

**CHALET HOTELS & PROPERTIES (KERALA) PRIVATE LIMITED**

**CIN: U55101KL2006PTC020125**

'TCCC' Near NISH School, Village Cheruvaikkal & Village Attipra, Akkulam,  
Thiruvananthapuram Kerala - 695017

**Directors' Report**

***To the Members,***

The Directors have pleasure in submitting the 14<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2020.

**1. Financial Results**

The Company's financial performance for the year under review along with previous years' figures are given hereunder:

(Amount in Rs.)

<b>Particulars</b>	<b>March 31, 2020 Current Year</b>	<b>March 31, 2019 Previous Year</b>
Profit/(Loss) before tax	(6,36,01,470)	(13,79,47,366)
Current tax expense	(3,82,550)	--
Profit/(Loss) for the year	(6,32,18,920)	(13,79,47,366)
Basic and diluted earnings per equity share	(2.28)	(19.26)
<b><u>Appropriations</u></b>		
Profit/(Loss) for the year	(6,32,18,920)	(13,79,47,366)
Balance brought forward	(24,16,49,919)	(10,37,02,553)
Balance carried to Balance Sheet	(30,48,68,839)	(24,16,49,919)

The Financial Statements for the year under review have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in Section 133 of the Companies Act, 2013, read with the Rules made thereunder and the relevant provisions of the Act.

**2. Review of Operations / State of Company's Affairs**

Your Company continues to engage with the Department of Tourism, Government of Kerala (GoK) to implement the International Convention Centre Complex at Thiruvananthapuram.

The representatives of the Company have been engaging with the officials of the Government, Tourism Department and Kerala Tourism Infrastructure Limited (KTIL) to review the progress on approvals which are critical to be obtained before embarking on the project.

## Directors' Report

The company has received assurances that the necessary procedure for obtaining the requisite approvals has already been initiated and necessary follow up and facilitation are being undertaken to facilitate the relevant approvals and execution thereof.

Since the project has been dormant, as a prudent step, during the year under review, Capital Work in Progress (CWIP) being carried forward in the books to the extent of Rs.5.77 crore has been impaired in the books of account of the Company. The management believes due to prevailing conditions the management believes this would be a prudent step notwithstanding the economic value thereof of the capital work in progress.

### **3. Directorate & KMP**

During the year under review, Mr. Vishal Masand was appointed as a Director of the Company with effect from May 24, 2019. Mr. Masand is an Independent Director and has been nominated to the Audit Committee and Remuneration Committee of the Company.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sanjay Sethi will retire by rotation and being eligible is proposed to be re-appointed at the ensuing Annual General Meeting of the Company.

The Company is in discussions for identification and appointment of a second Independent Director.

During the year under review, Mr. Nishit Sheth resigned as Company Secretary of the Company with effect from September 30, 2019.

During the year under review, Ms. Anshu Shroff was appointed as the Company Secretary of the Company with effect from September 30, 2019. Ms. Anshu stepped down on March 30, 2020 and Mr. Saurabh Bandekar has been appointed as Company Secretary w.e.f. May 18, 2020.

### **4. Material changes and commitments, if any affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report**

No material changes and commitments affecting the financial position of the Company have occurred after the end of the Financial Year.

### **5. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The information pertaining to conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 does not apply to the Company for the year under review.

**6. Corporate Social Responsibility**

As the Company had losses during the year, the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 were not applicable to the Company during the year under review.

**7. Borrowing**

The aggregate borrowings of your Company (including interest) stood at Rs.2,75,67,204 as at March 31, 2020 as compared to Rs.2,37,97,021 as at March 31, 2019.

**8. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013**

No investments were made and no loans, guarantees or securities were given by the Company during the year under review.

**9. Deposits**

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

**10. Loans from Directors**

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

**11. Particulars of Contracts or Arrangements made with Related Parties**

The Company has availed loan from K. Raheja Corp. Private Limited. There were no other contracts or arrangements made with related parties, as envisaged under Sections 184 and 188 of the Companies Act, 2013 during the year under review.

**12. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the Auditors and the Practicing Company Secretary in their reports**

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors in their report on the Financial Statements for the Financial Year 2019-20.

**13. Company's policy relating to Directors' appointment, payment of remuneration and discharge of their duties**

Currently no remuneration is being paid to the Directors.

## Directors' Report

The Company has constituted a Nomination and Remuneration Committee. The Nomination and Remuneration Committee of the Company consists of Mr. Sanjay Sethi, Mr. Anand Chandan and Mr. Vishal Masand. The Company is making an endeavor to appoint a second Independent Director to the same.

The Policy on Nomination & Remuneration adopted by the Company, annexed to this report as Annexure 2 provides for:

- (a) the level and composition of remuneration to be commensurate to attract, retain the talent and quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets performance benchmarks;
- (c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### **14. Audit Committee**

The Audit Committee of the Company consists of Mr. Sanjay Sethi, Mr. Rajeev Newar and Mr. Vishal Masand. The Company is making an endeavor to appoint a second Independent Director to the same. During the year under review, the Audit Committee of the Company met three times i.e., on April 26, 2019, July 19, 2019 and August 12, 2019. The Audit Committee, inter-alia also evaluates the internal financials controls and the risk management systems of the Company.

### **15. Board Evaluation**

The Board of Directors has carried out annual evaluation of its own performance and that of its committees and individual Directors based on the review conducted by the Nomination and Remuneration Committee.

### **16. Annual Return**

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 are furnished in Annexure 1 and attached to this Report.

### **17. Number of Meetings conducted during the year under review**

The Company held eight Board meetings and its Annual General Meeting (AGM) during the year under review.

### **18. Directors' Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board confirms that:

- a. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

## Directors' Report

- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the loss of the Company for the year;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a going concern basis; and
- e. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **19. Subsidiaries, Joint Ventures and Associate Companies**

The Company does not have any Subsidiary, Joint venture or Associate Company.

### **20. Declaration of Independent Directors**

As per the provisions of Section 149 of the Companies Act, 2013, Mr. Vishal Masand who has been appointed as an Independent Director of the Company has submitted a declaration stating that he meets the criteria of independence as required.

### **21. Dividend/Transfer to Reserves**

In view of losses incurred, no Dividend is recommended.

### **22. Statutory Auditors**

As per the provisions of Section 139(2) of the Companies Act, 2013, M/s. BSR & Co. LLP., Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of five years. They hold the office from the conclusion of the 13<sup>th</sup> Annual General Meeting until the conclusion of the 18<sup>th</sup> Annual General Meeting of the Company.

### **23. Capital Structure**

The Company's has an Authorised Share Capital of Rs.28,00,00,000 divided into 2,80,00,000 shares of Rs.10 each. The Equity Share Capital of the Company consists of 2,77,87,770 shares of Rs.10 each amounting to Rs.27,78,77,700.

