar, Mumbai considers change in end use to commercial purpose and is disclosed in note no 51

C. Information regarding income and expenditure of investment property

Particulars	31 March 2021	31 March 2020
Rental income derived from investment properties	**827.54**	810.51
Direct operating expenditure (including repairs and maintenance) generating rental income	**71.19**	140.35
Profit arising from investment properties before depreciation and indirect expenses	**756.35**	670.16
Depreciation	**211.66**	214.97
Profit arising from investment properties before indirect expenses	**544.69**	**455.19**

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

Note 4
Investment property *(Continued)*

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

(Rs in million)

as at 31 March 2021

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2020	Additions/ Transfers	Deductions/ Transfers	Closing balance as at 31 March 2021	Opening balance as at 1 April 2020	For the year	Deductions	Closing balance as at 31 March 2021	As at 31 March 2021
Tangible assets									
Freehold land	813.67	-	-	813.67	-	-	-	-	813.67
Buildings	4,725.95	4.42	0.53	4,729.84	502.52	111.71	0.38	613.85	4,115.99
Plant and machinery	1,080.17	1.92	0.03	1,082.06	287.91	70.44	0.01	358.34	723.72
Computers	2.03	0.30	-	2.33	1.53	0.53	-	2.06	0.27
Electrical installations	399.05	0.29	-	399.34	129.85	24.62	-	154.47	244.87
Furniture and fixtures	72.82	0.20	-	73.02	53.93	4.12	-	58.05	14.97
Office equipments	1.27	0.40	-	1.67	0.80	0.23	-	1.03	0.64
	7,094.96	**7.53**	**0.56**	**7,101.93**	**976.54**	**211.65**	**0.39**	**1,187.80**	**5,914.13**
Intangible assets									
Software	0.59	-	-	0.59	0.52	0.01	-	0.53	0.06
	0.59	-	-	0.59	0.52	0.01	-	0.53	0.06
	7,095.55	**7.53**	**0.56**	**7,102.52**	**977.06**	**211.66**	**0.39**	**1,188.33**	**5,914.19**
Total									

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 4
Investment property *(Continued)*

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

as at 31 March 2020 **(Rs in million)**

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2019	Additions	Deductions	Closing balance as at 31 March 2020	Opening balance as at 1 April 2019	For the year	Deductions	Closing balance as at 31 March 2020	As at 31 March 2020
Tangible assets									
Freehold land	841.78	1.20	29.31	813.67	-	-	-	-	813.67
Buildings	4,666.86	74.36	15.27	4,725.95	392.11	111.24	0.83	502.52	4,223.43
Plant and machinery	1,052.94	27.25	0.02	1,080.17	217.46	70.45	-	287.91	792.26
Computers	1.85	0.18	-	2.03	1.20	0.33	-	1.53	0.50
Electrical installations	386.13	12.92	-	399.05	105.55	24.30	-	129.85	269.20
Furniture and fixtures	73.84	0.20	1.22	72.82	46.55	8.46	1.08	53.93	18.89
Office equipments	1.22	0.05	-	1.27	0.61	0.19	-	0.80	0.47
	7,024.62	116.16	45.82	7,094.96	763.48	214.97	1.91	976.54	6,118.42
Intangible assets									
Software	0.54	0.05	-	0.59	0.52	-	-	0.52	0.07
	0.54	0.05	-	0.59	0.52	-	-	0.52	0.07
Total	**7,025.16**	**116.21**	**45.82**	**7,095.55**	**764.00**	**214.97**	**1.91**	**977.06**	**6,118.49**

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

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

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

(Rs in million)

Particulars	31 March 2021	31 March 2020
Hotel at Bengaluru	**164.04**	164.04
Retail at Bengaluru	**25.49**	25.49
Commercial complex at Bengaluru	**36.58**	36.58
Total	**226.11**	**226.11**

The recoverable amount is based on a value-in-use calculation using the discounted cash flow method.
Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit.
The calculation of the value in use in based on the following key assumptions:

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

A. Hotel

Particulars (in %)	31 March 2021	31 March 2020
Discount rate	12.00%	12.00%
Terminal value multiple	13.5 times	15.0 times

B. Retail

Particulars (in %)	31 March 2021	31 March 2020
Discount rate	11.83%	12.00%
Terminal value multiple	12 times	10.8 times

C. Commercial complex at Bengaluru

Particulars (in %)	31 March 2021	31 March 2020
Discount rate	11.83%	12.00%
Terminal value multiple	12 times	10.8 times

Discount rate

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

Terminal value growth rate

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

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

Based on the above assumptions and analysis, no impairment was identified for any of the CGU as at 31 March 2021 and 31 March 2020 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

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 6
Other intangible assets

(Rs in million)

as at 31 March 2021

Particulars	Gross block				Accumulated amortisation				Net Block
	Opening balance as at 1 April 2020	Additions	Deductions	Closing balance as at 31 March 2021	Opening balance as at 1 April 2020	Charged for the year	Deductions	Closing balance as at 31 March 2021	As at 31 March 2021
Trade marks	0.04	-	-	0.04	0.04	-	-	0.04	-
Computer software	102.34	2.31	1.26	103.39	68.65	10.12	1.26	77.51	25.88
Total	**102.38**	**2.31**	**1.26**	**103.43**	**68.69**	**10.12**	**1.26**	**77.55**	**25.88**

as at 31 March 2020

Particulars	Gross block					Accumulated amortisation					Net Block
	Opening balance as at 1 April 2019	Acquired in Business Combination (refer note 40)	Additions	Deductions	Closing balance as at 31 March 2020	Opening balance as at 1 April 2019	Acquired in Business Combination (refer note 40)	Charged for the year	Deductions	Closing balance as at 31 March 2020	As at 31 March 2020
Trade marks	0.04	-	-	-	0.04	0.04	-	-	-	0.04	-
Computer software	68.46	5.46	32.63	4.21	102.34	62.13	3.96	7.09	4.53	68.65	33.69
Total	**68.50**	**5.46**	**32.63**	**4.21**	**102.38**	**62.17**	**3.96**	**7.09**	**4.53**	**68.69**	**33.69**

Notes to the Consolidated Financial Statements *(Continued)*
as at 31 March 2021

(Rs. in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Note 7		
Other Investments		
Measured at fair value through Profit and Loss		
Unquoted, fully paid up:		
Investments in equity shares (non-trade, unquoted)		
In other companies (equity shares of Rs.10/- each fully paid)		
1,000 (31 March 2020: 1,000) shares of Stargaze Properties Private Limited	**0.01**	0.01
8,000 (31 March 2020: 10,000) shares of Renew Wind Power Energy (AP) Limited	**0.80**	1.00
622,960 (31 March 2020: 622,960) shares of Krishna Valley Power Private Limited	**12.54**	12.54
1,044,500 (31 March 2020: 1,044,500) shares of Sahyadri Renewable Energy Private Limited	**31.46**	31.46
Measured at amortised cost		
National Saving Certificates	**0.13**	0.13
	44.94	**45.14**
Aggregate amount of unquoted securities	**44.94**	45.14
Aggregate amount of quoted securities	**-**	-
Market value of quoted securities	**-**	-
Aggregate amount of impairment in the value of investments	**-**	-
Note 8		
Loans		
Unsecured, considered good		
Deposits		
Security deposits - related parties	**18.40**	17.60
Security deposits - others	**90.82**	90.78
Option deposits - related parties (refer note 49)	**-**	5.00
	109.22	**113.38**
Note 9		
Other non-current financial assets		
(Unsecured, considered good)		
To other than related parties		
Deposits with banks with more than 12 months maturity	**231.45**	70.88
	231.45	**70.88**
Note 10		
Other non-current assets		
(Secured, Unsecured, considered good)		
To other than related parties		
(Unsecured, considered good)		
Capital advances	**358.25**	355.53
Less: Provision for doubtful advances	**(2.47)**	(2.47)
Prepayments (refer footnote)	**213.62**	225.42
Deferred Finance Expenses	**27.88**	27.15
	597.28	**605.63**

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 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the consolidated financial statements. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2021 is Rs. 50.93 million (31 March 2020: Rs. 52.13 million).

Notes to the Consolidated Financial Statements *(Continued)*

as at 31 March 2021

Note 11 **(Rs. in million)**

Inventories

(valued at lower of cost and net realisable value)

	As at 31 March 2021	As at 31 March 2020
Hospitality :		
Food, beverages and smokes	**77.03**	95.21
Stores and spares	**3.17**	4.65
Property development :		
Property under development (refer note 52)	**4,180.78**	4,172.15
Less: Provision for impairment	**(442.65)**	(442.65)
Property under development	**3,738.13**	**3,729.50**
Materials at site	**91.10**	91.66
Retail:		
Materials at site	**2.69**	3.07
	3,912.12	**3,924.09**

Note 12

Trade receivables

(Unsecured, considered good, unless otherwise stated)

Trade receivables	**213.28**	393.27
Less: Allowance for doubtful trade receivables	**(9.11)**	(15.41)
Considered good	**204.17**	**377.86**
Trade receivables	**22.81**	54.24
Less: Allowance for doubtful trade receivables	**(10.58)**	(15.32)
Trade Receivables which have significant increase in Credit Risk	**12.23**	38.92
Trade receivables	**70.91**	74.63
Less: Allowance for doubtful trade receivables	**(70.91)**	(74.63)
Credit Impaired	**-**	-
	216.40	**416.78**

Above balances of trade receivables include balances with related parties (refer note 49)

Note 13a
Cash and cash equivalents

Balance with banks		
- Current accounts	**263.58**	69.71
Cheques on hand	**-**	1.11
Cash on hand	**5.44**	5.60
	269.02	**76.42**

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.

Note 13b
Other bank balances

In term deposit accounts (balances held as margin money)	**138.23**	88.74
In term deposit accounts (others)	**50.43**	1,113.66
	188.66	**1,202.40**

-Includes accrued interest of Rs. 3.12 million (31 March 2020: Rs. 9.49 million)

Notes to the Consolidated Financial Statements *(Continued)*
as at 31 March 2021

Note 14
Loans
(Unsecured, considered good)

(Rs. in million)

	As at 31 March 2021	As at 31 March 2020
Deposits		
Security deposits - related parties (refer note 49)	**12.32**	12.32
Security deposits - others	**9.44**	18.48
Option deposits - related parties (refer note 49)	**50.00**	-
	71.76	**30.80**

Note 15
Other current financial assets
(Unsecured, considered good)

To other than related parties		
Export benefits and entitlements	-	123.20
Mark to market derivative contracts	-	28.60
Others	**26.97**	-
	26.97	**151.80**

Note 16
Other current assets
(Unsecured, considered good)

To other than related parties		
Advance to suppliers	**42.34**	46.32
Less: Provision for doubtful advances	**(10.73)**	(9.07)
	31.61	37.25
Unbilled revenue	**672.14**	552.50
Less: Provision for doubtful revenue	**(11.16)**	-
	660.98	**552.50**
Indirect tax balances/receivable credits	**33.30**	50.85
Prepayment	**128.56**	103.46
Others	**11.16**	31.48
	865.61	**775.54**

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 17
Share Capital

(Rs. in million)

(a) Details of the authorised, issued, subscribed and fully paid-up share capital as below:

Particulars	31 March 2021	31 March 2020
(i) Authorised		
229,100,000 (31 March 2020: 229,100,000) equity shares of the par value of Rs. 10 each	**2,291.00**	2,291.00
(ii) Issued, subscribed and paid-up		
205,023,864 (31 March 2020: 205,023,864) equity shares of the par value of Rs. 10 each	**2,050.24**	2,050.24
Total	**2,050.24**	**2,050.24**

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

Particulars	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
Equity Shares				
Number of equity shares outstanding at the beginning of the year	**20,50,23,864**	**2,050.24**	20,50,23,864	2,050.24
Number of equity shares outstanding at the end of the year	**20,50,23,864**	**2,050.24**	20,50,23,864	2,050.24

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Casa Maria Properties LLP	1,64,96,280	8.05%	1,64,96,280	8.05%
Capstan Trading LLP	1,64,95,680	8.05%	1,64,95,680	8.05%
Raghukool Estate Development LLP	1,64,95,680	8.05%	1,64,95,680	8.05%
Touchstone Properties and Hotels Private Limited	1,45,00,000	7.07%	1,45,00,000	7.07%
Anbee Construction LLP	1,31,16,180	6.40%	1,31,16,180	6.40%
Cape Trading LLP	1,31,16,180	6.40%	1,31,16,180	6.40%
K Raheja Private Limited	1,24,00,000	6.05%	1,24,00,000	6.05%
Ivory Properties And Hotels Private Limited *	1,13,51,833	5.54%	1,13,51,833	5.54%
Ravi Raheja	1,03,26,318	5.04%	1,03,26,318	5.04%
Neel Raheja	1,03,26,318	5.04%	1,03,26,318	5.04%
	13,46,24,469	**65.69%**	**13,46,24,469**	**65.69%**

* Ivory Properties and Hotels Private Limited (Registered owner) holds 7,780,404 Equity Shares for and on behalf of the beneficiaries of Ivory Property Trust, out of its total shareholding of 11,351,833 Equity Shares.

(d) Rights, preferences and restrictions attached to equity shares.

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

Notes to the Consolidated Financial Statements *(Continued)*
as at 31 March 2021

Note 18
Other equity

(Rs. in million)

	As at 31 March 2021	As at 31 March 2020
Equity Component of Compound Instruments		
Balance at the beginning of the year	**373.48**	**167.06**
Add: Additions during the year	**-**	**206.42**
At the end of the year	**373.48**	**373.48**
ESOP reserve		
Balance at the beginning of the year	**26.70**	**14.64**
Add: Additions during the year	**5.59**	**12.06**
At the end of the year	**32.29**	**26.70**
Securities premium		
Balance at the beginning of the year	**10,269.19**	10,269.19
At the end of the year	**10,269.19**	**10,269.19**
General reserve		
Balance at the beginning of the year	**1,071.96**	1,071.96
At the end of the year	**1,071.96**	**1,071.96**
Capital reserve		
Balance at the beginning of the year	**84.99**	0.16
Add: Additions during the year	**-**	84.83
At the end of the year	**84.99**	**84.99**
Retained earnings		
Retained earnings balance at the beginning of the year	**1,668.95**	653.47
Add: (Loss) / Profit for the year	**(1,390.48)**	1,015.48
Proposed Dividend*	**-**	(0.00)
Tax on dividend*	**-**	(0.00)
At the end of the year	**278.47**	**1,668.95**
	12,110.38	**13,495.27**

***Amount less than million**

Nature and purpose of reserves

Equity Component of Compound Instruments

Equity component of Component Instruments comprises of the impact of fair valuation of preference shares issued by the Company.

Securities premium account

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

General reserve

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

Capital reserve

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

Employee stock option plan reserve

Represents expense recognised towards employee stock option plans issued by the company.(Refer note no. 50).

