ANNUAL REPORT
2019-20

CHALET HOTELS

LONG-TERM
PARTNERSHIPS

SUSTAINABLE
BEST PRACTICES

RESILIENT
BUSINESS MODEL

CRAFTING A FINE BALANCE

We believe a sustainable business like ours is essentially about crafting a fine balance of priorities and focusing on the long-term play. Our expansive portfolio of high-end, globally acclaimed hotel properties and mixed-use assets strive to create unique experiences for our guests and exceptional value for our partners, colleagues and all other stakeholders.

Our broad strategy compass points at three critical priorities. First, **following sustainable best practices**, which translate into energy-saving initiatives, water & waste management, minimising plastic use, maintaining industry leading standards of operating efficiencies and supporting the community.

Second, **creating a resilient business model** on the pillars of location, efficient build, partnerships and setting high performance drivers. We are following new operating procedures post COVID-19, sharpening consumer focus & centralising key functions and we are engaging with key clients to identify new formats of offerings as part of our 'Reboot, Reinvent and Race Ahead' back to business strategy.

Finally, **fostering long-term partnerships** with leading international hospitality brands and leading Indian retail brands to expand our footprint and grow our business.

As India's economy engine gradually gathers steam, we are geared to scale up our portfolio with a judicious and balanced strategy; as we eagerly wait to welcome guests.

JW Marriott Mumbai Sahar

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About this Report

Reporting scope

Chalet Hotels Limited (Chalet/the Company) has taken a step to move towards Integrated Reporting ('IR'), in line with its continuous commitment to voluntarily disclose more information to its stakeholders on all aspects of the business. Accordingly, the Company has introduced key content elements aligned to the International Integrated Reporting Council (IIRC) framework and Securities and Exchange Board of India (SEBI) circular dated February 6, 2017. Chalet will add more such elements over the years as it goes forward. The IR data, other than the data from audited financial statements, is based on management estimates and has not been independently validated.

Through this report, it is the Company's endeavour to present to its stakeholders a narrative on its value-creation process and its performance during FY 2019-20. The report presents balanced information on Chalet's performance and showcases its governance structure, strategic framework, its operating environment, the operating risks and opportunities and its prospects in a comprehensive manner. Apart from the Company's financial performance, the report covers the non-financial aspects, including operational, environmental and social performance.

Reporting period

April 1, 2019 to March 31, 2020

Reporting frameworks

The non-statutory sections of the report incorporate key content elements aligned with the IIRC recommended International Integrated Reporting Framework. The other statutory reports, including the Directors' Report, Management Discussion and Analysis (MDA), Business Responsibility Report and the Corporate Governance Report, are as per the Companies Act, 2013 (including the rules framed thereunder), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the revised Secretarial Standards issued by The Institute of Company Secretaries of India. The financial statements are drawn in accordance with Indian Accounting Standards (IndAS). To optimise governance oversight, risk management and controls, the contents of this report have been reviewed by the senior management team of the Company.

Approach to Materiality

Chalet's environmental, social and governance (ESG) objectives have played a material role in determining the Company's priorities. Focus on ESG takes into consideration aspects which are material from a value or stakeholders' perspective as per the assessment of the management.

The information that we have presented is critical for investors and other interested stakeholders. These topics have significant business impacts and are key to the Company's value-creation process.

Forward-looking statements

This report has been prepared by the Company and the information on which it has been derived has been derived from sources believed to be reliable.

Certain statements in this report may constitute forward-looking statements within the meaning of applicable securities laws and regulations, The same may be based on the management assessment and expectations with respect to future circumstances, which involve a number of risks and uncertainties, beyond the control of the Company, that could cause actual results to differ materially from those in such forward looking statements. Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion on future operational or financial performance.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, the Company's ability to manage growth, intense competition, including those factors which may affect its cost advantage, wage increases, ability to attract and retain highly skilled professionals, natural calamities, epidemics and pandemics, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorised use of its intellectual property and general economic conditions affecting the industry.