The Company did not issue any further shares during the year under review.

### **24. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The provisions of this Act are not applicable to the Company for the year under review.

## Directors' Report

### 25. Particulars of Employees

There are no employees to be reported as required by Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

### 26. Risk Management

The Company is yet to commence the International Convention Centre Complex (ICCC) Project at Thiruvananthapuram, Kerala.

The Company has a prudent risk management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels.

### 27. Vigil Mechanism

The provisions of section 177(9) regarding establishment of vigil mechanism are not applicable to the Company.

### 28. Accounting Treatment

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

### 29. Secretarial Standards

Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, as applicable, have been followed by the Company. Secretarial Audit in terms of Section 204 of the Companies Act, 2013 is not applicable to the Company for the year under review.

### 30. Significant and Material Orders Passed

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company.

### 31. Acknowledgments

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from regulatory and statutory authorities, Government, auditors and other key stakeholders.

**For and on behalf of the Board of Directors**

Sd/-  
**Sanjay Sethi**  
**Director**  
DIN: 00641243

Sd/-  
**Rajeev Newar**  
**Director**  
DIN: 00468125

Date: May 18, 2020  
Place: Mumbai

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the Financial Year ended March 31, 2020  
of **CHALET HOTELS & PROPERTIES (KERALA) PRIVATE LIMITED**  
*[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies*  
*(Management and Administration) Rules, 2014)*

---

**I. REGISTRATION AND OTHER DETAILS**

1. CIN	U55101KL2006PTC020125
2. Registration Date	22/12/2006
3. Name of the Company	CHALET HOTELS & PROPERTIES (KERALA) PRIVATE LIMITED
4. Category/Sub-Category of the Company	Private Company Limited by shares / Company having share Capital
5. Address of the Registered office and contact details	'ICCC' Near NISH School, Village Cheruvaikkal & Village Attipra, Akkulam, Thiruvananthapuram Kerala - 695017
6. Whether listed company	No
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>KFin Technologies Private Limited</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad 500 032

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1	Ownership and operation of Hotels	55101	--

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

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Chalet Hotels Limited (formerly known as Chalet Hotels Private Limited)	L55101MH1986PLC038538	Holding	90%	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

*i) Category-wise shareholding:*

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,77,87,770	-	2,77,87,770	100%	2,77,87,770	-	2,77,87,770	100%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	2,77,87,770	-	2,77,87,770	100%	2,77,87,770	-	2,77,87,770	100%	-
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of promoter (A)=(A)(1)+(A)(2)</b>	2,77,87,770	-	2,77,87,770	100%	2,77,87,770	-	2,77,87,770	100%	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-



## Directors' Report

e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
<b>c) Others</b>	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A)+(B)+(C)</b>	2,77,87,770	-	2,77,87,770	100%	2,77,87,770	-	2,77,87,770	100%	-

### (ii) Shareholding of Promoters:

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1.	Chalet Hotels Limited	23,61,9610	85%	-	23,61,9610	85%	-	-
2.	K Raheja Corp Private Limited	27,78,770	10%	-	27,78,770	10%	-	-
3.	Chalet Hotels Limited jointly with Mr. Chandru Lachmandas Raheja	2,77,878	1%	-	2,77,878	1%	-	-

## Directors' Report

4.	Chalet Hotels Limited jointly with Mr.Ravi Chandru Raheja	2,77,878	1%	-	2,77,878	1%	-	-
5.	Chalet Hotels Limited jointly with Mr. Neel Chandru Raheja	2,77,878	1%	-	2,77,878	1%	-	-
6.	Chalet Hotels Limited jointly with Anbee Constructions LLP	2,77,878	1%	-	2,77,878	1%	-	-
7.	Chalet Hotels Limited jointly with Cape Trading LLP	2,77,878	1%	-	2,77,878	1%	-	-
	Total	2,77,87,770	100%	-	2,77,87,770	100%	-	-

### *(iii) Change in Promoters' Shareholding:*

Cumulative shareholding during the year					
Sr. No.	Reason	Name of Shareholders	No. of Equity Shares	Total no. of Equity Shares	% of total Equity Shares of Company
<i>Not Applicable for the year under review</i>					

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

Date	Name	No. of Shares	Cumulative shareholding during the year	
			Total no. of Shares	% of total shares of Company
<i>Not Applicable for the year under review</i>				

### *(v) Shareholding of Directors and Key Managerial Personnel:*

Sr. No.	Date	Remarks	No. of shares	Cumulative shareholding during the year	
				Total no. of shares	% of total shares of Company
<i>Not Applicable for the year under review</i>					

**V. INDEBTEDNESS**

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

*(Amount in Rs.)*

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i. Principal Amount	--	1,91,37,000	--	1,91,37,000
ii. Interest due but not paid	--	--	--	--
iii. Interest accrued but not due	--	46,60,021	--	46,60,024
<b>Total (i + ii + iii)</b>	--	<b>2,37,97,021</b>	--	<b>2,37,97,021</b>
<b>Change in Indebtedness during the Financial Year</b>				
Addition	--	20,00,000	--	20,00,000
Reduction		-	--	-
Net Change	--	20,00,000	--	20,00,000
<b>Indebtedness at the end of the Financial Year</b>				
i. Principal Amount		2,11,37,000		2,11,37,000
ii. Interest due but not paid	--	--	--	--
iii. Interest accrued but not due	--	64,30,204	--	64,30,204
<b>Total (i + ii + iii)</b>	--	<b>2,75,67,204</b>	--	<b>2,75,67,204</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

*A. Remuneration to Managing Director/Whole-time Directors/Manager: Not Applicable*

Sr. No.	Particulars of remuneration	Name of MD / WTD / Manager	Total Amount
--- No Remuneration is paid to Directors---			

**B. Remuneration to other Directors: Not Applicable**

Sr. No.	Particulars of remuneration	Name of Directors				Total Amount
		Vishal Masand (Appointed as Director w.e.f. May 24, 2019)	Anand Chandan	Sanjay Sethi	Rajeev Newar	
1	Independent Directors • Fees for attending board / committee meetings • Commission • Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)					
2	Other Non-Executive Directors • Fees for attending board / committee meetings • Commission • Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act					

**C. Remuneration to Key Managerial Personnel (KMP) other than MD/Manager/WTD: Not Applicable**

Sr. No.	Name of KMP	Particulars of remuneration	Total Amount
1.	Mr. Nishit Sheth*	NIL	NIL
2.	Ms. Anshu Shroff**	NIL	NIL

\* Mr. Nishit Sheth resigned as the Company Secretary w.e.f. September 30, 2019.