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders. It includes impact of fair valuation of land on transition to Ind AS and are presently not available for distribution to shareholders (net of related tax impact): Rs 3,710.05 million (31 March 2020 Rs.3,710.05 million).

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Note 19
Long-term borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings		
Secured		
Rupee term loans		
i) From bank (refer note A)	**11,310.59**	9,389.25
ii) From financial institutions (refer note A)	**3,997.07**	4,593.18
Foreign currency term loans		
i) From bank (refer note A)	**1,101.55**	1,553.42
Preference share liability		
Non-cumulative redeemable preference shares (refer note B)	**1,194.61**	1,107.99
	17,603.82	**16,643.84**

A) Terms of repayment

Particulars	Sanction Amount (Rs. in million)	Loan Oustanding as at 31 March 2021/ (31 March 2020) (Rs. in million)	Carrying rate of Interest as at 31 March 2021	Carrying rate of Interest as at 31 March 2020	Repayment/ Modification of terms	Security Details
TERM LOANS- Rupee Loans						
From Banks						
Standard Chartered Bank *	2,000	1,295.42 (1,592.23)	9.30% to 8.80%	9.95% to 9.30%	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.
HDFC Bank Ltd*	2,500 (Term loan - Rs.2,300 million with Rs 200 million OD as a sub-limit of term loan)	1979.06 (1354.88)	8.95% to 7.75%	8.95%	Repayable in quarterly 30 instalments from December 2021 to March 2029.	
HSBC Ltd	1,150 (Term loan - Rs.1,130 million with Rs 20 million OD as a sub-limit of term loan)	1072.93 (1144.54)	8.90% to 7.90%	8.90%	Repayable in monthly installments starting from January 2020 to December 2029	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
ICICI Bank Ltd	3,080 (Term Loan - Rs. 2,285 million with Rs. 300 million OD as a sub-limit of term loan)	1,336.57 (1,627.98)	9.25% to 8.40%	9.60% to 9.25%	Repayable quarterly instalment starting from December 2017 to September 2026.	It is secured by (i) Pari-passu charge on immovable and moveable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari-passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
Bank of Baroda	900	-		9.20% to 9.85%	Repayable monthly instalment from December 2018 to October 2026 of Rs.8.30 million and remaining amount bullet payment on November 2026.The loan has been fully repaid in the month of January 2020.	

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Note 19
Long-term borrowings

Particulars	Sanction Amount (Rs. in million)	Loan Oustanding as at 31 March 2021/ (31 March 2020) (Rs. in million)	Carrying rate of Interest as at 31 March 2021	Carrying rate of Interest as at 31 March 2020	Repayment/ Modification of terms	Security Details
Other Loans from Banks - Vehicle	45	-		11%	Repayable in monthly instalments till year ending June 2019.	It is secured against hypothecation of vehicles financed by those banks.
Other Loans from Banks - Vehicle				11%	Repayable in monthly instalments.	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)	668.75 (702.15)	9.30% to 8.80%	9.55% to 9.30%	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.
ICICI Bank Ltd	2500	2,476.21	8.45% to 8.40%	-	Repayable in 36 Quarterly installments starting from Jan-22	First pari passu charge on the immovable & movable fixed assets of the Marriott hotel, Bengaluru ("Hotel") First pari passu charge on current assets of the Hotel First pari passu charge on receivables of the Hotel
ICICI Bank Ltd	1,900	864.49 (1075.30)	9.25% to 8.40%	9.60% to 9.25%	Repayable quarterly instalment from September 2016 to June 2025.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield.

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Note 19
Long-term borrowings

Particulars	Sanction Amount (Rs. in million)	Loan Oustanding as at 31 March 2021/ (31 March 2020) (Rs. in million)	Carrying rate of Interest as at 31 March 2021	Carrying rate of Interest as at 31 March 2020	Repayment/ Modification of terms	Security Details
Axis Bank Ltd	120	9.14 (11.89)	12.65% to 11.90%	12.65%	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company. iii. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and iv. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company.
DBS Bank Ltd	3,250(Term Loan - Rs. 2,900 million, DSRA OD Rs.150 million and OD Rs. 200 million)	2,786.88 (2,885.83)	9.35% to 7.85%	9.45% to 9.00%	Repayable in Monthly instalments from April 2020 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present and future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Bajaj Finance Ltd	5,000	480.00 (498.66)	9.00% to 7.85%	9.45% to 9.00%	Repayable in Monthly instalments from April 2020 to Sept 2025.	

Chalet Hotels Limited

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Note 19
Long-term borrowings

Particulars	Sanction Amount (Rs. in million)	Loan Oustanding as at 31 March 2021/ (31 March 2020) (Rs. in million)	Carrying rate of Interest as at 31 March 2021	Carrying rate of Interest as at 31 March 2020	Repayment/ Modification of terms	Security Details
From Financial Institutions						
Housing Development Finance Corporation Limited	1,350	535.12 (709.34)	8.65% to 7.50%	9.35%	Repayable in 120 monthly instalment from loan drawn out date i.e, October 2014.	It is secured by (i) Exclusive charge on immovable property and receivables at Four Points By Sheraton, Vashi (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Four Points By Sheraton, Vashi (iii) Guarantee by related party.
Housing Development Finance Corporation Limited	2,500 (Line of Credit)	1,700.00 (1525.32)	9.25% to 7.50%	9.35% to 9.25%	Line of credit to be reduced every year starting from March 2019 to March 2026.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations.
Housing Development Finance Corporation Limited	3,600	1,826.11 (2,418.89)	8.65% to 7.50%	9.35%	Repayable in 120 monthly instalment from loan drawn out date i.e, December 2015.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Westin Hotel (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Westin Hotel.

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Note 19
Long-term borrowings

Particulars	Sanction Amount (Rs. in million)	Loan Oustanding as at 31 March 2021/ (31 March 2020) (Rs. in million)	Carrying rate of Interest as at 31 March 2021	Carrying rate of Interest as at 31 March 2020	Repayment/ Modification of terms	Security Details
Foreign Currency Loans						
From Banks						
Standard Chartered Bank, UK	USD 15 million	-	-	3.75% fixed plus 3 month libor	Repayable quarterly from April 2018 to January 2027.The loan has been fully repaid in the month of January 2020.	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	USD 48 million (drawn only USD 12.2 million)	675.64 (819.70)	4.00% fixed plus 3 month libor	4.00% fixed plus 3 month libor	Repayable quarterly from June 2018 to March 2027.	
Axis Bank Ltd	USD 35 million	838.32 (1135.99)	4.5% spread+6 months Libor	4.5% spread+6 months Libor	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company. iii. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and iv. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company.

*the bank has confirmed that no event of default has been called due to the breach of covenants during the year 2020-21.
There are no material breaches of the covenants associated with the borrowings (referred to above) and none of the borrowings were called back during the year.

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Note 19
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	As at 31 March 2021	As at 31 March 2020
(i) Authorised		
1,600 (31 March 2020: 1600) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each	**160.00**	160.00
10,000 (31 March 2020: 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each- Series A	**1,000.00**	1,000.00
10,000 (31 March 2020: 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each- Series B	**1,000.00**	1,000.00
(ii) Issued, Subscribed and paid-up		
1,600 (31 March 2020: 1600) 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each	**160.00**	160.00
20,000 (31 March 2020: 20,000) (Series A 10,000 and Series B 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares. Fully paid up Rs. 100,000 each of Series A (Fully paid up Rs.100,000 each in year ended 31 March 2020) and partly paid up Rs. 25,000 each of Series B (partly paid up Rs. 25,000 each in year ended 31 March 2020).	**947.99**	947.99
Total	**1,107.99**	**1,107.99**

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each				
Number of Preference shares outstanding at the beginning of the year	**1,600**	160.00	1,600	160.00
Issued during the year	-	-	-	-
Number of Preference shares outstanding at the end of the year	**1,600**	**160.00**	**1,600**	**160.00**
10,000 (31 March 2020: 10,000) (Series A) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and fully paid up of Series A Rs 100,000 each				
Number of Preference shares outstanding at the beginning of the year	**10,000**	**758.74**	**10,000**	351.10
Adjustments* / Issued during the year	-	**69.26**	-	407.65
Number of Preference shares outstanding at the end of the year	**10,000**	**828.00**	**10,000**	**758.75**
10,000 (31 March 2020: 10,000) (Series B) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and partly paid up of Series B Rs. 25,000 each.				
Number of Preference shares outstanding at the beginning of the year	**10,000**	**189.24**	10,000	7.08
Adjustments* / Issued during the year	-	**17.37**	-	182.16
Number of Preference shares outstanding at the end of the year	**10,000**	**206.61**	**10,000**	**189.24**
Total	**21,600**	**1,194.61**	**21,600**	**1,107.99**

*Adjustments represents notional interest on debt components of Preferences share

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Note 19
Long-term borrowings

(c) Shareholder holding more than 5% Preference shares in the Group is set out below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each				
Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja*	**1,600**	**100%**	1600	100%
*Held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust.				
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs.100,000 each subscribed and fully paid up (31 March 2020:10,000 partly paid up Rs.100,000 each)				
Series A				
Mr Ravi Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
Mr Neel Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
K Raheja Corp Private Limited	**4,500**	**45.00%**	4,500	45.00%
Ivory Properties and Hotels Private Limited	**850**	**8.50%**	850	8.50%
Total	**10,000**	**100%**	**10,000**	**100%**

10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of Rs.100,000 each subscribed and partly paid up of Rs 25,000 each. (31 March 2020:10,000 partly paid up Rs. 25,000 each)	**As at 31 March 2021**		**As at 31 March 2020**	
Series B	**No. of Shares held**	**% of Holding**	**No. of Shares held**	**% of Holding**
Mr Ravi Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
Mr Neel Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
K Raheja Corp Private Limited	**4,500**	**45.00%**	4,500	45.00%
Ivory Properties and Hotels Private Limited	**850**	**8.50%**	850	8.50%
Total	**10,000**	**100%**	**10,000**	**100%**

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Note 19
Long-term borrowings

(d) Rights, Preferences and restrictions attached to preference shares.

The Company has two classes of preference shares having a par value of Rs.100,000 each per share.

1,600 0.001% Non-cumulative redeemable preference shares of Rs 100,000 each.

Rights, Preferences and restrictions attached to 0.001% Non-cumulative redeemable preference shares
The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the Company for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of Rs.1 per preference share per year.

Preference shares issued by the Company are due for redemption at par. Accordingly, the preference shares are liable to be redeemed at any time at the option of the Company but not later than December 21, 2023.

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

20,000 0.00 %(Series A & Series B) Non-cumulative, Non-convertible redeemable preference shares of Rs 100,000 each.

Rights, Preferences and restrictions attached to 0(Zero) % (Series A & Series B) Non-cumulative Non convertible redeemable preference shares
The preference shares do not carry any voting rights.

With respect to the Residential project at Bengaluru ("Project"), w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Company either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0% Non-Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Company of Rs. 2,000 million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Company has a paid up preference share capital of Rs. 1,250 million as at 31 March 2021 (31 March 2020: Rs. 510 million)."

The Preference Shares do not carry any voting rights whatsoever in any meetings of the shareholders of the Company or of members of any class of shares of the Company.
Subject to applicable laws, other than the amounts payable for redemption, no amounts shall be payable to the Preference Shareholders, whether by way of dividend or in any other manner whatsoever.

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

Notes to the Consolidated Financial Statements *(Continued)*
as at 31 March 2021

(Rs. in million)

Note 20
Other non-current financial liabilities

	As at 31 March 2021	As at 31 March 2020
Security deposits	**187.01**	198.27
Retention money	**3.96**	-
	190.97	**198.27**

Note 21
Provisions

	As at 31 March 2021	As at 31 March 2020
Provision for gratuity	**76.42**	76.33
	76.42	**76.33**

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 22
Tax expense

(Rs. in million)

(a) Amounts recognised in Statement of Profit and Loss

Current income tax expense	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax		
Current year	**1.66**	**195.33**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	**(1,028.21)**	(170.32)
Recogition of deferred tax on previously unrecognised tax losses	**-**	(12.79)
Deferred tax credit	**(1,028.21)**	**(183.11)**
Excess provision for the earlier years	**(65.00)**	**-**
Tax (credit) / charge for the year	**(1,091.55)**	**12.22**

(b) Amounts recognised in other comprehensive income

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	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	**0.05**	**0.23**	0.28	(17.33)	6.06	(11.27)
	0.05	**0.23**	**0.28**	**(17.33)**	**6.06**	**(11.27)**

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(Loss) / Profit before tax	**(2,482.83)**	1,008.48
Group's domestic tax rate	**34.61%**	34.61%
Tax using the Group's domestic tax rate	**(859.31)**	349.03
Tax effect of:		
Recogition of deferred tax on previously unrecognised tax losses	**-**	(12.79)
Deferred tax asset recognised on previous year's house property losses	**-**	(252.98)
Addition on deduction under Section 35 AD of Income-tax Act 1961, adjusted against current year loss	**-**	(16.64)
Loss on sale of investments	**-**	16.06
Expenses not allowed under tax	**30.27**	(6.40)
Standard deduction	**(70.32)**	(43.97)
Indexation of land and investment property	**(84.60)**	(68.42)
Provision for Impairment of Investment	**-**	87.39
Transfer from Property, plant and equipment to Investment property	**(124.16)**	-
Consolidation Adjustments	**69.09**	(59.38)
Others	**10.82**	20.32
	(1,028.21)	**12.22**

The Group's weighted average tax rates for years ended 31 March 2021 and 31 March 2020 was 41.41% and 1.21%, 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.

The Company has recognised deferred tax asset on the brought forward house property losses pertaining to previous years after considering the relevant facts and circumstances 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 Nil as at 31 March 2021 (31 March 2020: Rs. 253).

During the year, the Company has transfer Property, plant and equipment to Investment property on Company has recognised deferred tax assest of Rs 124.16 as at 31 March 2021 (31 March 2020: Rs Nil).

A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on 20 September 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. The Company has decided to continue with the existing tax structure for the year ended 31 March 2021.