The Company may, from time to time, make additional written and oral forward-looking statements, including reports to its shareholders and does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

Introducing forms of Capital

HARMONISING RESOURCES AND RELATIONSHIPS

We draw on various tangible and intangible, financial and non-financial resources to create and sustain value for our stakeholders. Six different forms of capital – financial, manufactured, intellectual, human, social & relationship and natural - complement our business performance, support community aspirations and our commitment to environmental stewardship. Interestingly, each form of capital that we deploy strengthens our defining traits of Pedigree, Proficiency and Performance.

Financial capital

Chalet judiciously uses capital received from both equity and debt sources across the operational canvas to deliver industry-leading returns to our providers of financial capital.

Total Revenue

₹ 10,090 million

2019-20
2018-19 10,348
2017-18 8,513

EBITDA

₹ 3,645 million

2019-20
2018-19 3,668
2017-18 3,005

Net Profit After Tax

₹ 996 million

2019-20
2018-19 (76)
2017-18 (929)

Operating Cash Flow

₹ 2,524 million

2019-20
2018-19 3,655
2017-18 2,489

Total Debt*

₹ 17,907 million

2019-20
2018-19 14,942
2017-18 27,093

* Excluding Preference shares

Capital Employed

₹ 32,816 million

2019-20
2018-19 28,348
2017-18 27,961

Total Shareholders' Funds

₹ 15,543 million

2019-20
2018-19 14,255
2017-18 4,955

Manufactured capital

Chalet's Hotels alongwith its commercial and retail space, represent the physical infrastructure that enables it to do business, to grow and create. Chalet is consistently investing, both on hospitality and non-hospitality portfolio to enhance the scale and scope as a part of its stated mixed use strategy.

Hotel Properties

6

Keys

2,554

Total room nights in 2019-20

615,164

Mixed-use retail space

~383k sq.ft.

Mixed-use commercial and office space

~483k sq.ft.

Fixed asset value as on March 31, 2020

₹ 22,825 million

Brands across assets types

9

Intellectual capital

Chalet's lineage, brand partnerships, industry veterans in leadership roles and operational know-how result in expert asset management capabilities and business synergies

Years of asset management experience

20+

KMP and Senior Management Team

897 years

EBITDA per Key/Property

₹ 1.3 million

Human capital

Chalet has an engaged workforce motivated by consistent engagement and clear growth paths. Chalet is upskilling its workforce through tailor-made training programmes. A sharp focus is maintained on strengthening diversity and inclusion among the Company's human assets.

Great Place To Work. Certified APR 2020-MAR 2021 INDIA

Recognitions - Great Place to Work®

Associate to Room Ratio (Hospitality)

1.03

Investment in employee training/ engagement

₹ 21 million

Revenue per associate

₹ 3.48 million

Associate Count*

2,900

*includes employees hired on temporary/ contractual/ casual basis

Social & Relationship capital

Chalet continues to nurture long-lasting relationships with growing stakeholder fraternity such as investors, operating partners, vendors, customers, employees and communities. Their continued patronage and loyalty strengthen the Company's confidence to operate responsibly and grow collectively.

Brands across assets types

9

Trade body memberships

5

Supplier base

6,000+

Natural capital

Chalet judiciously draws resources from the natural environment. The Company's initiatives focus on minimising wastage of vital resources and reducing overall environmental footprint.

Number of LEED certified properties

4

Use of renewable energy in overall operations

43%

Water Consumption

0.64 KL/Room/day

Corporate Identity

STEP INTO OUR UNIVERSE

Chalet owns, manages, develops and asset manages high-end hotels in India's gateway cities. It's hotel platform comprises six operating hotels, including a hotel with a co-located serviced residence, located in the Mumbai Metropolitan Region, Hyderabad, Bengaluru and Pune.