\*\* Ms. Anshu Shroff was appointed as a Company Secretary w.e.f. September 30, 2019 and further stepped down w.e.f. March 30, 2020.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment					
Compounding					

**For and on behalf of the Board of Directors**

Date: May 18, 2020  
Place: Mumbai

Sd/-  
**Sanjay Sethi**  
**Director**  
DIN: 00641243

Sd/-  
**Rajeev Newar**  
**Director**  
DIN: 00468125

**POLICY FOR REMUNERATION OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

The Company has drafted and adopted this Policy in compliance with the provisions of Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto.

This Policy applies to:

- (i) Identification and selection of persons who may be appointed as Directors or senior management, and
- (ii) remuneration of the Directors, Key Management Personnel (KMP) and other employees in senior management.

This Policy has been reviewed and approved by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors (Board) of the Company.

The Nomination and Remuneration Committee of the Company shall be duly constituted in accordance with the requirements of the Companies Act, 2013 consisting of three or more Non-Executive Directors, out of which not less than one half shall be independent.

This Policy lays down a framework and provides guidance for the selection, appointment and re-appointment of the Directors of the Company and aims at ensuring that the management of the Company consists of persons with a diverse range of skills and qualities towards growth of the Company while ensuring that the interests of the Company and its stakeholders are promoted and protected.

**Principles for selection and appointment of Directors**

The Board shall identify persons and recommend appointment, reappointment and removal of persons as Directors and to / from senior management in accordance with the criteria laid down. This responsibility is entrusted to the NRC on behalf of the Board.

The role of the NRC shall, inter-alia, include the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the selection, appointment and remuneration of the Directors, Key Management Personnel and other employees;
- the NRC, while formulating the above policy, should ensure that:
  - the level and composition of remuneration be reasonable and sufficient to attract, retain and create motivation with regard to the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- formulation of criteria for evaluation of performance of independent directors and the Board;

In the process of appointment of a Director on the Board by the NRC, or in the appointment of a person to the senior management, due consideration should be given to the following:

- evaluation/gap assessment of the Board/Management build and strengthen it.
- the current and future business plans and need of the Company
- extent of contribution by the incumbent to the Company and its management team, to improve the overall performance of the Company
- Extent of contribution to overall effectiveness of the Board and senior management;
- Compatibility with the existing management team and the Company's business;

## Directors' Report

- Expertise that the candidate shall bring to the role that will contribute to the Company's goals
- Independence of such candidate under the provisions of the Companies Act, 2013, if and as may be applicable.

Accordingly, in selecting and recommending a potential new Director and analysing renewal of the term of existing Directors, the NRC should identify the competencies required to enable the Board to fulfil their respective responsibilities within the framework of the overall objectives and goals of the Company.

In selecting and recommending potential new member of senior management, the NRC should identify the competencies required to enable the senior management to fulfil their respective responsibilities within the framework of the overall objectives and goals of the Company.

While any individual person may not necessarily fulfil all criteria, in evaluating and recommending the candidature of a candidate, regard shall be had to the following criteria, skills and personal attributes:

- Experience;
- Outstanding in capability;
- Honesty & Integrity;
- Requisite professional qualification;
- Strategic capability with business vision and fine track record;
- Entrepreneurial spirit;
- Independent and lateral thinking;
- Leadership qualities;
- Commitment;
- Availability of time to discharge the duties as a Director of the Company.

If the candidate is found suitable, the NRC shall recommend the candidate to the Board for appointment as Director.

A Director who retires at an Annual General Meeting may, if willing to act, be re-appointed and is subject to the selection and appointment procedures outlined above.

### **Policy for remuneration of the Directors and members of senior management**

The objective of the Company's remuneration policy is to attract, motivate and retain qualified expert individuals that the Company needs in order to achieve its strategic and operational objectives, whilst acknowledging the context around remuneration and recognising the interests of the Company's stakeholders.

The remuneration/ compensation/ commission for the Directors will be determined by the NRC and intimated to the Board.

### **Disclosure of Remuneration of Non-Executive Directors**

All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company shall be disclosed in the Annual Report.

### **Notification**

The details of this policy shall be included in the report of the Board of Directors prepared under Section 134(3) of the Companies Act, 2013.

# **Independent Auditors' Report**

## **To the Members of Chalet Hotels & Properties (Kerala) Private Limited**

### **Report on the Audit of Financial Statements**

#### **Opinion**

We have audited the financial statements of Chalet Hotels & Properties (Kerala) Private Limited (“the Company”), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (together referred to as “the financial statement”)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2020, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

#### **Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Directors Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



# **Independent Auditors' Report (*Continued*)**

## **Chalet Hotels & Properties (Kerala) Private Limited**

### **Other Information (or another title if appropriate, such as "Information Other than the Financial Statements and Auditors' Report Thereon") (*Continued*)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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;

# **Independent Auditors' Report (*Continued*)**

## **Chalet Hotels & Properties (Kerala) Private Limited**

### **Auditor's Responsibilities for the Audit of the Financial Statements (*Continued*)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matter**

The financial statements of the Company as at and for the year ended 31 March 2019 were audited by another firm of Chartered Accountants other than B S R & Co. LLP under the Act who, vide their report dated 26 April 2019 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

# **Independent Auditors' Report (*Continued*)**

## **Chalet Hotels & Properties (Kerala) Private Limited**

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid 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 as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act; and
  - f) in view of the Ministry of Corporate Affairs' notification dated 13 June 2017, the Company is exempt from the requirement of its auditor reporting on whether the Company has adequate internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls (clause (i) of Section 143(3) of the Act).
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
  - iv. The disclosures in the 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 financial statements since they do not pertain to the financial year ended 31 March 2020.

# **Independent Auditors' Report (*Continued*)**

## **Chalet Hotels & Properties (Kerala) Private 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 to the best of our information and according to the explanations given to us, the Company being a private company, provisions of Section 197 of the Act relating to managerial remuneration are not applicable to the Company. 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

Mumbai  
18 May 2020

Sd/-  
**Mansi Pardiwalla**  
*Partner*  
Membership No: 108511

# Chalet Hotels & Properties (Kerala) Private Limited

## Annexure - A to the Independent Auditor's Report – 31 March 2020

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification during the year.
- (c) The Company did not own any immovable properties as at 31 March 2020 and hence, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company does not hold any inventory. Therefore, the provisions of paragraph 3(ii) of the said Order are not applicable to the Company.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, or made any investment, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Tax deducted at source have been generally regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in depositing of dues in respect of Tax deducted at source. As explained to us, the Company did not have any dues on account of Provident Fund, Employees' State Insurance, Profession tax, Income-tax, Goods and Services tax, Duty of customs, Duty of excise and Cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services tax, Income-tax and Profession tax were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