(e) Movement in deferred tax balances

Movement in deferred tax balances for the year ended 31 March 2021 **(Rs. in million)**

Particulars	Net balance as at 1 April 2020	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance as at 31 March 2021
Deferred tax asset/(liabilities)					
Property, plant and equipment	(3,185.42)	269.92	-	-	(2,915.50)
Investment property	157.40	(18.82)	-	-	138.58
Assets classified as held for sale	0.05	-	-	-	0.05
Real estate inventory	(20.24)	-	-	-	(20.24)
Expenditure on specified business u/s 35 AD	2,165.89	-	-	-	2,165.89
Provisions	414.05	(2.28)	0.23		412.00
Borrowings	(21.71)	6.18	-	-	(15.53)
Other current liabilities	145.26	-	-	-	145.26
Other current assets	(165.52)	(32.92)	-	-	(198.44)
Other items	154.54	19.29	-	-	173.83
Unabsorbed depreciation/ carry forward tax losses	411.50	740.23	-	-	1,151.73
Unabsorbed losses on House property	372.14	44.68	-	-	416.82
Inventory	5.72	1.06	-	-	6.78
MAT Credit Entitlement	195.00	-	-	-	195.00
Employee Stock Option	2.04	0.87	-	-	2.91
Deferred tax assets/(liabilities)	**630.70**	**1,028.21**	**0.23**	**-**	**1,659.14**

(Rs. in million)

Particulars	Net balance as at 31 March 2021
Deferred tax assets	1,796.65
Deferred tax liabilities	137.51
Net deferred tax assets/(liabilities)	**1,659.14**

Movement in deferred tax balances for the year ended 31 March 2020 **(Rs. in million)**

Particulars	Net balance as at 1 April 2019	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance as at 31 March 2020
Deferred tax assets/(liabilities)					
Property, plant and equipment	(3,285.62)	100.20	-	-	(3,185.42)
Investment property	180.79	(23.39)	-	-	157.40
Assets classified as held for sale	0.05	-	-	-	0.05
Real estate inventory	(17.04)	(3.20)	-	-	(20.24)
Expenditure on specified business u/s 35 AD	2,172.64	(6.75)	-	-	2,165.89
Investments	(0.28)	0.28	-	-	-
Provisions	385.08	22.91	6.06	-	414.05
Borrowings	(29.82)	8.11	-	-	(21.71)
Other current liabilities	145.26	-	-	-	145.26
Other current assets	(38.34)	(127.18)	-	-	(165.52)
Other items	125.48	29.06	-	-	154.54
Unabsorbed depreciation/ carry forward tax losses	800.68	(389.18)	-	-	411.50
Unabsorbed losses on House property	-	372.14	-	-	372.14
Inventory	-	5.72	-	-	5.72
MAT Credit Entitlement	-	195.00	-	-	195.00
Employee Stock Option	2.65	(0.61)	-	-	2.04
Deferred tax assets/(liabilities)	**441.53**	**183.11**	**6.06**	**-**	**630.70**

(Rs. in million)

Particulars	Net balance as at 31 March 2020
Deferred tax assets	852.81
Deferred tax liabilities	222.11
Net deferred tax assets/(liabilities)	**630.70**

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

Tax expenses (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 Group can use the benefits therefrom:

Particulars	31 March 2021			31 March 2020		
	Gross amount	DTA not recognised	Expiry date	Gross amount	DTA not recognised	Expiry date
Business Loss	-	-	-	0.31	0.11	31 March 2020
Business Loss	-	-	-	0.59	0.21	31 March 2021
Business Loss	-	-	-	0.64	0.22	31 March 2022
Business Loss	-	-	-	0.08	0.03	31 March 2023
Business Loss	0.31	0.11	31 March 2028	0.06	0.02	31 March 2025
Unabsorbed depreciation	1,184.80	414.02	NA	1,055.85	368.96	NA
Unabsorbed depreciation	-	-	-	0.93	0.32	NA
Total	**1,185.11**	**414.13**		**1,058.46**	**369.87**	

Deferred tax assets for the carry forward of unused tax losses on business and house property 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 business losses can be carried forward for a year of 8 years as per the tax regulations and the Group expects to recover the losses.

Further, the Group had incurred losses in relation to the residential project at Bengaluru pursuant to litigation which arose during the financial year ended 31 March 2014. During the financial year ended 31 March 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Group, decided that the Group should proactively consider re-commencement of construction up to the permissible limits and engage with the buyers above the 10th floor for evaluating possible options.Consequently, the Group has made a provision for estimated losses on such cancellations pertaining to all flats above 10 floors and recognised the same during the financial year ended 31 March 2018 (refer note 35). Further, the Group does not expect any further material losses to be incurred in relation to the said project.

Accordingly, the Group, has recognised deferred tax asset on the carried forward business losses after considering the relevant facts and circumstances during each financial year to the extent that the Group had convincing evidence based on its business plans and budgets to the extent that the deferred tax asset will be realised. Consequently, the Group has recognised deferred tax asset of Rs.1,568.55 million as at 31 March 2021 (31 March 2020: Rs 784.00 million) on the carried forward losses of the Group.

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Particulars	As at 31 March 2021	As at 31 March 2020
Note 23		
Other non-current liabilities		
Deferred finance income	**109.58**	132.51
	109.58	**132.51**
Note 24		
Borrowings		
Secured		
Over draft accounts from banks	**808.20**	377.20
Unsecured		
From related parties	**35.79**	27.57
	843.99	**404.77**

A) Terms of repayment
Rate of interest

(Rs. in million)

Particulars	Sanction Amount (Rs. in million)	Carrying rate of Interest As at 31 March 2021	Carrying rate of Interest As at 31 March 2020	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	500 (Including two sub limit of 20 millionn each)	10.05% to 7.60%	10.70% to 10.05%	Renewal every year.	Secured against land parcel admeasuring 6,826 sq. mtrs. at Powai (including future receivables)
ICICI Bank Ltd	3,080 (Term Loan - Rs. 2,285 million with Rs. 300 million OD as a sub-limit of term loan) OD 300 (Including four sublimit -20 millionn, 20 million 10 million and 5 million)	9.25% to 8.35%	9.35% to 9.25%	Renewal every year and maturity is in September 2026 in line with the Term loan	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
DBS Bank Ltd	3,250 (Term Loan - Rs. 2,900 million, DSRA OD Rs.150 million and OD Rs. 200 million)	8.70% to 7.20%	9.60% to 8.70%	Renewal every year and maturity in in September 2025 in line with the Term loan.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Indian Overseas Bank	50	12.55%	12.80%	Renewal every year.	Cash Credit is secured by hypothecation of inventories, crockery, cutlery, and linen held by the Company at its property in Powai, both present and future.

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 24
Borrowings *(Continued)*

(Rs. in million)

Particulars	Sanction Amount (Rs. in million)	Carrying rate of Interest As at 31 March 2021	Carrying rate of Interest As at 31 March 2020	Repayment/ Modification of terms	Security Details
ICICI Bank Ltd	1,900 (Term Loan - 1,530 million and OD 150 million)	9.25% to 8.35%	9.85% to 9.25%	Repayable quarterly instalment from September 2016 to June 2025 in line with the Term loan.	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
HDFC Bank Ltd	2,500 (Term loan - Rs.2,300 million with Rs 200 million OD as a sub-limit of term loan)	8.30%	-	Repayable in quarterly 30 instalments from December 2021 to March 2029.	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.
HSBC Ltd	1,150 (Term loan - Rs.1,130 million with Rs 20 million OD as a sub-limit of term loan)	8.25%	-	Repayable in monthly installments starting from January 2020 to December 2029.	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
Standard Chartered Bank*	900 (Term Loan - Rs. 750 million and OD Rs. 150 million)	9.50% to 6.95%	10.25% to 9.50%	'Overdraft to be reduced on a proportionate basis in line with term loan repayment.	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.

From Related Parties

K Raheja Corp Private Limited	NA	9.5%	10%	Repayable on demand	Unsecured

Buyers credit

Buyers credit	NA	-	4% to 6%	Repayable within 1 year	Unsecured

*the bank has confirmed that no event of default has been called due to the breach of covenants during the year 2020-21.

Notes to the Consolidated Financial Statements *(Continued)*
as at 31 March 2021

Note 25
Trade payables

(Rs. in million)

	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises and (refer note 42)	**32.54**	30.09
Total outstanding dues to creditors other than micro enterprises and small enterprises	**796.05**	1,031.94
	828.59	**1,062.03**

Note 26
Current - Other financial liabilities

Current maturity of long term debt (refer note 19)	**2,135.43**	1,966.87
Creditors for capital expenditure		
- Total outstanding dues of micro enterprises and small enterprises and (refer note 42)	**56.39**	19.05
- Total outstanding dues to creditors other than micro enterprises and small enterprises	**109.91**	274.27
Retention payable	**19.17**	24.77
Proposed Dividend*	**-**	0.00
Tax on dividend*	**-**	0.00
Security deposits	**92.03**	67.11
Mark to market derivative contracts	**62.19**	-
Other liabilities	**120.63**	149.21
	2,595.75	**2,501.28**

***Amount less than million**

Note 27
Other current liabilities

Advances from customers towards sale of residential flats*	**1,868.37**	1,872.35
Advances from customers towards hospitality services	**125.21**	119.31
Statutory dues payable**	**246.39**	267.66
	2,239.97	**2,259.32**

*Advances from customers towards sale of residential flats includes amount refundable to customers on estimated cancellation of flats for the year ended 31 March 2021 above 10 floors of Rs 692.13 million (31 March 2020 Rs.692.13 million).(refer note 35).

**Statutory dues payable includes ESIC, TDS payable , provident fund payable, indirect taxes payable etc.

Note 28
Short-term provisions

Provision for gratuity	**34.75**	34.38
Provision for compensated absences	**38.84**	61.44
Provision for estimated / actual cancellation and alteration cost (Refer foot note and note 35)	**835.35**	793.47
	908.94	**889.29**

Notes to the Consolidated Financial Statements *(Continued)*
as at 31 March 2021

Short-term provisions (Continued)

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 31 March 2014. Further, in case of cancellations subsequent to 31 March 2014, the Group reversed the revenue and derecognised margins in the respective year of cancellation. The Group also recompensed flat owners, in accordance with mitigation plans framed by the Group on account of the delay in completion of the project.

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

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

By Judgement dated 29 May 2020 the Karnataka High Court has allowed the writ petition in part, quashing the cancellation of the NOC and remanding back the matter to HAL for re-survey in a time bound manner and thereafter proceed in accordance with law. The Group is having without prejudice discussions with the existing customers for seeking their consent to a revised development proposal, inter alia, by addition of a residential wing / wings, one commercial building and limiting the height of all buildings up to 40 meters; which will be subject to orders from the court and obtainment of HAL's approval. The Company has also filed certain, without prejudice, applications with the authorities i.e. HAL, Bangalore Development Authority, MOEF and Fire NOC for processing of certain approvals relating to the proposed revised development. Management is of the view that no changes in the are required on this account in the standalone financial statements as at and for the year ended 31 March 2021.

Movement for provision for estimated / actual cancellation and alteration cost

Particulars	**As at 31 March 2021**	As at 31 March 2020
Provision for cost of alteration of super structure	**250.00**	250.00
Provision for estimated/actual cancellation		
Opening balance	**543.47**	620.95
Provisions made during the year	**41.88**	41.90
Provisions utilised during the year	**-**	(119.38)
Closing balance	**585.35**	**543.47**
Total	**835.35**	**793.47**

(Rs. in million)

Particulars	For the ended 31 March 2021	For the year ended 31 March 2020
Note 29		
Revenue from operations from Continuing operations		
(a) Sale of services		
Hospitality:		
Room income	**1,131.66**	5,218.77
Food, beverages and smokes	**683.77**	2,798.21
Others services	**202.52**	738.03
Retail and commercial:		
Lease rent	**827.54**	810.51
(b) Sale of products		
Real estate:		
Sale of residential flats	**-**	52.94
Retail and commercial:		
Maintenance and other recoveries	**80.73**	122.53
Revenue from other services	**17.65**	67.50
	2,943.87	**9,808.49**

for the year ended 31 March 2021 (Rs. in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 30		
Other income		
Gain on foreign exchange fluctuation (net)	**18.20**	-
Interest income from instruments measured at amortised cost	**65.13**	49.48
Net mark to market gain on derivative contracts	**-**	41.24
Export benefits and entitlements	**21.66**	132.72
Profit on sale of investments.	**0.01**	3.94
Profit on sale of property, plant and equipment (net)	**4.53**	11.20
Interest on income tax refund	**85.47**	-
Dividend received*	**-**	0.00
Miscellaneous income	**28.38**	40.39
	223.38	**278.97**

Amount less than million

Notes to the Consolidated Financial Statements (Continued)
for the year ended 31 March 2021

(Rs. in million)

Particulars	For the ended 31 March 2021	For the year ended 31 March 2020
Note 31 (a)		
Real estate development cost		
(i) **Real estate development cost**	**95.06**	**205.56**
(ii) Changes in inventories of finished good and work in progress		
Opening project work in progress	**4,106.15**	4,096.82
Inventory of unsold flats	**-**	16.14
Inventory of unsold flats - Transfer from Investment Property	**-**	14.42
	4,106.15	**4,127.38**
Add:		
Incurred during the year	**8.63**	2.11
Less: Closing stock		
Transferred to property under development project	**4,114.78**	4,106.15
	-	**23.34**

Note 31 (b)
Food and beverages consumed*

Food and beverages materials at the beginning of the year	**95.21**	111.10
Purchases	**224.69**	812.50
Food and beverages materials at the end of the year	**77.03**	95.21
	242.87	**828.39**

*Includes complimentaries Rs 21.19 million (31 March 2020: Rs.92.14 million)

Note 31 (c)
Operating supplies consumed

Purchases	**123.35**	306.71
	123.35	**306.71**

for the year ended 31 March 2021 (Rs. in million)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020

Note 32
Employee benefits expense

Salaries, wages and bonus	**797.82**	1,284.43
Contributions to provident fund and other funds	**40.89**	69.54
Staff welfare expenses	**62.27**	150.64
Employee stock option expense (refer note 50)	**5.59**	12.06
	906.57	**1,516.67**

Note 33
Finance costs

Interest expenses	**1,467.74**	1,370.74
Exchange differences regarded as an adjustment to borrowing cost *	**-**	91.02
Other borrowing cost	**52.04**	-
	1,519.78	**1,461.76**

* Excludes exchange loss on ECB of Rs. Nil (31 March 2020: Rs.18.39 million) accounted as operating expenses.

Note 34
Other expenses

Travelling and conveyance expenses	**6.41**	33.54
Power and fuel *	**341.49**	648.42
Rent	**21.39**	21.05
Repairs and maintenance		
- Buildings	**63.77**	143.50
- Plant and machinery	**130.98**	187.70
- Others	**35.44**	95.52
Insurance	**42.50**	37.92
Rates and taxes	**207.32**	258.73
Business promotion expenses	**73.60**	390.45
Commission	**38.22**	245.51
Royalty and management fees	**63.04**	420.46
Legal and professional charges	**92.07**	138.54
Other hotel operating cost	**92.77**	301.32
Bad debt written off	**2.45**	1.27
Provision for doubtful debts	**9.46**	9.74
Loss on foreign exchange fluctuation (Net)**	**-**	46.63
Donations	**-**	0.06
Director sitting fees	**4.28**	3.12
Payment to auditors (refer note 43)	**12.97**	14.22
Buyout labour & manpower contract	**45.36**	157.83
Corporate social responsibility expenses	**4.49**	1.90
Business Combination expenses	**-**	15.00
Impairment of Capital Work in Progress	**-**	59.51
Reversal of Export benefits and entitlements	**123.20**	-
Reversal of unbilled revenue	**0.99**	-
Miscellaneous expenses ***	**93.30**	266.91
	1,505.50	**3,498.85**

*Net of Rs 26.46 million (31 March 2020 :Rs.46.17 million) on account of recoveries.
** It includes exchange loss on ECB of Rs. Nil and Rs. Nil is considered under finance cost (31 March 2020: Exchange loss on ECB of Rs.18.39 million and Rs. 160.97 million is considered under finance cost)
***Net of Rs 2.47 million (31 March 2020 :Rs.10.19 million) on account of recoveries.