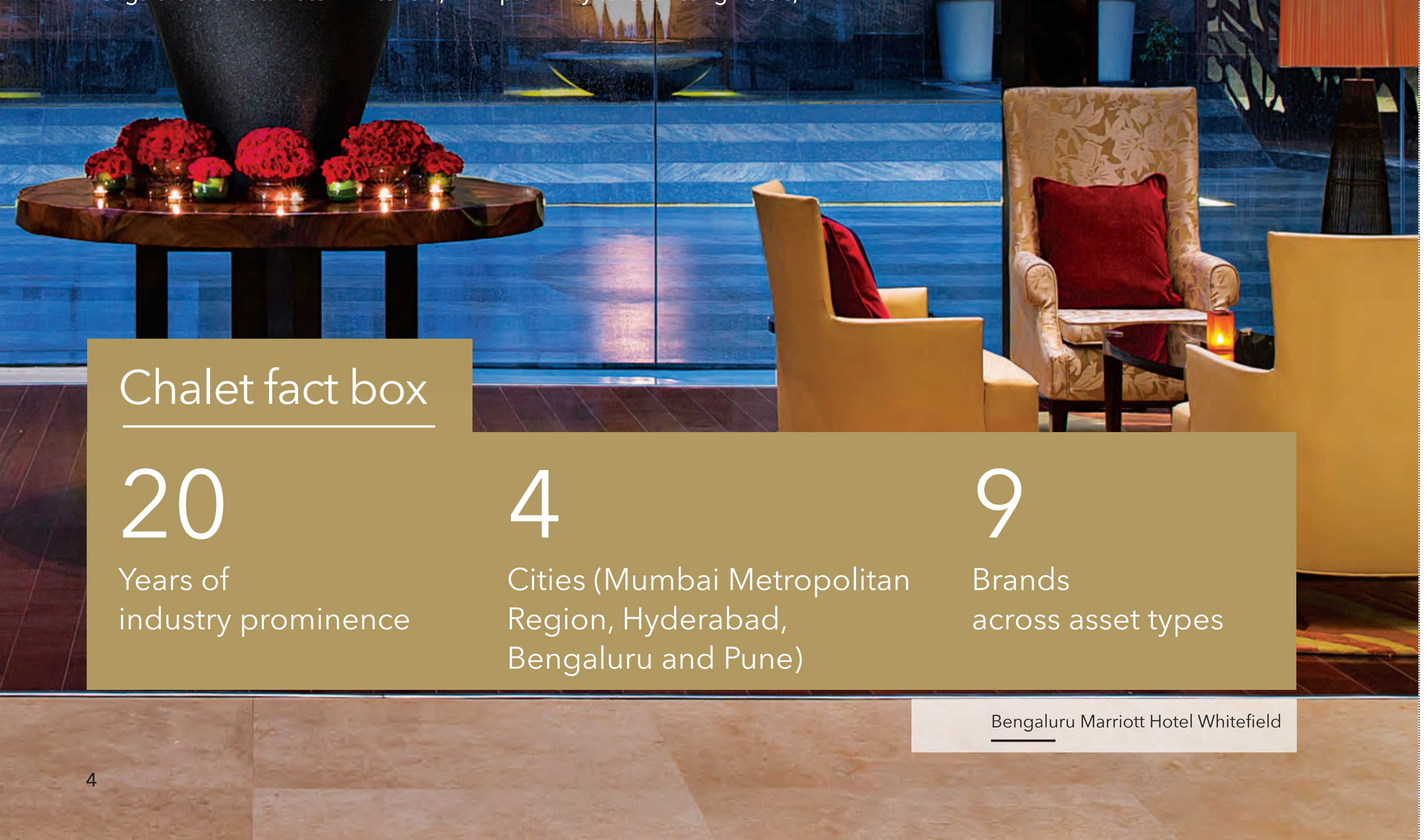
Chalet's focus is on the mainstream, upscale and luxury segments of the hotel industry and have a targeted portfolio of brands tailored to meet the aspirations of our guests and the needs of the special occasions they celebrate.