# Chalet Hotels & Properties (Kerala) Private Limited

## Annexure to the Independent Auditor's Report – 31 March 2020 (*Continued*)

- (b) According to the information and explanations given to us, there are no dues of, Goods and Services tax and Income-tax as at 31 March 2020 which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to any financial institution, banks, government or debenture holders during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is incorporated as a private company and thus the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

# Chalet Hotels & Properties (Kerala) Private Limited

## Annexure to the Independent Auditor's Report – 31 March 2020 (*Continued*)

- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W-100022

Mumbai  
18 May 2020

Sd/-  
**Mansi Pardiwalla**  
*Partner*  
Membership No: 108511

# Chalet Hotels & Properties (Kerala) Private Limited

## Balance Sheet

as at 31 March 2020

	<i>Note</i>	As at 31 March 2020	(Rs. in Hundreds) As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	-	7
Capital work-in-progress	4	-	5,77,086
Other non-current assets	5	-	17,978
<b>Total non-current assets</b>		<b>-</b>	<b>5,95,071</b>
<b>Current assets</b>			
Financial assets			
(i) Cash and cash equivalents	6	<b>8,723</b>	12,121
<b>Total current assets</b>		<b>8,723</b>	<b>12,121</b>
<b>TOTAL ASSETS</b>		<b>8,723</b>	<b>6,07,192</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	<b>27,78,777</b>	27,78,777
Other equity	8	<b>(30,48,687)</b>	(24,16,499)
<b>Total equity</b>		<b>(2,69,910)</b>	<b>3,62,278</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	9	-	3,826
<b>Total non-current liabilities</b>		<b>-</b>	<b>3,826</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	10	<b>2,11,370</b>	1,91,370
(ii) Trade payables	11		
(a) Due to micro and small enterprises		-	-
(b) Due to other than micro and small enterprises		<b>2,309</b>	2,731
(ii) Other financial liabilities	12	<b>64,954</b>	46,987
<b>Total current liabilities</b>		<b>2,78,633</b>	<b>2,41,088</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,723</b>	<b>6,07,192</b>
<b>Significant Accounting Policies</b>	1-2		
<b>The accompanying notes form an integral part of these financial statements</b>	3 - 29		

As per our audit report of even date attached

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

Chartered Accountants

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

Sd/-

**Mansi Pardiwalla**

Partner

Membership No: 108511

Mumbai

18-May-20

Sd/-

**Sanjay Sethi**

Director

DIN: 00641243

Mumbai

18-May-20

Sd/-

**Rajeev Newar**

Director

DIN: 00468125

Sd/-

**Saurabh Bandekar**

Company Secretary

Membership No. A60746



# Chalet Hotels & Properties (Kerala) Private Limited

## Statement of Profit and Loss

for the year ended 31 March 2020

		(Rs. in Hundreds)	
	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue</b>			
Other income	13	611	715
<b>Total income (A)</b>		<b>611</b>	<b>715</b>
<b>Expenses</b>			
Other expenses	15	21,665	47,606
Impairment of capital work in progress and capital advances		5,95,063	11,04,455
<b>Total expenses (B)</b>		<b>6,16,728</b>	<b>11,52,061</b>
<b>Earnings before interest, depreciation, amortisation and tax (EBITDA) (A-B)</b>			
Depreciation and amortisation expenses	3	(6,16,117)	(11,51,346)
Finance costs	14	7	8
		19,890	2,28,119
<b>(Loss) before tax (C)</b>		<b>(6,36,014)</b>	<b>(13,79,473)</b>
<b>Tax expense (D)</b>			
Current tax	15	(3,826)	-
Deferred tax (credit)	9	-	-
		(3,826)	-
<b>(Loss) for the year (E) (C-D)</b>		<b>(6,32,188)</b>	<b>(13,79,473)</b>
<b>Other comprehensive (Expense)/Income</b>			
<u>Items that will not be reclassified to profit or loss</u>			
Remeasurements of the defined benefit plans		-	-
Income tax Credit / (Expenses) on above		-	-
<b>Other comprehensive (expense)/income for the year, net of tax (G)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (expense)/income for the year (H) (F+G)</b>		<b>(6,32,188)</b>	<b>(13,79,473)</b>
<b>Earnings per equity share</b>			
Basic	17	(2.28)	(19.26)
Diluted		(2.28)	(19.26)
<b>Significant Accounting Policies</b>	1-2		
<b>Notes to the Financial Statements</b>	3 - 29		

The accompanying notes form an integral part of these 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

Sd/-

**Mansi Pardiwalla**

Partner

Membership No: 108511

Sd/-

**Sanjay Sethi**

Director

DIN: 00641243

Sd/-

**Rajeev Newar**

Director

DIN: 00468125

Mumbai

18-May-20

Mumbai

18-May-20

Sd/-

**Saurabh Bandekar**

Company Secretary

Membership No. A60746

# Chalet Hotels & Properties (Kerala) Private Limited

## Statement of Cash Flows

as at 31 March 2020

(Rs. in Hundreds)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>(Loss) before tax</b>	<b>(6,36,014)</b>	<b>(13,79,473)</b>
Adjustments for :		
Depreciation and amortisation	7	8
Finance costs	19,890	2,28,119
Impairment of Capital Work in Progress and capital advances	5,95,063	11,04,455
<b>Total</b>	<b>6,14,960</b>	<b>13,32,582</b>
<b>Operating (loss) before working capital changes</b>	<b>(21,054)</b>	<b>(46,891)</b>
<b>Adjustments</b>		
(Decrease) / Increase in Liabilities and Provisions	(2,344)	1,670
<b>Total</b>	<b>(2,344)</b>	<b>1,670</b>
Direct taxes paid (net)	-	-
<b>NET CASH USED IN OPERATING ACTIVITIES (A)</b>	<b>(23,398)</b>	<b>(45,221)</b>
<b>B. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Issue of equity shares	-	27,77,777
Short term borrowings	20,000	24,88,350
Repayment of short-term borrowings	-	(47,67,000)
Interest and finance charges paid	-	(4,49,717)
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (B)</b>	<b>20,000</b>	<b>49,410</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B)</b>	<b>(3,398)</b>	<b>4,189</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>12,121</b>	<b>7,932</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>8,723</b>	<b>12,121</b>

### Notes:

- The Statement of cash flows has been prepared under the "Indirect Method" as set out in (Ind AS) 7 on "Statement of cash flows", and presents cash flows by operating and financing activities.
- The movement of borrowings as per Ind AS 7 is as follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening borrowings	1,91,370	24,70,020
Proceeds / (Repayment) of short-term borrowings	20,000	(22,78,650)
	<b>2,11,370</b>	<b>1,91,370</b>