Notes to the Consolidated Financial Statements *(Continued)*
for the year ended 31 March 2021

(Rs. in million)

Note 35
Exceptional items

	For the year ended 31 March 2021	For the year ended 31 March 2020
Exceptional items		
-Provision for estimated cost in relation to potential cancellation	**(41.71)**	(40.96)
Total	**(41.71)**	**(40.96)**

Notes:

During the year 2013-14, Hindustan Aeronautics Limited (HAL) had raised an objection with regard to the permissible height of buildings of the Company's Bengaluru residential project. Pursuant to an earlier 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.
The Company had suspended revenue recognition based on the percentage completion method after financial year ended 31 March 2014. Further, in case of cancellations subsequent to 31 March 2014, the Company had reversed the revenue and derecognised margins in the respective year of cancellation. The Company also compensated flat owners, in accordance with mitigation plans framed by the Company on account of the delay in completion of the project.

By Judgement dated 29 May, 2020 the Karnataka High Court has allowed the writ petition in part, quashing the cancellation of the NOC and remanding back the matter to HAL for re-survey in a time bound manner and thereafter proceed in accordance with law. HAL filed an appeal challenging the said order. In November, 2021, your Company also filed an appeal challenging certain parts of the order.
Your Company is proposing completion of the project and is in discussions with the customers for consenting to a revised development inter alia by limiting the height to 40 meters and adding a residential wing and a commercial building. The Company has also initiated the process for renewing/applying for permissions. Subject to the conclusion of discussions with the customers and obtaining order from the Court and NOC from HAL for the revised development,

Accordingly, the Company has reassessed the estimated cost of completion of the project upto 10th floor as per the aforementioned plan and has recognised a provision towards the following:
- cost of alteration of superstructure
- estimated costs in relation to potential cancellations including interest payable on cancellation.

Consequently , interest payable on cancellation for flats above 10th floor is shown as exceptional expenses.
Further, cost of actual cancellation (where applicable) has also been provided for and included in the provision referred to above.

With respect to the said residential project, w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Company either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0% Non-Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Company of Rs. 2,000 million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Company has a paid up preference share capital of Rs. 1,250 million as at 31 March 2021 (31 March 2020: Rs.1,250 million)."

Notes to the Consolidated Financial Statements (Continued)
for the year ended 31 March 2021

Note 36
Earnings Per Share

(Rs. in million)

Particulars	31 March 2021	31 March 2020
(Loss) / Profit attributable to equity shareholders from Continuing operations	**(1,350.14)**	1,089.57
(Loss) attributable to equity shareholders from Discontinued operations	**(40.62)**	(62.82)
(Loss) / Profit attributable to equity holders of the Company	**(1,390.76)**	1,026.75
Calculation of weighted average number of equity shares		
Number of shares at the beginning of the year	**20,50,23,864**	20,50,23,864
Equity shares outstanding during the year	**20,50,23,864**	20,50,23,864
Earnings per equity share - Continuing operations (Face value of Rs 10 each)		
Basic	**(6.59)**	5.31
Diluted	**(6.59)**	5.31
Earnings per equity share - Discontinued operations (Face value of Rs 10 each)		
Basic	**(0.19)**	(0.30)
Diluted	**(0.19)**	(0.30)
Earnings per equity share - Continuing and Discontinued operations (Face value of Rs 10 each)		
Basic	**(6.78)**	5.01
Diluted	**(6.78)**	5.01

Notes to the Consolidated Financial Statements (Continued)
for the year ended 31 March 2021

Note 37
Government grant

Export Promotion Capital Goods (EPCG) scheme
The Group under the EPCG scheme receives a grant from the Government towards import of capital goods without any levy of import duty. The Group has an obligation towards future exports of the Group.
The Group has recognised a deferred grant at the point of waiver of import duty in relation to import of capital goods. Given that the grant is conditional on fulfillment of future export obligation, the same is treated as a revenue grant and is accordingly recognised in the Statement of Profit and Loss on fulfilment of such obligation.

Particulars	31 March 2021	31 March 2020
Opening balance	-	-
Grants received during the year	**21.66**	13.90
Less: Released to Statement of Profit and Loss	**(21.66)**	(13.90)
Closing balance	**-**	-

Served from India scheme (SFIS)/Service exports from India scheme (SEIS)
The Group under SFIS / SEIS receives an entitlement / credit to be sold separately (only in case of SEIS) or utilised against future imports.
The Group recognises income in respect of duty credit entitlement arising from export sales under the SFIS/SEIS of the Government of India in the year of exports, provided there is no significant uncertainty regarding the entitlement and availment of the credit and the amount thereof. Export credit entitlement can be utilized within specified benefit year, by way of adjustment against duties payable on purchase of capital equipments, spare parts and consumables or sale of such licenses.

Particulars	31 March 2021	31 March 2020
Opening balance	**123.20**	239.07
Grants received during the year	**-**	118.82
Less: Utilisation	**-**	(234.69)
Less: Written off	**(123.20)**	-
Closing balance	**-**	123.20

Income recognised in Statement of Profit and Loss on account of EPCG (A)	**21.66**	13.90
Income recognised in Statement of Profit and Loss on account of SFIS/SEIS (B)	**-**	118.82
Total income recognised in the Statement of Profit and Loss (A+B)	**21.66**	132.72

Note 38 **(Rs. in million)**
Employee benefits

a) ***Defined contribution plan***

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

The Group has recognised the following amounts in the Consolidated Statement of Profit and Loss for the year.

Particulars	31 March 2021	31 March 2020
Employer's contribution to Provident Fund and ESIC	**40.89**	69.83
	40.89	**69.83**

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:

(i) Hotel division of holding company (Westin, Hyderabad) where fund is maintained with Life Insurance Corporation of India.
(ii) One of the subsidiary company (Corporate office) where fund is maintained with Life Insurance Corporation of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2021. The present value of the defined benefit obligation 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	31 March 2021	31 March 2020
Defined benefit obligation	**109.50**	110.71
Less: Fair value of plan assets	**(3.38)**	(3.56)
Net defined benefit obligation	**106.12**	**107.15**

Fair value of the plan assets and present value of the defined benefit obilgation

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

	Particulars	31 March 2021	31 March 2020
1	**Movement in defined benefit obligation:**		
	At the beginning of the year	**110.71**	80.73
	Add: Acquired in Business Combination (refer note 40)	**-**	4.22
	Recognised in profit or loss		
	Current service cost	**11.80**	9.97
	Interest cost	**5.92**	6.20
	Recognised in other comprehensive income		
	Actuarial (gains)/losses on obligation -		
	Due to change in demographic assumptions	**-**	(0.43)
	Due to change in financial assumptions	**2.58**	3.85
	Due to experience	**(2.99)**	13.69
	Benefit paid	**(18.52)**	(7.52)
	At the end of the year	**109.50**	**110.71**
2	**Movement in fair value of plan assets:**		
	At the beginning of the year	**3.56**	1.31
	Add: Acquired in Business Combination (refer note 40)	**-**	2.30
	Recognised in profit or loss		
	Interest income	**0.23**	0.11
	Expected return on plan assets	**(0.41)**	(0.13)
	Employer contributions	**-**	1.54
	Benefit paid	**-**	(1.57)
	At the end of the year	**3.38**	**3.56**

Note 38
Employee benefits *(Continued)*

(Rs. in million)

		31 March 2021	31 March 2020
3	**Recognised in profit or loss**		
	Current service cost	11.80	9.97
	Interest expense	5.92	5.57
	Interest income	0.22	0.09
	For the year	**17.50**	**15.45**
4	**Recognised in other comprehensive income**		
	Actuarial (gains)/losses on obligation	-	17.33
	For the year	**-**	**17.33**

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

6 The principal actuarial assumptions used for estimating the Group's benefit obligation are set out below (on a weighted average basis):
Employees of Chalet Hotels Limited

Particulars	31 March 2021	31 March 2020
Rate of increase in salaries (%)	5.00% - 7.00%	5.00% -9.00%
Discount rate (%)	4.25% - 6.79%	5.21% - 6.80%
Employee turnover rate	22.00% - 57.50%	21.00%-57.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

7 **Sensitivity of the defined benefit obligation**

	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.86)	3.07	(2.18)	3.75
Rate of increase in salaries (1% movement)	2.94	(2.80)	3.65	(2.15)
Rate of employee turnover (1% movement)	(0.66)	0.69	0.06	1.33

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

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

8 Expected contributions to gratuity fund for the year ended 31 March 2021 is Rs. 15.13 million (31 March 2020: Rs. 18.12 million).

9 **The expected future cash flows as at 31 March 2021 were as follows:**

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
31 March 2021	**30.55**	**20.81**	**39.94**	**26.27**	**117.56**
Defined benefit obligation (gratuity - non funded)	28.78	19.57	38.14	24.83	**111.32**
Defined benefit obligation (gratuity)	1.77	1.24	1.80	1.43	**6.24**
31 March 2020	**30.51**	**21.60**	**35.73**	**21.16**	**109.00**
Defined benefit obligation (gratuity - non funded)	26.85	19.21	32.61	18.47	**97.14**
Defined benefit obligation (gratuity)	3.66	2.39	3.12	2.69	**11.86**

(c) ***Short-term compensated absences:***
Compensated absences, classified as long term benefits is recognised as an expense and included in "Employee benefits expense" in the Consolidated Statement of Profit and Loss during the year. The following table provides details in relation to compensated absences.

Particulars	31 March 2021	31 March 2020
(Reversal) / Expenses for the year	(22.60)	6.68
Closing balance	38.84	61.44

In case of subsidiary - Belaire Holdings Private Limited (BHPL), the liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each Balance sheet date and provided for as incurred in the year in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Compensated absences which are not expected to occur within 12 months of the end of the period in which the employee render the service are recognized at an actuary determined liability as per the present value of the defined benefit obligation.

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2021

Note 39
Operating leases

Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application.

A. Leases as lessor

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

i) Amount recognised in the Consolidated Statement of Profit and Loss:

(Rs. in million)

Description	**For the year ended 31 March 2021**	For the year ended 31 March 2020
Income from lease of shops in hotels included in revenue from operations	**9.89**	19.60
Income from lease of office premises included in revenue from operations	**772.66**	672.45
Income from lease of investment properties included in revenue from operations	**55.27**	129.64
Total	**837.82**	**821.69**

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

Future minimum lease receivables	**For the year ended 31 March 2021**	For the year ended 31 March 2020
Less than one year	**12.51**	16.38
Between one and five years	**41.81**	45.44
More than five years	**287.32**	299.90
	341.64	**361.72**

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

Future minimum lease receivables	**For the year ended 31 March 2021**	For the year ended 31 March 2020
Less than one year	**834.52**	824.04
Between one and five years	**3,319.14**	3,319.84
More than five years	**3,357.60**	4,208.91
Total	**7,511.26**	**8,352.79**

B. Leases as lessee

The Group has taken office premises and the land on which Four Points by Sheraton Vashi is situated on lease. The Group also leases IT and other equipments. All leases are either short term and/or leases of low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

i) Amount recognised in profit or loss:

	For the year ended 31 March 2021*	**For the year ended 31 March 2020***
Low value lease expenses	3.92	1.60
Short-term lease expenses	64.69	24.59
Total lease expense	**68.61**	**26.19**

** Out of total lease expenses, 31 March 2021 Rs 6.40 million (31 March 2020 Rs.6.09 million) have been capitalised*

ii) Amount recognised in statement of cash flows:

	For the year ended 31 March 2021	**For the year ended 31 March 2020**
Low value lease expenses	3.77	1.41
Short-term lease expenses	69.93	22.54
Total cah outflow on leases	**73.70**	**23.95**

iii) Maturity Analysis:

Future minimum lease payables	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Less than one year	**26.90**	26.24
Between one and five years	**-**	-
More than five years	**-**	-
	26.90	**26.24**

Notes to the Consolidated Financial Statements (Continued)
for the year ended 31 March 2021

(Rs. in million)

Note 40
Acquisition of Belaire Hotels Private Limited and Seapearl Hotels Private Limited

A. The Company acquired 100% of equity shares of Belaire Hotels Private limited (BHPL) and 100% of zero coupon fully compulsory convertible debentures for a cash consideration of Rs 1,193.32 million on 3 February 2020.

Also, the Company acquired 100% of the equity shares of Seapearl Hotels Private Limited (SHPL) and 100% and zero coupon fully compulsory convertible debentures for a cash consideration of Rs. 574.68 million on 10 February 2020.
Consequent to the above BHPL and SHPL have become wholly owned subsidiaries of the Company.

B. Fair value of consideration transferred

Belaire Hotels Private Limited

Against the total enterprise value of Rs. 2,900 million, the Company had taken over borrowings of Rs 1,745.86 million, net non-current assets of Rs. 39.76 million, contingent liabilities of Rs 12.90 million and working capital of Rs. 12.32 million, after taking these liabilities into account, effective purchase consideration of Rs.1,193.32 million had been discharged as under :

Rs. in million

Particulars	Amount
Equity shares	687.02
Zero coupon fully Compulsory Convertible Debentures	506.30
Total consideration transferred for Business combination	**1193.32**

Seapearl Hotels Private Limited

Against the total asset value of Rs. 575.78 million, the Company had taken over negative working capital of Rs.1.09 million, after taking these liabilities into account, effective purchase consideration of Rs.Rs. 574.69 million had been discharged as under :

Rs. in million

Particulars	Amount
Equity shares	57.56
Zero coupon fully Compulsory Convertible Debenture	517.13
Total consideration transferred for Business combination	**574.69**

C.The Fair Value of identifiable assets acquired and liabilities assumed as on the acquisition date

Belaire Hotels Private Limited

Rs. in million

Particulars	Amount
Non-current assets	
Property, plant and equipment	2,955.43
Other Financial assets	29.75
Other non-current assets	1.59
Non-current tax assets (net)	22.89
Total non-current assets	**3,009.66**
Current assets	
Inventories	4.78
Financial assets	
(i) Trade receivables	27.48
(ii) Cash and cash equivalents	32.17
Other current assets	20.04
Total current assets	**84.47**
TOTAL ASSETS	**3,094.13**
EQUITY AND LIABILITIES	
Total equity	1,283.54
Non current liabilities	
Financial liabilities	
(i) Borrowings	1,149.13
Provisions	2.91
Total non current liabilities	**1,152.04**
Current liabilities	
Financial liabilities	
(i) Borrowing	575.50
(ii) Trade payables	52.46
(iii) Other financial liabilities	5.63
Other current liabilities	24.66
Provisions	0.30
Total current liabilities	**658.55**
TOTAL EQUITY AND LIABILITIES	**3,094.13**
Total Fair Value of Net Assets	20.26

Notes to the Consolidated Financial Statements (Continued)
for the year ended 31 March 2021

(Rs. in million)

Seapearl Hotels Private Limited

Rs. in million

Particulars	Amount
Current assets	
Financial assets	
(i) Cash and cash equivalents	0.25
(ii) Loans	575.50
TOTAL ASSETS	**575.75**
EQUITY AND LIABILITIES	
Total equity	574.69
Current liabilities	
Financial liabilities	
(i) Trade payables	1.05
Other current liabilities*	0.00
Provisions*	0.00
Total Liabilities	**575.75**

***Amount less than million**

D. Amounts recognised as Capital Reserve for:

Belaire Hotels Private Limited

Rs. in million

Particulars	Amount
Fair Value of the consideration transferred	1,768.02
Fair Value of the net assets acquired	1,858.24
Capital Reserve	**(90.22)**

Seapearl Hotels Private Limited:

Rs. in million

Particulars	Amount
Fair Value of the consideration transferred	574.69
Fair Value of the net assets acquired	574.69
Capital Reserve	-

E. Acquisition related costs

During the previous year, acquisition related costs of Rs. 15.00 million had been recognised as Business Combination expenses in the Statement of Profit & Loss. The stamp duty of Rs. 4.84 million have been added to cost of investment.