All the hotels are branded with globally recognised brands, such as JW Marriott, Westin, Marriott, Marriott Executive Apartments, Renaissance, Four Points by Sheraton which are held by Marriott Group and Novotel which is held by the Accor Group. The six hotel properties and a serviced residence which are managed by third parties are JW Marriott Mumbai Sahar, Bengaluru Marriott Hotel Whitefield, The Westin Hyderabad Mindspace, Novotel Pune Nagar Road, Renaissance Mumbai Convention Centre Hotel and Marriott Executive Apartments.

While focusing on hospitality returns, the key emphasis is on strategic locations, efficient design and development strategy, appropriate positioning, together with branding and operational tie-up with global players. Chalet leverages its asset management expertise to drive performance.

Moreover, Chalet has developed commercial and retail spaces, in proximity to its existing hotels, partnering with brands such as Inorbit and The Orb.

The Company has developed hotels at strategic locations generally with high entry barriers and in high-density business districts. Developed on large land parcels, our hotels have a sizeable inventory of rooms as well a wide range of amenities, such as fine dining and speciality restaurants, large banquet and outdoor spaces. The Company's endeavour is to target the luxury, upper upscale, and upscale hotel segments at an efficient gross built-up area and development cost per key.



Chalet fact box

20
Years of industry prominence

4
Cities (Mumbai Metropolitan Region, Hyderabad, Bengaluru and Pune)

9
Brands across asset types

Bengaluru Marriott Hotel Whitefield

Our vision

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

Intent: To keep our shareholders as the key focus of doing business. To create value when creating lasting experience for our valued stakeholders.

Our values drive us

Integrity

Do the right thing

We uphold the highest standards of integrity in all of our actions

Chalet's governance approach reflects the essence of this value. Read more on pages 36-37

Agility

Think, Decide, Act proactively

Our strength lies in being nimble, decisive and being proactive in our actions

Chalet's strategic approach reflects the essence of this value. Read more on pages 26-27

Efficiency

Transform optimally

We focus on results, act with ambition to be operationally competitive

Chalet's business model reflects the essence of this value. Read more on pages 20-21

Collaboration

Work as one

We harness differences and interdependencies to unleash the power of one

Chalet's brand associations and human resource approach reflects the essence of this value. Read more on pages 6-13 & 28-29

Sustainable development

We grow responsibly

Focus on growth tempered with respect towards the environment and local communities

Chalet's corporate social responsibility and green initiatives approach reflects the essence of this value. Read more on pages 30 - 33

Respect

Recognising and enabling individual contribution and growth

We respect individual beliefs and diversity to provide a nurturing environment for our colleagues to grow

Chalet's human resource approach reflects the essence of this value. Read more on pages 28-29

Our lineage

K Raheja Corp stands today as one of India's leading developers with a success story spanning four decades. From exquisite residences to adaptive workplaces, skillfully created hotels and convention centres to outstanding retail destinations, K Raheja Corp has made a significant impact on the evolution of modern-day living.