The accompanying notes form an integral part of these 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 & Properties (Kerala) Private Limited**  
(CIN: U55101KL2006PTC020125)

Sd/-  
**Mansi Pardiwalla**  
Partner  
Membership No: 108511

Sd/-  
**Sanjay Sethi**  
Director  
DIN: 00641243

Sd/-  
**Rajeev Newar**  
Director  
DIN: 00468125

Mumbai  
18-May-20

Mumbai  
18-May-20

Sd/-  
**Saurabh Bandekar**  
Company Secretary  
Membership No. A60746

# Chalet Hotels & Properties (Kerala) Private Limited

## Statement of Changes in Equity

as at 31 March 2020

(Rs. in Hundreds)

### (a) Equity share capital

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the reporting year	27,78,777	1,000
Shares issued during the year	-	27,77,777
Balance at the end of the reporting year	<u>27,78,777</u>	<u>27,78,777</u>

### (b) Other equity

	Attributable to the owners of the Company	
	Retained earnings*	Total
<b>Balance at 1 April 2019</b>	<b>(24,16,499)</b>	<b>(24,16,499)</b>
<b>Total comprehensive income for the year</b>		
Loss for the year	(6,32,188)	(6,32,188)
<b>Total comprehensive income for the year</b>	<b>(6,32,188)</b>	<b>(6,32,188)</b>
<b>Balance at 31 March 2020</b>	<b>(30,48,687)</b>	<b>(30,48,687)</b>
<b>Balance at 1 April 2018</b>	<b>(10,37,026)</b>	<b>(10,37,026)</b>
Addition during the year	-	-
Loss for the year	(13,79,473)	(13,79,473)
<b>Total comprehensive income for the year</b>	<b>(13,79,473)</b>	<b>(13,79,473)</b>
<b>Balance at 31 March 2019</b>	<b>(24,16,499)</b>	<b>(24,16,499)</b>

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

As per our audit report of even date attached

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

Chartered Accountants

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

For and on behalf of the Board of Directors of  
Chalet Hotels & Properties (Kerala) Private Limited

(CIN: U55101KL2006PTC020125)

Sd/-  
**Mansi Pardiwalla**  
Partner  
Membership No:  
108511

Sd/-  
**Sanjay Sethi**  
Director  
DIN: 00641243

Sd/-  
**Rajeev Newar**  
Director  
DIN: 00468125

Mumbai  
18-May-20

Mumbai  
18-May-20

Sd/-  
**Saurabh Bandekar**  
Company Secretary  
Membership No. A60746

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements for the year ended 31 March 2020

### 1 Background

The Company was incorporated in Thiruvananthapuram on 22.12.2006 as a Special Purpose Vehicle for the implementing the International Convention Centre Complex (ICCC) Project in a public private partnership with Department of Tourism Government of Kerala.

### 2 Significant accounting policies

The accounting policies set out below have been applied consistently to the years presented in these Ind AS financial statements.

#### Basis of preparation

#### 2.1 Statement of compliance

The accompanying Ind AS financial statements of Chalet Hotels (Kerala) Private Ltd (the Company) have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Ind AS financial statements of the Company for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 18th May 2020.

#### 2.2 Functional and presentation currency

These Ind AS 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 hundred, 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.

#### 2.3 Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

#### 2.4 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgment, estimates and assumptions are required in particular for:

##### Determination of the estimated useful lives

Useful lives of tangible assets and intangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives of assets are different from as prescribed in Schedule II are based on technical advice, after 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 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-forward 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 balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements for the year ended 31 March 2020 (Continued)

### 2 Significant accounting policies (Continued)

#### Going Concern

As at 31 March 2020, the Company's paid up capital and reserves were Rs. 269,910 hundreds and correspondingly, the Company's accumulated losses aggregated INR 3,048,686 hundreds. However, management believes that the Company will be able to continue operations on a going concern basis and meet all its liabilities as they fall due for payment in the foreseeable future based on continued support, as required, from existing shareholders of the company.

#### Impairment of assets / advances

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

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the statement of profit and loss.

### 2.5 Current / non-current classification

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

#### Assets

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.

#### Liabilities

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

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months after the balance sheet date.

All other liabilities are classified as non-current.

#### Operating cycle

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

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

### 2.6 Property, plant and equipment

#### i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

#### ii. Subsequent expenditure

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

## Chalet Hotels & Properties (Kerala) Private Limited

### Notes to the Financial Statements for the year ended 31 March 2020 (Continued)

#### 2 Significant accounting policies (Continued)

##### iii. Depreciation

Depreciation is provided using the Straight line method (SLM) as per the useful life of the assets estimated by the management. Depreciation on addition/deletion of the assets made during the period is provided on pro-rata basis from / upto the date of each addition / deletion. Based on internal assessment and past experience the management believes the useful life of the assets are appropriate which are lower than those prescribed under Part C of Schedule II of the Companies Act, 2013. The useful lives of assets estimated by management is as follows:

Particulars	Useful Life (SLM)	Useful Life (Schedule II to the Act)
Plant and Machinery	10 years	15 years
Furniture and Fixtures	7 years	10 years

#### 2.7 Capital work in progress

Capital work in progress represents the cost incurred in respect of areas under construction of the real estate development projects less impairment losses, if any.

#### 2.8 Impairment of assets

In accordance with Ind AS 36 on 'Impairment of assets' as prescribed under the Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014, the Company assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its 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 the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognised in the statement of profit and loss or against revaluation surplus, where applicable. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

#### 2.9 Revenue recognition

The Company adopts the accrual system of accounting. Revenue is recognized as and when there is a reasonable certainty of its ultimate realization. The Company don't have operational revenue. Currently, only other income towards sale of coconut is booked as and when the sale takes place.

#### 2.10 Taxation

Income-tax expense comprises current tax and deferred tax charge or credit.

##### Current tax

Provision for current tax is based on the results for the year ended 31 March 2020, in accordance with the provisions of the Income-tax Act, 1961.

##### Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the Ind AS financial statements.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realised.

## Chalet Hotels & Properties (Kerala) Private Limited

### Notes to the Financial Statements for the year ended 31 March 2020 (Continued)

#### 2 Significant accounting policies (Continued)

##### Minimum Alternate Tax (MAT)

In accordance with the guidance note issued by the Institute of Chartered Accountants of India ('ICAI') on accounting for credit available in respect of MAT under the Income-tax Act, 1961, the Company recognises MAT credit as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

##### 2.11 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the quarter by the weighted average number of equity and dilutive equity equivalent shares outstanding during the quarter, except where the results would be anti-dilutive.