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Note 41
Contingent liabilities and commitments (to the extent not provided for).

	31 March 2021	31 March 2020
Contingent liabilities		
Claims against the Group not acknowledged as debts		
Disputed income tax demands	**331.95**	237.65
Guarantees Given by the Banks and Counter Guarantee By the Company	**64.93**	66.75
Disputed service tax demands	**62.15**	69.37
Disputed VAT demands	**12.70**	12.70
Non-Agricultural Tax (refer note f)	**8.29**	-
Disputed provident funds demands	**5.80**	5.80
SFIS/SEIS Scheme	**5.74**	224.07

a. The Group is a party to various other proceedings in the normal course of business and does not expect the outcome of these proceedings to have an adverse effect on its financial conditions, results of operations or cash flows.

b. Further, claims by parties in respect of which the Management has been legally advised that the same are frivolous and not tenable, have not been considered as contingent liabilities as the possibility of an outflow of resources embodying economic benefits is highly remote.

c. In December 2005, the Group had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. The Group has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the consolidated financial information. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2020 is Rs. 50.93 million (31 March 2020: Rs. 52.13 million) and carrying value of property, plant and equipment as at 31 March 2021 is Rs. 400.77 million (31 March 2020: Rs. 427.21 million).

d.Show Cause Notice issued by CGST & Central Excise Division, Bhopal in July 2019 with reference to utilisation of SFIS benefits by the Company for purchase of glass and a demand to make payment of Excise Duty of Rs. 0.03 million. The Company has filed a reply in the matter, requesting to not precipitate the matter in view of the existing Court Order of Gujarat High Court. Personal Hearings were held on October 10, 2020 on behalf of the Company and former director, Mr. Ramesh Valecha however no orders have been passed.

e. There are numerous interpretative issues relating to the Supreme Court (SC) judgment on provident fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

f. The Group has considered as at 31 March 2021 Rs. 25.10 million (31 March 2020: Rs. 25.10) towards service tax refund receivable against cancellations of flats. One of the company's claim was rejected by the Customs, Excise & Service Tax Appellate Tribunal, Regional Bench, Bangalore on grounds of time limitations. The Group had filed appeal with Honourable High Court of Karnataka in this regard. The matter is pending before the Honourable High court of Karnataka.

g. The Group has recieved notice from, The Tahilsdar, Kurla, vide five notices demanded aggregate payment of Rs. 8.29 million towards Non-Agricultural Tax which was kept in abeyance vide GR dated July 31, 2016. In the said notice, the authority demanded the levy in view of the aforesaid GR being recalled by the State Government vide subsequent GR dated February 14, 2018. Group has in response to the said Demand Notice, sought references of the said GR's and the calculation upon which the Authority has arrived at the amounts payable by Group in the said notice. Group is awaiting response from the Authorities. However, an advance of Rs. 3.9 million has been paid to the authorities under protest.

	31 March 2021	31 March 2020
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**3,149.13**	4,058.47

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Note 42
Total outstanding dues of micro enterprises and small enterprises

During the year, Micro small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same.

	31 March 2021	31 March 2020
The amounts remaining unpaid to micro and small enterprises as at the end of the year.		
Principal	**88.93**	49.14
Interest	**0.01**	0.25
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	**-**	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	**-**	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**-**	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	**0.01**	0.25
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**-**	-

Note 43
Payment to auditors

Particulars	**31 March 2021**	31 March 2020
Audit fees	9.52	10.09
Tax audit fees	0.55	0.80
Other services	2.49	2.18
Out of pocket expenses	0.41	1.15
Amount debited to Consolidated Statement of Profit and Loss (excluding taxes)	**12.97**	**14.22**

Note 44
Corporate social responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

	31 March 2021		31 March 2020	
	In cash	**Yet to be paid in cash**	In cash	Yet to be paid in cash
A. Gross amount required to be spent by the Company	**4.49**	-	1.69	-
B. Amount spent during the year on				
i. Construction/Acquisition of any assets	**-**	-	-	-
ii. On purposes other than (i) above	**4.49**		1.90	-
C. Related party transactions in relation to Corporate Social Responsibility	**-**	-	-	-
D. Provision movement during the year				
Opening provision	**-**	-	-	-
Addition during the year	**-**	-	-	-
Utilized during the year	**-**	-	-	-
Closing provision	**-**	-	-	-

(Rs. in million)

Note 45
Financial instruments - Fair values and risk management

(A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
31 March 2021	**FVTPL**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets							
Investment in equity shares	-	44.81	44.81	-	-	44.81	44.81
Other investments	-	0.13	0.13	-	0.13	-	0.13
Loans	-	109.22	109.22	-	-	-	-
Other non-current financial assets	-	231.45	231.45	-	-	-	-
Current financial assets							
Trade receivables	-	216.40	216.40	-	-	-	-
Cash and cash equivalents	-	269.02	269.02	-	-	-	-
Other bank balances	-	188.66	188.66	-	-	-	-
Loans	-	71.76	71.76	-	-	-	-
Other current financial assets	-	26.97	26.97	-	-	-	-
Derivative asset	-		-	-	-	-	-
	-	**1,158.42**	**1,158.42**	**-**	**0.13**	**44.81**	**44.94**
Non-current financial liabilities							
Borrowings	-	17,603.82	17,603.82	-	17,603.82	-	17,603.82
Other non-current financial liabilities	-	190.97	190.97	-	190.97	-	190.97
Current financial liabilities							
Borrowings	-	843.99	843.99	-	-	-	-
Trade payables	-	828.59	828.59	-	-	-	-
Other financial liabilities	-	2,533.56	2,533.56	-	-	-	-
Derivative liability	62.19	62.19	62.19	-	62.19	-	62.19
	62.19	**22,063.12**	**22,063.12**	**-**	**17,856.98**	**-**	**17,856.98**

	Carrying amount			Fair value			
31 March 2020	**FVTPL**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets							
Investment in equity shares	-	45.01	45.01	-	-	45.01	45.01
Other investments	-	0.13	0.13	-	0.13	-	0.13
Loans	-	113.38	113.38	-	-	-	-
Others	-	70.88	70.88	-	-	-	-
Current financial assets							
Trade receivables	-	416.78	416.78	-	-	-	-
Cash and cash equivalents	-	76.42	76.42	-	-	-	-
Other bank balances	-	1,202.40	1,202.40	-	-	-	-
Loans	-	30.80	30.80	-	-	-	-
Other current financial assets	-	123.20	123.20	-	-	-	-
Derivative asset	28.60	-	28.60	-	28.60	-	28.60
	28.60	**2,079.00**	**2,107.60**	**-**	**28.73**	**45.01**	**73.74**
Non-current financial liabilities							
Borrowings	-	16,643.84	16,643.84	-	16,643.84	-	16,643.84
Other non-current financial liabilities	-	198.27	198.27	-	198.27	-	198.27
Current financial liabilities							
Borrowings	-	404.77	404.77	-	-	-	-
Trade payables	-	1,062.03	1,062.03	-	-	-	-
Other financial liabilities	-	2,501.28	2,501.28	-	-	-	-
Derivative liability	-	-	-	-	-	-	-
	-	**20,810.19**	**20,810.19**	**-**	**16,842.11**	**-**	**16,842.11**

(Rs. in million)

Note 45

Financial instruments - Fair values and risk management *(Continued)*

(i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :
- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach, and for certain equity shares equals to the cost.

- the fair value for the currency swap is determined using forward exchange rate for balance maturity.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. 'The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

The investments included in level 3 of the fair value hierarchy have been valued using the discounted cash flow technique to arrive at the fair value.

(ii) Fair value measurements using significant unobservable inputs (level 3)

Reconciliation of level 3 fair values

Particulars	**FVTPL Equity shares**
Balance at 1 April 2020	**45.01**
Additions during the year	**(0.20)**
Balance at 31 March 2021	**44.81**

(iii) Sensitivity analysis

The Group has invested in equity shares of entities engaged in generation of hydro power for securing the supply of renewable energy. The Group does not have any exposure or rights to variable returns. Hence no sensitivity is required for such equity shares.

Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk;
- Market risk;

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 45
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 hospitality business. For other segments the Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

(Rs. in million)

Particulars	**31 March 2021**	**31 March 2020**
(a) Trade Receivables considered good - Secured;		
(b) Trade Receivables considered good - Unsecured;		
Neither past due not impaired		
Past due not impaired		
1-90 days	130.11	326.21
90-180 days	39.14	46.50
180-365 days	32.99	17.53
More than 365 days	11.04	3.03
Total	**213.28**	**393.27**
(c) Trade Receivables which have significant increase in Credit Risk; and	**22.81**	**54.24**
(d) Trade Receivables - credit impaired	**70.91**	**74.63**

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

	31 March 2021	**31 March 2020**
Balance as at 1 April	**105.36**	89.65
Impairment loss (reversed) / recognised	**(14.76)**	15.71
Balance as at 31 March	**90.60**	**105.36**

(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.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2021

(Rs. in million)

Note 45
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				
31 March 2021	**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)	19,739.25	23,961.83	3,506.77	4,956.05	11,105.91	4,393.10
Security deposits	190.97	190.97	-	58.08	21.63	111.26
Current, non derivative financial liabilities						
Borrowings	843.99	843.99	843.99	-	-	-
Trade payables	828.59	828.59	828.59	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	460.32	460.32	460.32	-	-	-
Derivative financial liabilities						
Forward exchange contract (gross settled)						
- Outflow	721.80	721.80	721.80	-	-	-
- Inflow	(673.88)	(673.88)	(673.88)	-	-	-
Total	**22,111.04**	**26,333.62**	**5,687.59**	**5,014.13**	**11,127.54**	**4,504.36**

		Contractual cash flows				
31 March 2020	**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)	18,610.71	23,598.09	3,467.25	3,496.87	10,738.13	5,895.84
Security deposits	198.27	198.27	-	12.33	60.99	124.95
Current, non derivative financial liabilities						
Borrowings	404.77	404.77	404.77	-	-	-
Trade payables	1,062.03	1,062.03	1,062.03	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	534.41	534.41	534.41	-	-	-
Derivative financial liabilities						
Forward exchange contract (gross settled)						
- Outflow	728.35	728.35	728.35	-	-	-
- Inflow	(753.86)	(753.86)	(753.86)	-	-	-
Total	**20,784.68**	**25,772.06**	**5,442.96**	**3,509.20**	**10,799.12**	**6,020.79**

The Group has sufficient current assets comprising of Trade Receivables, Cash & Cash Equivalents, Other Bank Balances (other than restricted balances), Loans and Other Current Financial Assets to manage the liquidity risk, if any in relation to current financial liabilities.The Group has overdraft facilities, general corporate borrowings, which are used to ensure that the financial obligations are met as they fall due in case of any deficit.

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 45
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 years and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recognized liabilities. The Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

Particulars	Buy / Sell	Currency	Cross Currency	31 March 2021	31 March 2020
Forward contract	Buy	USD	INR	USD 9 Million	USD 10 Million

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

The amounts reflected in the table below represent the exposure to respective currency in Indian Rupees:

Particulars	31 March 2021			31 March 2020		
	USD	EUR	GBP	USD	EUR	GBP
Financial liabilities						
Foreign currency loans (including interest accrued)	1,530.22	-	-	1,982.71	-	-
Trade payables	268.00	0.19	0.03	366.56	0.16	-
	1,798.22	**0.19**	**0.03**	**2,349.27**	**0.16**	**-**
Derivatives						
Foreign currency forward exchange contract	(673.88)	-	-	(753.86)	-	-
	(673.88)	**-**	**-**	**(753.86)**	**-**	**-**
Net exposure	**1,124.35**	**0.19**	**0.03**	**1,595.41**	**0.16**	**-**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at 31 March, 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.

Particulars	Profit or loss before tax			
	31 March 2021		31 March 2020	
Effect in INR (before tax)	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
USD (1% movement)	**11.24**	**(11.24)**	**15.95**	**(15.95)**
	11.24	**(11.24)**	**15.95**	**(15.95)**

(Rs. in million)

Note 45
Financial instruments – Fair values and risk management *(Continued)*

(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.

Exposure to interest rate risk
The interest rate profile of the Group's interest-bearing financial instruments is as follows.

Particulars	*Carrying amount*	
	31 March 2021	31 March 2020
Fixed-rate instruments		
Non current borrowings		
Non-cumulative redeemable preference shares	**1,194.61**	1,107.99
Current borrowings		
Loan from related parties other than directors	**35.79**	27.57
Total	**1,230.40**	**1,135.56**
Variable-rate instruments		
Non current borrowings		
Rupee term loans from banks	11,310.59	9,389.25
Rupee term loans from financial institutions	3,997.07	4,593.18
Foreign currency term loans from banks	1,101.55	1,553.42
Current maturity of long term debt	2,135.43	1,966.87
Current borrowings		
Cash credit/overdraft accounts from banks	808.20	377.20
Total	**19,352.84**	**17,879.92**
TOTAL	**20,583.24**	**19,015.48**

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.

Particulars	Profit or loss before tax	
	100 bps increase	100 bps decrease
31 March 2021	(193.53)	193.53
31 March 2020	(178.80)	178.80

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2021

(Rs. in million)

Note 46
Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings, less cash and cash equivalents and bank deposits. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio at is as follows:

Particulars	**31 March 2021**	**31 March 2020**
Total borrowings	20,583.24	19,015.48
Less : Cash and cash equivalents	269.02	76.42
Less : Bank deposits	188.66	1,202.40
Adjusted net debt	**20,125.56**	17,736.66
Total equity	**14,157.40**	15,542.81
Adjusted net debt to adjusted equity ratio	**1.42**	1.14

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 47 **(Rs. in million)**

Segment reporting

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis for segmentation

For management purposes, the company is organised into business units based on its products and services and has three reportable segments, as follows:
- Hospitality (Hotels) comprises of the income earned through Hotel operations
- Real estate comprises of income from sale of residential flats
- Retail comprises of the income earned through leasing of commercial properties

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as the performance indicator for all of the operating segments, and does not review the total assets and liabilities of an operating segment.