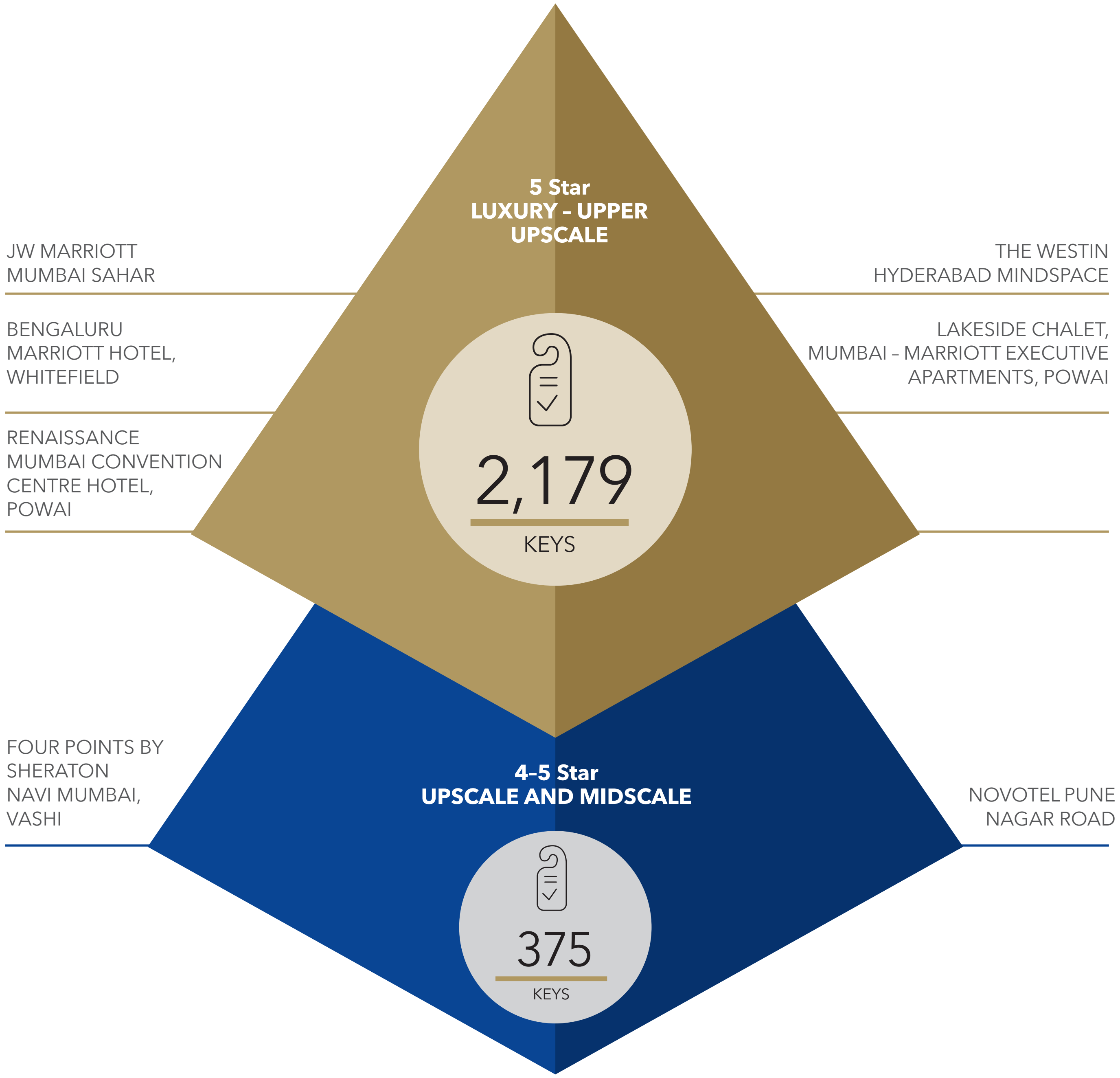
Pioneering the industry's responsibility towards contributing to a green society, it signed a memorandum of understanding with the CII-Green Building Council to construct green buildings, back in 2007.

The group has been synonymous with pioneering concepts and creating brands such as 'Mindspace' and 'Commerzone' in Commercial development, 'Chalet Hotels' in Hospitality, 'Shoppers Stop' in Retail 'Inorbit' in Malls, and 'Viva', 'Vivarea', 'RahejaVistas' and 'Artesia' in premium Residential living spaces.