##### 2.12 Provision, contingent liabilities and contingent asset

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that the Company will be required to settle the present obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material)

Contingent liabilities are stated separately by way of a note. Contingent Liabilities are disclosed when the Company has a possible obligation or a present obligation and it is not probable that a cash outflow will be required to settle the obligation. Contingent Assets are neither recognised nor disclosed.

##### 2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits with banks, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

##### 2.14 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

##### Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

##### Classification and Subsequent Measurement : Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following :

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

## Chalet Hotels & Properties (Kerala) Private Limited

### Notes to the Financial Statements for the year ended 31 March 2020 (Continued)

#### 2 Significant accounting policies (Continued)

##### **Amortised Cost :**

A financial asset is classified and measured at amortised cost if both of the following conditions are met :

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **FVOCI :**

A financial asset is classified and measured at FVOCI if both of the following conditions are met :

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **FVTPL :**

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### Impairment of Financial Assets :

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### Classification and Subsequent measurement : Financial Liabilities

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

##### Financial Liabilities at FVTPL :

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

##### Other Financial Liabilities :

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.



# Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements for the year ended 31 March 2020 (Continued)

## 2 Significant accounting policies (Continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Derecognition of Financial Assets and Financial Liabilities :

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### 2.15 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial asset and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements.

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team 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 valuation should be classified.

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

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

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

### 2.16 Financial guarantee contracts

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

### 2.17 Operating segments

#### Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. All operating segments' operating results are reviewed regularly by the board to make decisions about resources to be allocated to the segments and assess their performance.

There are no reporting segments as at balance sheet date in the Company.

Chalet Hotels & Properties (Kerala) Private Limited

Notes to the Financial Statements (Continued)

as at 31 March 2020

Note 3

Property, plant and equipment

Reconciliation of carrying amount

as at 31 March 2020

(Rs. in Hundreds)

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
<b>Tangible assets</b>									
Plant and machinery	33	-	-	33	25	7	-	33	-
Furniture and fixtures	7	-	-	7	7	-	-	7	-
<b>Total</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>32</b>	<b>7</b>	<b>-</b>	<b>40</b>	<b>-</b>

as at 31 March 2019

(Rs. in Hundreds)

Particulars	Gross block			Accumulated depreciation				Net block	
	Opening balance as at 1 April 2018	Additions	Deductions	Closing balance as at 31 March 2019	Opening balance as at 1 April 2018	For the year	Deductions	Closing balance as at 31 March 2019	As at 31 March 2019
<b>Tangible assets</b>									
Plant and machinery	33	-	-	33	17	8	-	25	7
Furniture and fixtures	7	-	-	7	7	-	-	7	-
<b>Total</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>24</b>	<b>8</b>	<b>-</b>	<b>32</b>	<b>7</b>

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

as at 31 March 2020

### Note 4

#### Capital work-in-progress

(Rs. in Hundreds)

##### Details of capital work-in-progress

Particulars	31 March 2020	31 March 2019
Opening balance	5,77,086	16,81,541
Add: Additions during the year	-	-
Less: Impairment of Capital work in progress	(5,77,086)	(11,04,455)
Less: Capitalised during the year	-	-
<b>Closing balance</b>	<b>-</b>	<b>5,77,086</b>

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. Whilst the management believes the project to be viable, in present condition due to uncertainty, the management has written off capital work-in-progress without prejudicing the going concern and whatever has been carried as CWIP continues to have economic value.

In view of this delay, the Company has further extended the performance guarantee given to the DOT, GOK, for a period up to 12 March 2021. The Company has ceased capitalisation of borrowing cost with effect from the financial year 2014-15.

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

as at 31 March 2020

(Rs. in Hundreds)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Note 5</b>		
<b>Other non-current assets</b>		
<i>(Unsecured, considered doubtful)</i>		
Capital advances	17,978	17,978
Less: Expected credit loss of Capital advances	(17,978)	-
	<b>-</b>	<b>17,978</b>

## Note 6

### Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balance with banks		
- Current accounts	8,626	12,020
Cash on hand	97	101
	<b>8,723</b>	<b>12,121</b>

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

as at 31 March 2020

### Note 7

#### Share capital

(Rs. in Hundreds)

(a) Details of the authorised, issued, subscribed and fully paid-up share capital as below:

Particulars	31 March 2020	31 March 2019
<b>(i) Authorised</b> 28,000,000 (31 March 2019: 28,000,000) Equity Shares of Rs. 10 each	<b>28,00,000</b>	28,00,000
<b>(ii) Issued, subscribed and paid-up</b> 27,787,770 (31 March 2019: 27,787,770) Equity Shares of Rs. 10 each	<b>27,78,777</b>	27,78,777
<b>Total</b>	<b>27,78,777</b>	<b>27,78,777</b>

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

Particulars	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
<b>Equity shares</b>				
Number of equity shares outstanding at the beginning of the year	2,77,87,770	27,78,777	10,000	1,000
Add:				
Fresh issue during the year	-	-	2,77,77,770	27,77,777
<b>Number of equity shares outstanding at the end of the year</b>	<b>2,77,87,770</b>	<b>27,78,777</b>	<b>2,77,87,770</b>	<b>27,78,777</b>

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

Particulars	31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Chalet Hotels Limited *	2,50,09,000	90.00%	2,50,09,000	90.00%
K Raheja Corp Private Limited	27,78,770	10.00%	27,78,770	10.00%
	<b>2,77,87,770</b>	<b>100.00%</b>	<b>2,77,87,770</b>	<b>100.00%</b>

\* including 5% jointly held with Chandru Raheja, Ravi Raheja, Neel Raheja, Anbee Constructions LLP and Cape Trading LLP

(d) Rights, preferences and restrictions attached to equity shares.

#### Equity Shares

The company has one class of shares referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share held. All equity shareholders are eligible to receive dividend in proportion to their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

as at 31 March 2020

(Rs. in Hundreds)

### Note 8

As at  
31 March 2020

As at  
31 March 2019

#### Other equity

##### Retained earnings

Retained earnings balance at the beginning of the year	(24,16,499)	(10,37,026)
Add: Loss for the year	(6,32,188)	(13,79,473)
At the end of the year	<u>(30,48,687)</u>	<u>(24,16,499)</u>
	<u>(30,48,687)</u>	<u>(24,16,499)</u>

##### Nature and purpose of reserves

##### Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

as at 31 March 2020

### Note 9

#### Movement in deferred tax balances

##### Movement in deferred tax balances for the year ended 31 March 2020

(Rs. in Hundreds)

	Net balance 1 April 2019	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance 31 March 2020
<b>Deferred tax asset/(liabilities)</b>					
Property, plant and equipment	3,826	(3,826)	-	-	-
<b>Deferred tax assets/(liabilities)</b>	<b>3,826</b>	<b>(3,826)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

#### (ii) Unrecognised deferred tax assets

Deferred tax assets have been recognised only to the extent of Deferred tax liability accounted in books. Deferred tax asset is not recognised considering full losses incurred by Company till date because it is not probable that future taxable profit will be available against which the company can use the benefits therefrom.