(b) Following are reportable segments
Reportable segment
Hospitality (Hotels)
Real Estate
Commercial and Retail

B. Information about reportable segments

For the year ended 31 March 2021	Reportable segments					
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Commercial and Retail**	**Retail (Discontinued operation) ***	**Unallocated**	**Total**
Revenue						
External Customers	2,021.28	-	925.92	0.71	-	2,947.91
Inter-segment						
Total Revenue	**2,021.28**	**-**	**925.92**	**0.71**	**-**	**2,947.91**
Segment profit / (loss) before tax	**(1,170.37)**	**(160.99)**	**553.57**	**(40.62)**	**-**	**(818.41)**
Unallocated expenses						
Interest Expenses	-	-	-	-	(1,519.78)	(1,519.78)
Depreciation	-	-	-	-	(5.68)	(5.68)
Other Expenses	-	-	-	-	(358.73)	(358.73)
Total Unallocated Expenses	**-**	**-**	**-**	**-**	**(1,884.19)**	**(1,884.19)**
Unallocated income						
Interest Income	-	-	-	-	65.13	65.13
Other Income	-	-	-	-	154.64	154.64
Total Unallocated Income	-	-	-	-	**219.77**	**219.77**
Profit before Taxation	-	-	-	-	-	(2,482.83)
Tax expenses						(1,091.55)
Profit after taxation	-	-	-	-	-	(1,391.28)
Segment assets	21,997.29	3,889.43	10,971.62	-	3,029.60	39,887.94
Segment liabilities	1,108.13	2,780.41	488.84	-	21,353.16	25,730.54
Other disclosures						
Capital expenditure	957.12		239.84	-	2.22	1,199.18
Depreciation and amortisation	957.10	0.30	211.54	-	5.68	1,174.62
Non cash expenses other than depreciation and amortisation	22.74		2.19		132.38	157.31

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 47

(Rs. in million)

Segment reporting

For the year ended 31 March 2020	Reportable segments					
Particulars	**Hospitality (Hotels)**	**Real Estate**	**Commercial and Retail**	**Retail (Discontinued operation) ***	**Unallocated**	**Total**
Revenue						
External Customers	8,755.02	52.94	1,000.53	2.79		9,811.28
Inter-segment						
Total Revenue	**8,755.02**	**52.94**	**1,000.53**	**2.79**	**-**	**9,811.28**
Segment profit / (loss) before tax	**2,463.24**	**(251.18)**	**464.54**	**(62.82)**	**-**	**2,613.78**
Unallocated expenses						
Interest Expenses	-	-	-		(1,461.76)	(1,461.76)
Depreciation	-	-	-		(6.44)	(6.44)
Other Expenses	-	-	-		(416.07)	(416.07)
Total Unallocated Expenses	**-**	**-**	**-**		**(1,884.27)**	**(1,884.27)**
Unallocated income						
Interest Income	-	-	-		49.48	49.48
Other Income	-	-	-		229.49	229.49
Total Unallocated Income	-	-	-		**278.97**	**278.97**
Profit before Taxation	-	-	-	-	-	1,008.48
Tax expenses						12.22
Profit after taxation	-	-	-	-	-	996.26
Segment assets	24,851.60	3,882.43	8,071.54	-	3,322.01	40,127.58
Segment liabilities	1,606.96	2,730.20	527.78	-	19,719.83	24,584.77
Other disclosures						
Capital expenditure	764.95	-	581.22	-	25.87	1,372.04
Depreciation and amortisation	911.37	0.40	215.00		6.40	1,133.17
Non cash expenses other than depreciation and amortisation	210.89	-	4.56		85.64	301.09

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 48
Details of interests in subsidiaries and associates

Subsidiaries

The details of the Company's subsidiary at 31 March 2021 is set below. The country of incorporation is also the principal place of business

Name of entity	Country of Incorporation	Shareholding % As on 31 March 2021	Shareholding % As on 31 March 2020
Chalet Hotels & Properties (Kerala) Private Limited	India	90%	90%
Belaire Hotels Private Limited	India	100%	100%
Sea Pearl Hotels Private Limited	India	100%	100%

Non-controlling interests
Below is the partly owned subsidiary of the Group and the share of the non-controlling interests.

Name	Country of Incorporation and Principal Place of Business	Non-controlling interest	
		31 March 2021	31 March 2020
Chalet Hotels & Properties (Kerala) Private Limited	India	10%	10%
Belaire Hotels Private Limited	India	0%	0%
Sea Pearl Hotels Private Limited	India	0%	0%

The balance attributable towards the non-controlling interest of Chalet Hotels & Properties (Kerala) Private Limited was 33.71 million (31 March 2020 Rs.(30.49) million Accordingly, disclosures applicable to non-controlling interest have not been provided.

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 49
Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

List of related parties

Relationship	Name of party 31-Mar-21	Name of party 31-Mar-20
Key Managerial Personnel / Relative (KMP)	Sanjay Sethi -Managing Director & CEO	Sanjay Sethi -Managing Director & CEO
	Rajeev Newar, CFO & Executive Director (ceased to be an Executive Director w.e.f. August 2, 2020 and ceased to be CFO w.e.f. August 19, 2020)	Rajeev Newar, CFO & Executive Director
	Milind Wadekar, Interim CFO (w.e.f. September 15, 2020)	
	Rajib Dattaray, Director in subsidiary	Rajib Dattaray, Director in subsidiary
Non- Executive directors	Ravi C Raheja	Ravi C Raheja
	Neel C Raheja	Neel C Raheja
Independent directors	Arthur De Haast	Arthur De Haast
	Joseph Conrad D'Souza	Joseph Conrad D'Souza
	Hetal Gandhi	Hetal Gandhi
	Radhika Piramal	Radhika Piramal
Other KMP as per Companies Act, 2013	Christabelle Baptista, Company Secretary	Christabelle Baptista, Company Secretary
Directors and company secretary of subsidiaries	Karuna Nasta, Non-Executive Director	Karuna Nasta, Non-Executive Director (w.e.f. February 3, 2020)
	Anand Chandan, Director	Anand Chandan, Director
	Vishal Masand, Director	Vishal Masand, Director (Appointed w.e.f. May 24, 2019)
	Anshu Shroff, Company Secretary	Anshu Shroff, Company Secretary
	Saurabh Bandekar, (Appointed w.e.f. May 18, 2020)	Nisheth Sheth, Company Secretary (Resigned w.e.f. September 30, 2019)
Enterprises Controlled / Jointly controlled by KMPs	Brookfields Agro & Development Private Limited	Brookfields Agro & Development Private Limited
	Cavalcade Properties Private Limited	Cavalcade Properties Private Limited
	Convex Properties Private Limited	Convex Properties Private Limited
	Grange Hotels And Properties Private Limited	Grange Hotels And Properties Private Limited
	Immense Properties Private Limited	Immense Properties Private Limited
	Novel Properties Private Limited	Novel Properties Private Limited
	Pact Real Estate Private Limited	Pact Real Estate Private Limited
	Paradigm Logistics & Distribution Private Limited	Paradigm Logistics & Distribution Private Limited
	Sustain Properties Private Limited	Sustain Properties Private Limited
	Aqualine Real Estate Private Limited	Aqualine Real Estate Private Limited
	Feat Properties Private Limited	Feat Properties Private Limited
	Carin Properties Private Limited	Carin Properties Private Limited
	Asterope Properties Private Limited (erstwhile Flabbergast Properties Private Limited)	Asterope Properties Private Limited (erstwhile Flabbergast Properties 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
	Content Properties Private Limited	Content Properties Private Limited
	Grandwell Properties And Leasing Private Limited	Grandwell Properties And Leasing Private Limited
	K Raheja Corp Investment Managers LLP	K Raheja Corp Investment Managers LLP
Shareholders of the Company	Anbee Constructions LLP	Anbee Constructions LLP
	Cape Trading LLP	Cape Trading LLP
	Capstan Trading LLP	Capstan Trading LLP
	Casa Maria Properties LLP	Casa Maria Properties LLP
	Ivory Properties And Hotels Private Limited	Ivory Properties And Hotels Private Limited
	K. Raheja Corp Private Limited	K. Raheja Corp Private Limited
	K. Raheja Private Limited	K. Raheja Private Limited
	Palm Shelter Estate Development LLP	Palm Shelter Estate Development LLP
	Raghukool Estate Development LLP	Raghukool Estate Development LLP
	Touchstone Properties And Hotels Private Limited	Touchstone Properties And Hotels Private Limited
	Ivory Property Trust	Ivory Property Trust
	Genext Hardware & Parks Private Limited	Genext Hardware & Parks Private Limited
Other Related parties #	Intime Properties Limited	Intime Properties Limited
	Eternus Real Estate Private Limited	Eternus Real Estate Private Limited
	Shoppers Stop Limited	Shoppers Stop Limited
	Inorbit Malls (India) Private Limited	Inorbit Malls (India) Private Limited
	K Raheja IT Park (Hyderabad) Limited	K Raheja IT Park (Hyderabad) Limited
	Mindspace Business Parks Private Limited	Mindspace Business Parks Private Limited
	Paradigm Logistics & Distribution Private Limited	Paradigm Logistics & Distribution Private Limited
	Sundew Properties Limited	Sundew Properties Limited
	Trion Properties Private Limited	Trion Properties Private Limited
	Newfound Properties & Leasing Private Limited	Newfound Properties & Leasing Private Limited
# The above mentioned parties are not related to the Company, viz. Chalet Hotels Limited as per the definition under IND AS 24. These parties have been reported on the basis of their classification as Related Party under the Companies Act 2013.		
Member of K. Raheja Corp Group	K Raheja Corporate Services Private Limited	K Raheja Corporate Services Private Limited

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Note 49
Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

Related party disclosures for Year ended 31 March 2021

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	Sale of services - Lease rent	-	9.80
2	Sales of services - Rooms income, Food, beverages and smokes	-	0.96
3	Other Income	-	11.64
4	Other expenses	1.28	42.19
5	Director sitting fees	4.27	-
6	Salaries, wages and bonus	74.09	-
7	Interest expenses	-	2.09
8	Loan Borrowed	-	3.55
9	Deposit paid	-	45.00
	Balances outstanding as at the year-end		
10	Trade payables	-	3.92
11	Loans payable	-	24.69
12	Interest payable	-	8.36
13	Deposit receivable	-	106.65
14	Deposit payable	-	20.28
15	Capital Creditors	-	31.31
16	Preference shares outstanding	581.25	668.75
17	Investment in equity shares outstanding	-	27.78
	**Amount less than million*		

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Significant transactions with material related parties for year ended 31 March 2021

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	**Sale of services - Lease rent**		
	Shoppers Stop Limited	-	9.80
2	**Sales of services - Rooms income, Food, beverages and smokes**		
	Inorbit Malls (India) Private Limited	-	0.01
	K Raheja Corp Private Limited	-	0.01
	Mindspace Business Parks Private Limited	-	0.54
	Paradigm Logistics & Distribution Private Limited	-	0.38
	Sundew Properties Limited	-	0.03
3	**Other Income**		
	K Raheja Corp Private Limited	-	4.20
	Shoppers Stop Ltd.	-	7.44
4	**Other expenses**		
	Arthur De Haast	1.28	-
	Inorbit Malls (India) Private Limited	-	8.83
	K.Raheja Corporate Services Private Limited	-	31.15
	Newfound Properties & Leasing Private Limited		0.78
	K Raheja IT Park (Hyderabad) Limited	-	1.45
5	**Director sitting fees**		
	Arthur De Haast	0.63	-
	Hetal Gandhi	0.78	-
	Joseph Conrad D' Souza	0.88	-
	Neel C.Raheja	0.70	-
	Radhika Dilip Piramal	0.52	-
	Ravi C.Raheja	0.78	-
6	**Salaries, wages, bonus and stock option related expenses**		
	Sanjay Sethi *	54.45	
	Rajeev Newar *	9.99	-
	Milind Wadekar	3.54	
	Christabelle Baptista	2.44	
	Rajib Dattaray	3.67	-

*The managerial remuneration paid/payable by the Group for FY 2020-21 is in excess of limits laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act by Rs.47.49 million. During the current year, the term of the Managing Director & CEO ended on 08 February, 2021 and he has been re-appointed by the Board, subject to approval of the shareholders at the next Annual General Meeting. Consequently, proportionate remuneration from 09 February 2021 of Rs.6.63 million is subject to approval of the shareholders.

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Significant transactions with material related parties for year ended 31 March 2021

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
7	**Interest expenses**		
	K Raheja Corp Private Limited	-	2.09
8	**Loan Borrowed**		
	K Raheja Corp Private Limited	-	3.55
9	**Deposit paid**		
	Mindspace Business Parks Private Limited	-	45.00
10	**Trade Payables**		
	Inorbit Malls (India) Private Limited	-	2.81
	K.Raheja Corporate Services Private Limited	-	0.12
	Newfound Properties & Leasing Private Limited	-	0.99
11	**Loan payable**		
	K Raheja Corp Private Limited	-	24.69
12	**Interest payable**		
	K Raheja Corp Private Limited	-	8.36
13	**Deposit receivable**		
	Sundew Properties Limited	-	44.33
	K.Raheja Corporate Services Private Limited	-	12.32
	Mindspace Business Parks Private Limited	-	50.00
14	**Deposit payable**		
	Shoppers Stop Ltd.	-	20.28
15	**Capital Creditors**		
	Sundew Properties Limited	-	31.31
16	**Preference shares outstanding**		
	Ivory Properties and Hotels Private Limited	-	106.25
	K Raheja Corp Private Limited	-	562.50
	Neel C.Raheja	290.63	-
	Ravi C.Raheja	290.63	-
17	**Equity shares outstanding**		
	K Raheja Corp Private Limited	-	27.78

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Related party disclosures for Year ended 31 March 2020

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	Sale of Investment	-	5.88
2	Sale of Materials	-	1.56
3	Sale of Asset	-	0.02
4	Sale of services - Lease rent	-	39.25
5	Sales of services - Rooms income, Food, beverages and smokes	-	5.48
6	Dividend*	-	0.00
7	Other Income	-	24.48
8	Other expenses	2.03	62.26
9	Director sitting fees	3.12	-
10	Salaries, wages and bonus	102.31	-
11	Interest expenses	-	1.99
12	Loan Borrowed	-	2.00
13	Deposit paid	-	44.92
14	Reimbursement of capital work in progress	-	31.31
15	Preference shares	344.10	395.90
	Balances outstanding as at the year-end		
16	Trade Receivables	-	3.61
17	Trade payables	-	14.03
18	Loans payable	-	21.14
19	Interest payable	-	6.43
20	Deposit receivable	-	61.65
21	Deposit payable	-	20.28
22	Capital Creditors	-	31.31
23	Preference shares outstanding	581.25	668.75
24	Investment in equity shares outstanding	-	27.78