##### Movement in deferred tax balances for the year ended 31 March 2020

(Rs. in Hundreds)

Particulars	March 31, 2020		March 31, 2019	
	Gross amount	Expiry date	Gross amount	Expiry date
Business loss	-		3,124	31-Mar-20
Business loss	5,909	31-Mar-21	5,909	31-Mar-21
Business loss	6,355	31-Mar-22	6,355	31-Mar-22
Business loss	810	31-Mar-23	810	31-Mar-23
Business loss	648	31-Mar-24	648	31-Mar-24
Business loss	280	31-Mar-26	-	
Business loss	2,576	31-Mar-27	-	
Depreciation loss	1,020	NA	328	NA
Depreciation loss	3,236	NA	3,236	NA
Depreciation loss	2,525	NA	2,525	NA
Depreciation loss	1,806	NA	1,806	NA
Depreciation loss	993	NA	993	NA
Depreciation loss	105	NA	105	NA
Depreciation loss	175	NA	175	NA
Depreciation loss	89	NA	89	NA

## Chalet Hotels & Properties (Kerala) Private Limited

### Notes to the Financial Statements (Continued)

as at 31 March 2020

(Rs. in Hundreds)

Particulars	As at	As at
	31 March 2020	31 March 2019
<b>Note 10</b>		
<b>Borrowings</b>		
<b>Unsecured</b>		
From related parties	2,11,370	1,91,370
	<b>2,11,370</b>	<b>1,91,370</b>

Note : Loan is repayable on demand. Interest charged for the year ended 31 March 2020 @ 10% per annum (31 March 2019 @ 11% per annum).

#### A) Terms of repayment

##### Rate of interest

Particulars	Sanction Amount	Carrying rate of Interest	Carrying rate of Interest	Repayment/Modification of terms	Security Details
		As at 31 March 2020	As at 31 March 2019		
<b>From Related Parties</b>					

K Raheja Corp Private Limited	NA	10.00%	11.00%	On Demand	Unsecured
-------------------------------	----	--------	--------	-----------	-----------



# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

as at 31 March 2020

(Rs. in Hundreds)

### Note 11

	As at 31 March 2020	As at 31 March 2019
--	------------------------	------------------------

#### Trade payables

Due to micro and small enterprises

-	-
---	---

Due to other than micro and small enterprises

2,309	2,731
-------	-------

<b>2,309</b>	<b>2,731</b>
--------------	--------------

### Note 12

	As at 31 March 2020	As at 31 March 2019
--	------------------------	------------------------

#### Current - Other financial liabilities

Interest accrued but not due on borrowings

64,302	46,600
--------	--------

Statutory dues payable\*

652	387
-----	-----

<b>64,954</b>	<b>46,987</b>
---------------	---------------

\*Statutory dues payable includes TDS payable

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

for the year ended 31 March 2020

(Rs. in Hundreds)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Note 13</b>		
<b>Other income</b>		
Miscellaneous income	611	715
	<u>611</u>	<u>715</u>
<b>Note 14</b>		
<b>Finance costs</b>		
Interest expenses	19,890	2,28,119
	<u>19,890</u>	<u>2,28,119</u>
<b>Note 15</b>		
<b>Other expenses</b>		
Travelling and conveyance expenses	539	393
Power and fuel	155	153
Rates and taxes	-	24,878
Legal and professional charges	6,972	6,938
Payment to auditors (refer note 20)	400	295
Security Expenses	12,319	12,496
Miscellaneous expenses	1,280	2,453
	<u>21,665</u>	<u>47,606</u>

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

as at 31 March 2020

### Note 16

#### Tax expense

(Rs. in Hundreds)

##### (a) Amounts recognised in statement of profit and loss

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Current income tax expense</b>		
<b>Deferred income tax liability / (asset), net</b>		
Utilisation of previously unrecognised tax losses	(3,826)	-
<b>Deferred tax credit</b>	(3,826)	-
<b>Tax credit for the year</b>	(3,826)	-

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

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	-	-	-	-	-	-
	-	-	-	-	-	-

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Deferred income tax asset, net	-	-

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss before tax	(6,36,014)	(13,79,473)
Company's domestic tax rate	25.75%	25.75%
<b>Tax using the Company's domestic tax rate</b>	<b>(1,63,774)</b>	<b>(3,55,214)</b>
<b>Tax effect of:</b>		
Expenses not allowed under tax	1,53,230	71,001
Current year loss not creating deferred tax	6,718	-
Income not subject to tax	-	(184)
	<b>(3,826)</b>	<b>(2,84,397)</b>

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

for the year ended 31 March 2020

### Note 17

#### Earnings per share

(Rs. in Hundreds)

<b>Calculation of weighted average number of equity shares - Basic and diluted</b>		<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Particulars</b>			
<b>1</b>	Loss attributable to equity shareholders	<b>(6,32,188)</b>	(13,79,473)
<b>2</b>	<b>Calculation of weighted average number of equity shares - Basic and diluted</b>		
(a)	Number of shares at the beginning of the year	<b>2,77,87,770</b>	10,000
(b)	Add: on account of shares issued during the year	-	2,77,77,770
(c)	Number of equity shares outstanding at the end of the year	<b>2,77,87,770</b>	2,77,87,770
	<b>Weighted average number of equity shares outstanding during the year</b>	<b>2,77,87,770</b>	<b>71,63,727</b>
<b>3</b>	Earnings per share (Rs.)		
	Basic	<b>(2.28)</b>	<b>(19.26)</b>
	Diluted	<b>(2.28)</b>	(19.26)
<b>4</b>	Nominal value of shares (Rs.)	<b>10</b>	10

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

as at 31 March 2020

(Rs. in Hundreds)

### Note 18

#### Contingent liabilities and commitments (to the extent not provided for)

	31 March 2020	31 March 2019
<b>Contingent liabilities</b>		
<i>Claims against the Company not acknowledged as debts</i>		
Performance Guarantees given to Department of Tourism of Kerala	5,00,000	5,00,000

### Note 19

#### Capital Commitments

	31 March 2020	31 March 2019
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,67,000	1,67,000

### Note 20

#### Dues to micro and small suppliers

	31 March 2020	31 March 2019
The amounts remaining unpaid to micro and small suppliers as at the end of the year.		
Principal	-	-
Interest	-	-
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	-	-
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 21

#### Payment to auditors

Particulars	31 March 2020	*31 March 2019
Audit fees	400	295
<b>Amount debited to Statement of Profit and Loss</b>	<b>400</b>	<b>295</b>

\* Amount paid to erstwhile auditors.

Current year also includes amount paid to erstwhile auditors of Rs. 10,000.

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

as at 31 March 2020

(Rs. in Hundreds)

### Note 22

#### 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.

31 March 2020	Carrying amount			Fair value			Total
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	
<b>Current financial assets</b>							
Cash and cash equivalents	-	8,723	8,723	-	-	-	-
	-	<b>8,723</b>	<b>8,723</b>	-	-	-	-
<b>Current financial liabilities</b>							
Borrowings	-	2,11,370	2,11,370	-	-	-	-
Trade payables	-	2,309	2,309	-	-	-	-
Other financial liabilities	-	64,954	64,954	-	-	-	-
	-	<b>2,78,633</b>	<b>2,78,633</b>	-	-	-	-

##### Financial instruments - Fair values and risk management (Continued)

31 March 2019	Carrying amount			Fair value			Total
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	
<b>Current financial assets</b>							
Cash and cash equivalents	-	12,121	12,121	-	-	-	-
	-	<b>12,121</b>	<b>12,121</b>	-	-	-	-
<b>Current financial liabilities</b>							
Borrowings	-	1,91,370	1,91,370	-	-	-	-
Trade payables	-	2,731	2,731	-	-	-	-
Other financial liabilities	-	46,987	46,987	-	-	-	-
	-	<b>2,41,088</b>	<b>2,41,088</b>	-	-	-	-

##### Financial instruments - Fair values and risk management (Continued)

#### Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk;
- Market risk;

#### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

##### (B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, cash and cash equivalents and other bank balances, derivatives and investment securities. The carrying amounts of financial assets represent the maximum credit exposure. There are no financial assets other than Cash and Bank balance to determine credit risk.

##### (a) 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.

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

as at 31 March 2020

(Rs. in Hundreds)

### Note 22

#### Financial instruments – Fair values and risk management (Continued)

##### (C) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

##### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2020	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
<b>Non current, non derivative financial liabilities</b>						
Borrowings	-	-	-	-	-	-
<b>Current, non derivative financial liabilities</b>						
Borrowings	2,75,672	2,75,672	2,75,672	-	-	-
Trade payables	2,309	2,309	2,309	-	-	-
Other current financial liabilities	652	652	652	-	-	-
<b>Total</b>	<b>2,78,633</b>	<b>2,78,633</b>	<b>2,78,633</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 March 2019	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
<b>Non current, non derivative financial liabilities</b>						
Borrowings	-	-	-	-	-	-
<b>Current, non derivative financial liabilities</b>						
Borrowings	2,37,970	2,37,970	2,37,970	-	-	-
Trade payables	2,731	2,731	2,731	-	-	-
Other current financial liabilities	387	387	387	-	-	-
<b>Total</b>	<b>2,41,088</b>	<b>2,41,088</b>	<b>2,41,088</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### (D) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instruments fluctuate because of change in market prices. The Company has insignificant exposure to market risk as it is debt free at the end of the reporting period and does not have an exposure to foreign currency transactions.

##### (E) Currency risk

There is no currency risk to the Company since there are no foreign currency transactions.

# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Financial Statements (Continued)

as at 31 March 2020

(Rs. in Hundreds)

### Note 23

#### Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total borrowings, comprising interest-bearing loans and borrowings, less cash and cash equivalents and bank deposits. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at is as follows:

Particulars	31 March 2020	31 March 2019
Total borrowings	2,75,672	2,37,970
Less: Cash and cash equivalents	8,723	12,121
<b>Adjusted net debt</b>	<b>2,66,949</b>	<b>2,25,849</b>
<b>Total equity</b>	<b>(2,69,910)</b>	<b>3,62,278</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>-0.99</b>	<b>0.62</b>

### Note 24

#### Segment reporting

As the Company's business activity falls within single primary business segment and one geographical segment, the segment information is not provided.



# Chalet Hotels & Properties (Kerala) Private Limited

## Notes to the Ind AS Financial Statements (Continued)

as at 31 March 2020

(Rs. in Hundreds)

### Note 25

#### Related Party Disclosures

Disclosures as required by the Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” are made below:

#### (A) Name of the related parties and description of relationship:

Holding Company:	Chalet Hotels Limited
Shareholders of the Company	K Raheja Corp Private Limited
Key Managerial Personnel	Sanjay Sethi, Director
Key Managerial Personnel	Rajeev Newar, Director
Key Managerial Personnel	Anand Chandan, Director
Key Managerial Personnel	Vishal Masand, Director (Appointed w.e.f May 24, 2019)

#### (B) Transactions during the year ended March 31, 2020

Nature of Transaction	Name of The Related Party	Transaction for the year ended 31 March 2020	Transaction for the year ended 31 March 2019
Loan Borrowed	Chalet Hotels Limited	-	22,16,000
Loan Borrowed	K Raheja Corp Private Limited	20,000	2,72,350
Loan Repaid	Chalet Hotels Limited	-	22,81,000
Loan Repaid	K Raheja Corp Private Limited	-	24,86,000
Interest	K Raheja Corp Private Limited	19,890	51,778
Interest	Chalet Hotels Limited	-	1,76,341

#### Footnote:

(1) Reimbursement of cost is not included in the above.

#### (C) Balances outstanding

Balance Outstanding	Name of The Related Party	As at March 31, 2020	As at March 31, 2019
Outstanding Loan Balance	Chalet Hotels Limited	-	-
Outstanding Loan Balance	K Raheja Corp Private Limited	2,11,370	1,91,370
Interest Payable	K Raheja Corp Private Limited	64,302	46,600
Interest Payable	Chalet Hotels Limited	-	-

### Note 26

The existing shareholders of the company have committed to provide the necessary level of support, to enable the Company to continue as a going concern in view of cash losses incurred by the Company in past years.

### Note 27

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

### Note 28

#### Impact of COVID-19 Pandemic

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, property plant and equipment, etc., as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as current contract terms, financial strength of partners, etc. However, the management concludes that there are no material adjustments required in the financial statements. However, the impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.

### Note 29

#### Prior year comparative

The figures for the previous year have been audited by a firm of Chartered Accountants other than B S R & Co. LLP.

As per our audit report of even date attached

For B S R & Co. LLP

Chartered Accountants

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

Sd/-

Mansi Pardiwalla

Partner

Membership No : 108511

Place: Mumbai  
18-May-20

Sd/-

Sanjay Sethi

Director

DIN: 00641243

Place: Mumbai  
18-May-20

Sd/-

Rajeev Newar

Director

DIN: 00468125

Sd/-  
Saurabh Bandekar  
Company Secretary  
Membership No. A60746