**Amount less than million*

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Significant transactions with material related parties for year ended 31 March 2020

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	**Sale of Investment**		
	Ivory Property Trust	-	5.88
2	**Sale of material**		
	Inorbit Malls (India) Private Limited		0.72
	Sundew Properties Limited	-	0.85
3	**Sale of Asset**		
	K Raheja Corp Private Limited	-	0.02
4	**Sale of services - Lease rent**		
	K.Raheja Corporate Services Private Limited	-	0.08
	Shoppers Stop Limited	-	39.17
5	**Sales of services - Rooms income, Food, beverages and smokes**		
	Eternus Real Estate Private Limited	-	0.23
	Inorbit Malls (India) Private Limited	-	0.06
	Intime Properties Limited	-	0.11
	K Raheja Corp Investment Managers LLP	-	0.02
	K Raheja Corp Private Limited	-	0.61
	K Raheja IT Park (Hyderabad) Limited	-	0.20
	K Raheja Private Limited	-	0.29
	K.Raheja Corporate Services Private Limited	-	2.09
	Mindspace Business Parks Private Limited	-	0.06
	Newfound Properties & Leasing Private Limited	-	0.04
	Paradigm Logistics & Distribution Private Limited	-	0.69
	Sundew Properties Limited	-	0.12
	Trion Properties Private Limited	-	0.06
	Shoppers Stop Limited	-	0.34
	Genext Hardware & Parks Private Limited	-	0.54
6	**Dividend***		
	Intime Properties Limited	-	0.00
7	**Other Income**		
	K Raheja Corp Private Limited	-	1.40
	K.Raheja Corporate Services Private Limited	-	1.18
	Shoppers Stop Ltd.	-	21.90
8	**Other expenses**		
	Arthur De Haast	2.03	-
	Inorbit Malls (India) Private Limited	-	22.89
	K.Raheja Corporate Services Private Limited	-	37.97
	Newfound Properties & Leasing Private Limited	-	1.40
9	**Director sitting fees**		
	Arthur De Haast	0.45	-
	Hetal Gandhi	0.64	-
	Joseph Conrad D' Souza	0.67	-
	Neel C.Raheja	0.44	-
	Radhika Dilip Piramal	0.30	-
	Ravi C.Raheja	0.63	-
10	**Salaries, wages, bonus and stock option related expenses**		
	Rajeev Newar	23.06	-
	Sanjay Sethi	75.17	
	Christabelle Baptista	3.49	
	Rajib Dattaray	0.60	-

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

Significant transactions with material related parties for year ended 31 March 2020

Sr.no	Particulars	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
11	**Interest expenses**		
	K Raheja Corp Private Limited	-	1.99
12	**Loan Borrowed**		
	K Raheja Corp Private Limited	-	2.00
13	**Deposit paid**		
	Sundew Properties Limited	-	44.33
	K.Raheja Corporate Services Private Limited	-	0.59
14	**Reimbursement of capital work in progress**		
	Sundew Properties Limited	-	31.31
15	**Preference shares**		
	Ivory Properties and Hotels Private Limited	-	62.90
	K Raheja Corp Private Limited	-	333.00
	Neel C.Raheja	172.05	-
	Ravi C.Raheja	172.05	-
16	**Trade Receivables**		
	K Raheja Corp Private Limited	-	0.83
	K.Raheja Corporate Services Private Limited	-	0.30
	Mindspace Business Parks Private Limited	-	0.03
	Sundew Properties Limited	-	1.00
	Trion Properties Private Limited	-	0.02
	Shoppers Stop Limited	-	0.90
	Genext Hardware & Parks Private Limited	-	0.53
17	**Trade Payables**		
	Inorbit Malls (India) Private Limited	-	9.87
	K.Raheja Corporate Services Private Limited	-	3.93
	Newfound Properties & Leasing Private Limited	-	0.23
18	**Loan payable**		
	K Raheja Corp Private Limited	-	21.14
19	**Interest payable**		
	K Raheja Corp Private Limited	-	6.43
20	**Deposit receivable**		
	Sundew Properties Limited	-	44.33
	K.Raheja Corporate Services Private Limited	-	12.32
	Mindspace Business Parks Private Limited	-	5.00
21	**Deposit payable**		
	Shoppers Stop Ltd.	-	20.28
22	**Capital Creditors**		
	Sundew Properties Limited	-	31.31
23	**Preference shares outstanding**		
	Ivory Properties and Hotels Private Limited	-	106.25
	K Raheja Corp Private Limited	-	562.50
	Neel C.Raheja	290.63	-
	Ravi C.Raheja	290.63	-
24	**Equity shares outstanding**		
	K Raheja Corp Private Limited	-	27.78

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021 **(Rs. in million)**

Note 50
Employee Stock Option Schemes

Description of share-based payment arrangements:

At March 31 2021, Company had following share-based payment arrangements:
Employee Stock Option Plan 2018:

The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company. The plan is established is with effect from 12 June 2018 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Scheme	Number of options	Vesting conditions	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price
Chalet Hotels Limited'-'Employee Stock Option Plan'-2018	2,00,000	For the Options to vest, the Grantee has to be in employment of the Group on the date of the vesting.	The exercise year for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise.	3 years	26-Jun-18	One year from vesting year	320.00

Reconciliation of Outstanding share options
The number and weighted-average exercise price of share options under the share share option plans are as follows:

Particulars	31 March 2021		31 March 2020	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	320	2,00,000	-	-
Granted during the year	-	-	320	2,00,000
Exercised during the year	-	-	-	-
Lapsed/ forfeited /surrendered	-	-	-	-
Outstanding at the end of the year	320	2,00,000	320	2,00,000
Exercisable at the end of the year	320	1,32,000	320	66,000

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the Statement of Profit and Loss over the vesting year. The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	Unit	Chalet Hotels Limited'-'Employee Stock Option Plan'-2018	Description of inputs used
Fair value of the option at grant date	Rs/share	143 - 189	As per Black Scholes Model
Exercise price	Rs/share	320	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	31.91% - 32.77%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	1.99 - 3.99	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	7.4% - 7.85%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at 31 March 2020 have an exercise price of Rs 320 and a weighted average remaining contractual life of 0.79* year.
** calculated considering simple average method*

The expense recognised for the year ended 31 March 2021 is Rs. 5.59 millions (31 March 2020 is Rs. 12.06 million).

Notes to the Standalone Financial Statements (Continued)

for the year ended 31 March 2021

(Rs. in million)

Note 51
Discontinued Operations

In the current financial year, the Holding Company has discontinued its retail operations at Sahar, Mumbai based on internally evaluated financial feasibility and commercial negotiation with existing retailers. The Holding Company will customize the property for commercial operations.

The Income and EBITDA of retail operations at Sahar, Mumbai has been disclosed separately as income and EBITDA from discontinued business operations. The discontinued business costs includes all direct and indirect costs of retail operations at Sahar, Mumbai.

	For the Year ended 31 March 2021	For the year ended 31 March 2020
Revenue	**0.71**	2.79
Expenses	**41.33**	65.61
Results from operations	**(40.62)**	(62.82)
Income Tax	**-**	-
Loss/ (Profit) from discontinued operations, net of tax	**(40.62)**	(62.82)

The Loss from discontinued operation of Rs (40.62 million) is attributable entirely to the owners of the company, of the loss from continuing operations Rs. (1,350.66 million).

The cash flows of the discontinued operations for the year are presented below:

	For the Year ended 31 March 2021	For the year ended 31 March 2020
Net Cash Generated From Operating Activities	**(20.99)**	(50.04)
Net Cash (Used In) /Generated From Investing Activities	**-**	-
Net Cash Generated From /(Used In) Financing Activities	**-**	-

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Note 52
Bengaluru residential project

	31-Mar-21	31-Mar-20
Inventories	4,180.78	4,172.15
Less: Provisions for impairment	(442.65)	(442.65)
Inventories, net	**3,738.13**	**3,729.50**
Advances from customers towards sale of residential flats	1,868.68	1,868.68

Note 53
Amalgamation
The Holding Company at its meeting held on 11 August 2020 has approved scheme of amalgamation of Belaire Hotels Private Limited (BHPL) and Seapearl Hotels Private Limited (SHPL), its wholly owned subsidiaries, with the Company under Section 230 to 232 of the Companies Act, 2013, with effect from 1 April 2020, ("the Appointed Date") subject to the approval of the statutory and regulatory authorities. Post the approval received from the shareholders, petition for sanction of the scheme of amalgamation has been filed with National Company Law Tribunal (NCLT) on 26 April 2021.The scheme of amalgamation is pending for approval by NCLT. Accordingly, the Scheme has not been given effect to in the financial statements for the year ended 31 March 2021.

Notes to the Consolidated Financial Statements *(Continued)*

as at 31 March 2021

Note 54
Disclosure under Ind AS 115, Revenue from Contracts with Customers

(Rs. in million)

Details of contract balances

Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Details of Contract Balances:		
Balance as at beginning of the year	(1,868.68)	(2,169.20)
Trade receivables as on 1 April	-	-
Less: Repayment to the customer on cancellation	-	300.52
Balance as on 31 March	**(1,868.68)**	**(1,868.68)**
Total	**(1,868.68)**	**(1,868.68)**

As on 31 March 2021, revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is Rs Nil.

Information on performance obligations in contracts with Customers:

Real Estate Development Project:

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects as at 31 March 2021

Particulars	**2021**	**2022-2026**	**Beyond 2026**	**Total**
Contract Revenue	-	1,525.28	-	1,525.28
Contract Expense	-	1,496.71	-	1,496.71
Total	**-**	**28.57**	**-**	**28.57**

As at 31 March 2020

Particulars	**2020**	**2021-2025**	**Beyond 2025**	**Total**
Contract Revenue	-	1,525.28	-	1,525.28
Contract Expense	-	1,503.45	-	1,503.45
Total	**-**	**21.83**	**-**	**21.83**

Hospitality and Commercial & Retail

The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Notes to the Consolidated Financial Statements *(Continued)*

as at 31 March 2021

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 III

for the year ended 31 March 2021

	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	101%	14,329.11	86%	(1,167.94)	-154%	(0.43)	87%	(1,168.37)
Subsidiary (parent's share)								
Chalet Hotel & Properties (Kerala) Private Limited	0%	(32.18)	0%	(5.19)	0%	-	0%	(5.19)
Belaire Hotels Private Limited	7%	931.58	16%	(222.04)	254%	0.71	16%	(221.33)
Seapearl Hotels Private Limited	1%	105.72	0%	3.64	0%		0%	3.64
Non-controlling interests in subsidiary	0%	(3.22)	0%	-	0%	-	0%	-
Eliminations	-8%	(1,173.61)	-3%	40.87	0%	-	-3%	40.87
At 31 March 2021	**100%**	**14,157.40**	**100%**	**(1,350.66)**	**100%**	**0.28**	**100%**	**(1,350.38)**

for the year ended 31 March 2020

	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	100%	15,492.22	82%	816.14	100%	(11.28)	82%	804.86
Subsidiary (parent's share)								
Chalet Hotel & Properties (Kerala) Private Limited	0%	(26.99)	-6%	(63.22)	0%	-	-6%	(63.22)
Belaire Hotels Private Limited	7%	1,152.95	-4%	(39.98)	0%	0.01	-4%	(39.97)
Seapearl Hotels Private Limited	1%	102.07	0%	0.60	0%		0%	0.60
Non-controlling interests in subsidiary	0%	(2.70)	0%	-	0%	-	0%	-
Eliminations	-8%	(1,174.74)	28%	282.72	0%	-	29%	282.72
At 31 March 2020	**100%**	**15,542.81**	**100%**	**996.26**	**100%**	**(11.27)**	**100%**	**984.99**

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2021

(Rs. in million)

Note 56
Disclosure under Section 186 of the Companies Act 2013

The operations of the Group are classified as 'infrastructure facilities' as defined under Schedule VI to the Act. Accordingly, the disclosure requirements specified in sub-section 4 of Section 186 of the Act in respect of loans given, guarantee given or security provided and the related disclosures on purposes/ utilisation by recipient companies, are not applicable to the Company.

Details of investments made during the year ended 31 March 2021 as per section 186(4) of the Companies Act, 2013:

Name of entity	**31 March 2020**	**Investments made**	**Investments redeemed / sold**	**31 March 2021**
Stargaze Properties Private Limited	0.01	-	**-**	**0.01**
Krishna Valley Power Private Limited	12.54	-	**-**	**12.54**
Sahyadri Renewable Energy Private Limited	31.46	-	**-**	**31.46**
Renew Wind Power Energy (AP) Limited	1.00	-	**0.20**	**0.80**
National saving certificates	0.13	-	**-**	**0.13**

Details of investments made during the year ended 31 March 2020 as per section 186(4) of the Companies Act, 2013:

Name of entity	**31 March 2019**	**Investments made**	**Investments Redeemed / Sold**	**31 March 2020**
Stargaze Properties Private Limited	0.01	-	**-**	0.01
Intime Properties Limited	0.72	-	**0.72**	-
Krishna Valley Power Private Limited	12.54	-	**-**	12.54
Sahyadri Renewable Energy Private Limited	31.46	-	**-**	31.46
Renew Wind Power Energy (AP) Limited	1.00	-	**-**	1.00
National saving certificates	0.13	-	**-**	0.13

Note 57:

The novel coronavirus (COVID-19) pandemic has spread around the globe rapidly. The virus has taken its toll on not just human life, but businesses and financial markets too, the extent of which is currently indeterminate.

While the outbreak has had an impact on almost all entities either directly or indirectly, the tourism and hospitality industry has been adversely impacted with the spread of COVID-19, with widespread lockdowns being enforced across the world. The Indian Government and various state government have announce lockdown to control the spread of the COVID-19 pandemic in phased manner. The short-term impact of COVID-19 is contingent on various external factors such as lifting of the travel restrictions and revival of the economy.

The Company has adjusted the measurement of certain financial assets as of and for the year ended 31 March 2021 to reflect the impact due to COVID-19. The duration and impact of the COVID-19 pandemic, remains unclear at this time. Management has made the best estimate in relation to the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for the current year including assessment for future periods in respect of certain significant estimates and judgements in respect of certain financial and non-financial assets including on going concern assumption.

The Company has assessed the possible effects that may result from COVID-19 on the carrying amounts of Property, plant and equipment, Investment properties, Trade Receivables, Inventories, Investments and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. Management has considered the possible effects on the various financial statement captions as below:

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2021

(Rs. in million)

Financial statement caption	Impact
Inventories	Additional provision in respect of expired or near expiry inventory of Rs. Nil (31 March 2020: Rs. 4 million) has been recorded in the consolidated financial statements.
Trade receivables	Considering the expected delays in collection of receivables from customers, expected credit loss provision reversal of Rs. 1.62 million (31 March 2020: Rs.2.82 million) is recorded in the consolidated financial statements.
Financial instrument risk and disclosures	Due to the rapidly changing economic environment, the Group is subject to new or increasing risk (e.g. credit, liquidity, or market risk) or concentrations of risk. Consequently, additional risk disclosures have been included in Note 45 of the consolidated financial statements including a sensitivity analysis pertaining to changes in the relevant risk variable that are “reasonably possible” at 31 March 2021.
Fair value measurement	Due to the rapidly changing economic environment, the Group is subject to new or increasing risk (e.g. credit, liquidity, or market risk) or concentrations of risk. Consequently, additional risk disclosures have been included in Note 45 of the consolidated financial statements including a sensitivity analysis pertaining to changes in the relevant risk variable that are “reasonably possible” at 31 March 2021.
Deferred tax assets, net	Deferred tax asset (DTA) includes DTA recorded on carry forward losses as per Income-tax Act, 1961, which is based on reasonable certainty with convincing evidence of availability of taxable profits in subsequent years for utilization thereof. Management has re-assessed the availability of taxable profits in the subsequent years and based on evidence of the same and the expected timing of utilization of such losses, recorded DTA on the same.

As per our audit report of even date attached
For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

MANSI CUSROW PARDIWALLA Digitally signed by MANSI CUSROW PARDIWALLA Date: 2021.05.18 23:50:56 +05'30'

Mansi Pardiwalla
Partner
Membership No: 108511

SANJAY SETHI Digitally signed by SANJAY SETHI Date: 2021.05.18 20:27:02 +05'30'

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

JOSEPHCONRAD AGNELO DSOUZA Digitally signed by JOSEPHCONRAD AGNELO DSOUZA Date: 2021.05.18 21:02:48 +05'30'

Joseph Conrad D'souza
Director
(DIN. 00010576)

Milind Babaji Wadekar Digitally signed by Milind Babaji Wadekar Date: 2021.05.18 20:18:45 +05'30'

Milind Wadekar
Interim CFO

CHRISTABELLE BAPTISTA Digitally signed by CHRISTABELLE BAPTISTA Date: 2021.05.18 22:20:44 +05'30'

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
18 May 2021

Mumbai
18 May 2021

GENERAL INFORMATION

1. Our Company was originally 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 RoC. 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" with effect from July 19, 1997. 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". The Equity Shares are listed on BSE and NSE since February 7, 2019.

2. Our Company's Registered and Corporate 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.

3. The CIN of our Company is L55101MH1986PLC038538.

4. The website of our Company is www.chalethotels.com.

5. The authorized share capital of our Company as of the date of this Placement Document is ₹5,981,000,000 divided into 382,100,000 Equity Shares of ₹10 each, 20,000, Zero-Coupon Non-cumulative Non-Convertible Redeemable Preference Shares of ₹100,000 each and 1,600, Non-cumulative Redeemable Preference Shares of ₹100,000 each.

6. This Issue was authorized and approved by our Board of Directors on January 24, 2024 and approved by our Shareholders through a special resolution (*passed through postal ballot*) on March 10, 2024.

7. Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations to list the Equity Shares, issued pursuant to the Issue, on NSE and BSE each dated March 27, 2024. Our Company will make applications to the respective Stock Exchanges to obtain final listing and trading approvals for the Equity Shares after Allotment of the Equity Shares in the Issue.

8. Copies of the Memorandum and Articles of Association will be available for inspection during usual business hours between 10.00 A.M. to 5.00 P.M. any weekday (except Saturdays and public holidays) during Issue Period at our Registered and Corporate Office.

9. No change in the control of our Company will occur consequent to the Issue.

10. Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

11. Except as disclosed in this Placement Document, there has been no material change in financial or trading position of our Company since the date of the latest financial statements prepared and included herein.

12. There have been no defaults in the annual fillings of our Company under the Companies Act, 2013 or the rules made thereunder.

13. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see "***Legal Proceedings***" on page 233.

14. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

15. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency for monitoring the utilisation of the proceeds in relation to this Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

16. The Floor Price for the Issue is ₹ 780.76 per Equity Share, calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations, as certified by Nayak and Rane, Chartered Accountants.

17. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including the websites of our Company, our Subsidiary, or any other website linked (directly or indirectly) to the websites of our Company and our Subsidiary, would be doing it at his or her own risk.

18. Our Company Secretary and Compliance Officer is Christabelle Baptista. Her contact details are as follows:

    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 – 2656 4000
    E-mail: companysecretary@chalethotels.com

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment of Equity Shares pursuant to this Issue shall be made at the sole and absolute discretion of our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only.

The names of the proposed Allottees and the percentage of post-Issue share capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them, is set forth below:

S. No.	Name of the proposed Allottee	Percentage of the post-Issue share capital (%)*#
1.	HDFC SMALL CAP FUND	2.14%
2.	SMALLCAP WORLD FUND, INC	1.68%
3.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	1.05%
4.	HDFC LIFE INSURANCE COMPANY LIMITED	0.71%
5.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS SMALL CAP FUND	0.69%
6.	GOVERNMENT PENSION FUND GLOBAL	0.67%
7.	EASTSPRING INVESTMENTS INDIA CONSUMER EQUITY OPEN LIMITED	0.63%
8.	SBI CONSUMPTION OPPORTUNITIES FUND	0.52%
9.	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA MULTI CAP FUND	0.50%
10.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C - ADITYA BIRLA SUN LIFE ELSS TAX SAVER FUND	0.45%
11.	AMERICAN FUNDS INSURANCE SERIES GLOBAL SMALL CAPITALIZATION FUND	0.35%
12.	SBI FLEXICAP FUND	0.29%
13.	ICICI PRUDENTIAL ELSS TAX SAVER FUND	0.26%
14.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL CAP FUND	0.24%
15.	ICICI PRUDENTIAL FLEXICAP FUND	0.23%
16.	ICICI PRUDENTIAL BHARAT CONSUMPTION FUND	0.17%
17.	ABU DHABI INVESTMENT AUTHORITY - MONSOON	0.16%
18.	HDFC MUTUAL FUND - HDFC NON CYCLICAL CONSUMER FUND	0.14%
19.	ASHOKA INDIA EQUITY INVESTMENT TRUST PLC	0.10%
20.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS BUSINESS CYCLES FUND	0.09%
21.	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	0.09%
22.	BANDHAN SMALL CAP FUND	0.07%
23.	KUWAIT INVESTMENT AUTHORITY FUND 223	0.06%
24.	AXIS MUTUAL FUND TRUSTEE LTD. A/C AXIS MUTUAL FUND A/C AXIS MULTI ASSET ALLOCATION FUND	0.04%
25.	MORGAN STANLEY ASIA (SINGAPORE) PTE. - ODI	0.03%
26.	ALCHEMY EMERGING LEADERS OF TOMORROW	0.03%
27.	EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEISS MF AC- EDELWEISS FLEXI CAP FUND	0.03%
28.	NATIONAL PENSION SERVICE MANAGED BY BLACKROCK INSTITUTIONAL TRUST COMPANY, NA	0.02%
29.	EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED - SHAREHOLDERS FUND - FOR SOLVENCY MARGIN	0.02%
30.	BANDHAN INFRASTRUCTURE FUND	0.02%
31.	WHITEOAK CAPITAL MULTI CAP FUND	0.01%
32.	ASHOKA WHITEOAK ICAV - ASHOKA WHITEOAK EMERGING MARKETS EQUITY FUND	0.01%
33.	WHITE OAK INDIA EQUITY FUND VI	0.01%
34.	ASHOKA WHITEOAK EMERGING MARKETS TRUST PLC	0.01%
35.	EDELWEISS TOKIO LIFE INSURANCE COMPANY LIMITED- EQUITY BLUE CHIP FUND (SFIN ULIF01226/11/18ETLBLUCHIP147)	0.01%
36.	PGGM WORLD EQUITY II B. V.	0.01%

* *Based on the beneficiary position as on March 30, 2024 (adjusted for Equity Shares Allocated in the Issue).*
\# *The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs, as applicable (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.*
Note: Subject to Allotment in this Issue.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been compiled with. Our Company further certifies that all the statements in this Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

____

Authorised Signatory
Sanjay Sethi
Managing Director and Chief Executive Officer
DIN: 00641243
Date: April 2, 2024
Place: Mumbai

DECLARATION

We, the Board of Directors of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

FOR AND BEHALF OF THE BOARD OF DIRECTORS:

____

Authorised Signatory
Sanjay Sethi
Managing Director and Chief Executive Officer
DIN: 00641243
Date: April 2, 2024
Place: Mumbai

I am authorized by the QIP Committee, a committee constituted by the Board of Directors, *vide* resolution dated March 26, 2024, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Authorised Signatory
Sanjay Sethi
Managing Director and Chief Executive Officer
DIN: 00641243
Date: April 2, 2024
Place: Mumbai

CHALET HOTELS LIMITED
CIN: L55101MH1986PLC038538

Registered and Corporate Office:
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 2656 4000 **Website:** www.chalethotels.com

Contact Person: Christabelle Baptista, Company Secretary and Compliance Officer
Address: Raheja Tower, Plot No.C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051, Maharashtra, India
Email: companysecretary@chalethotels.com
Tel: +91 22 2656 5496

BOOK RUNNING LEAD MANAGERS

JM FINANCIAL LIMITED
7th Floor, Cnergy, Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025, Maharashtra, India

KOTAK MAHINDRA CAPITAL COMPANY LIMITED
1st Floor, C- 27, BKC, Plot No. 27, 'G' Block, Bandra Kurla Complex, Bandra (East),
Mumbai 400 051, Maharashtra, India

DOMESTIC LEGAL COUNSEL TO THE COMPANY

SHARDUL AMARCHAND MANGALDAS & CO
Express Towers, 24th Floor, Nariman Point
Mumbai 400 021, Maharashtra, India

DOMESTIC LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

KHAITAN & CO
One World Centre, 10th & 13th Floor, Tower 1
841, Senapati Bapat Marg, Mumbai 400 013
Maharashtra, India

STATUTORY AUDITORS

B S R & Co. LLP
14th Floor, Central B Wing & North C Wing, Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East) Mumbai 400 063, Maharashtra, India

---

UNITED STATES COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

SIDLEY AUSTIN LLP
Level 31, Six Battery Road, Singapore 049 909

SAMPLE APPLICATION FORM

CHALET HOTELS LIMITED

(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)

CIN: L55101MH1986PLC038538; **Registered and Corporate Office**: 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 2656 4000; **Email**:companysecretary@chalethotels.com; **Website**:www.chalethotels.com; **LEI Code:** 335800Q9XDG5J8BS1M67; **ISIN:** INE427F01016

Name of Bidder: _________________

Form No: ________________________

Date: ____________________________

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH BY CHALET HOTELS LIMITED (THE "COMPANY") (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING UP TO ₹ [●] MILLION UNDER SECTION 42 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT, 2013") READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI ICDR REGULATIONS") (HEREINAFTER REFERRED TO AS THE "ISSUE").

THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹780.76 PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT OF NOT MORE THAN 5% OR SUCH PERCENTAGE AS PERMITTED UNDER THE SEBI ICDR REGULATIONS ON THE FLOOR PRICE.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. However, foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 are not permitted to participate in the Issue. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered 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 only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" in the accompanying preliminary placement document dated March 27, 2024 (the "PPD").

ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 ("FEMA RULES") IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
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

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoter of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules. We confirm that we are not an FVCI. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Funds**
MF	Mutual Funds	**NIF**	National Investment Fund
FPI	Eligible Foreign Portfolio Investors*		
VCF	Venture Capital Funds**	**SI-NBFC**	Systemically Important NBFC
IC	Insurance Companies	**IF**	Insurance Funds
OTH	Others (Please Specify)		

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*
*** Sponsor and Manager should be Indian owned and controlled.*

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each Eligible FPIs, have submitted separate Application Forms, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of Equity Shares to be Allotted under each such scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Board of Directors of the Company, or any duly authorised committee thereof, is entitled, in consultation with JM Financial Limited and Kotak Mahindra Capital Company Limited (the "**Book Running Lead Managers**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**"), and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of this Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The Bid Amount payable by us for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if we withdraw the Bid before Issue Closing Date, or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further understand, agree and consent that (i) our names, address, contact details, PAN, bank account details, email- id, and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "***Notice to Investors***", "***Representations by Investors***", "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Managers, each of whom is entitled to rely on, and is relying on, these representations, undertakings and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD and the Application Form and have read it in its entirety including in particular, the section titled "***Risk Factors***" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Managers or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares, otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Book Running Lead Managers, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, 2013, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Managers. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form, whether signed or not is submitted by an Eligible QIB, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of such Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state 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. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an "offshore transaction" (as defined in, and in reliance on, Regulation S) complying with Rule 903 or Rule 904 of Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.**

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
MOBILE NO.			
TELEPHONE NO.		**FAX.**	
EMAIL			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NUMBER: ________________________________		
FOR MF	SEBI MF REGISTRATION NUMBER: _________________________________		
FOR SI-NBFCs	RBI REGISTRATION DETAILS: _________________________________		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS: _________________________________		

FOR AIFs* **	SEBI AIF REGSITRATION NUMBER: ________________________________
FOR VCFs* **	SEBI VCF REGISTARION NUMBER: ________________________________
FOR INSURANCE COMPANIES	IRDAI REGISTRATION NUMBER: ________________________________

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the Book Running Lead Managers.*
***In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the Book Running Lead Managers will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS									
Depository Name (Please ✓)	National Security Depository Limited								Central Depository Services (India) Limited
Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16 digit beneficiary account. No. to be mentioned above)
The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**									

ESCROW ACCOUNT – BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY 3:30 P.M. (IST), [•], 2024	
Name of the Account	CHALET HOTELS LIMITED – QIP ESCROW ACCOUNT
Name of the Bank	ICICI Bank Limited
Address of the Branch of the Bank	ICICI Bank Limited, Capital Market Division, 163, 5th Floor, H.T. Parekh Marg, Backbay Reclamation Branch, Churchgate, Mumbai – 400 020, Maharashtra, India
Account Type	Escrow Account
Account Number	000405157433
IFSC	ICIC0000004

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "CHALET HOTELS LIMITED – QIP ESCROW ACCOUNT". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

You are responsible for the accuracy of the bank account details mentioned below. You are aware that the successful processing of refunds, if any, shall be dependent on the accuracy of the bank details provided by you. The Company and the Book Running Lead Managers shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICEPER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)	(In words)		

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	
LEI	
Signature of Authorised Signatory (may be signed either physically or digitally) **	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following: ☐ Copy of PAN Card or PAN allotment letter ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank ☐ Copy of notification as a public financial institution ☐ FIRC ☐ Copy of IRDAI registration certificate ☐ Intimation of being part of the same group ☐ Certified true copy of Power of Attorney ☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and the Placement Document, unless specifically defined herein.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the Book Running Lead Managers.

(3) The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.

This Application Form, the PPD sent to you and the Placement Document which will be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.