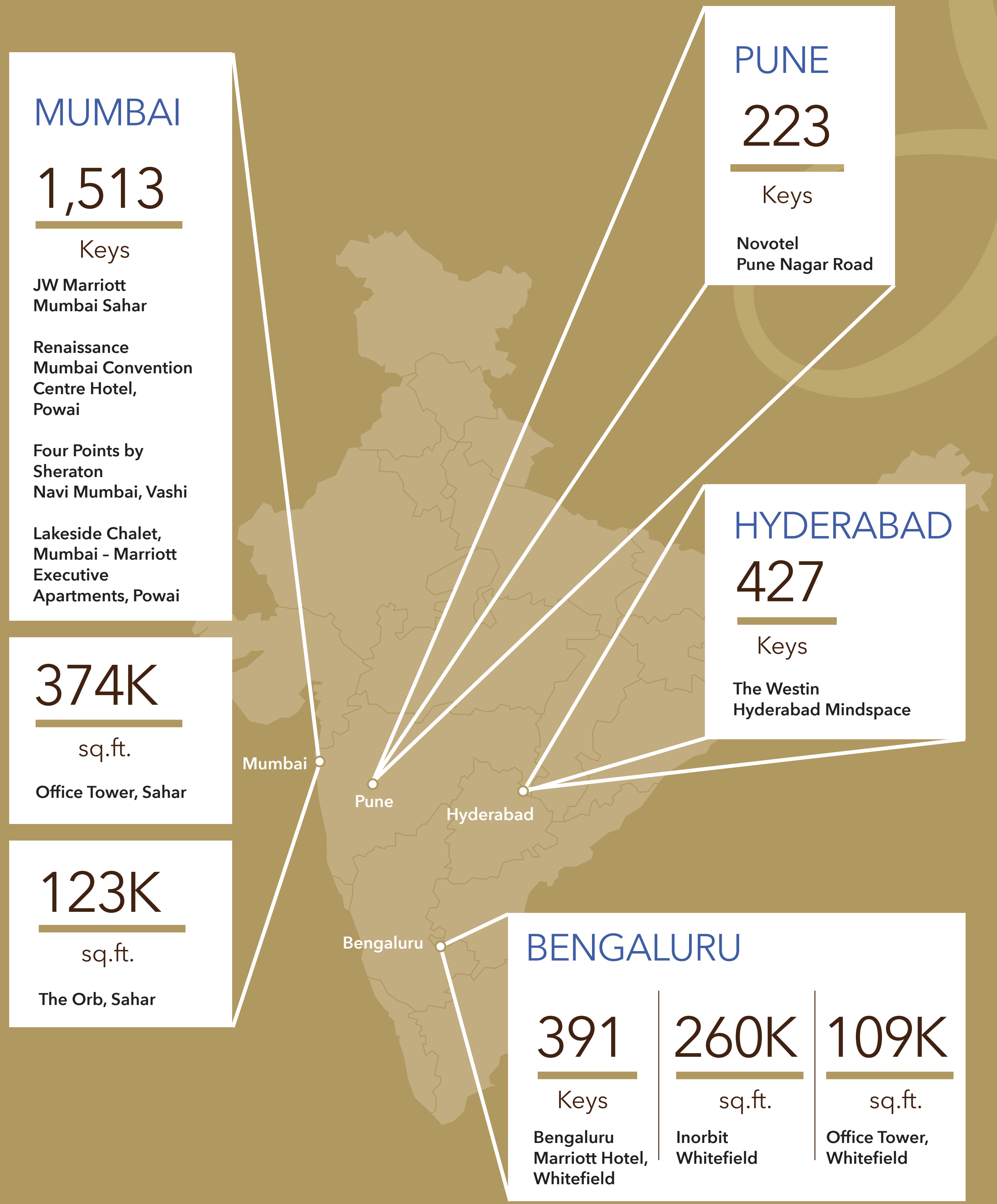
Curated Assets, Branded with the Best

BRINGING GREAT BRANDS TO LIFE

We help energise esteemed brands and create the right experience for our guests.



City-wise portfolio across strategic markets



City-wise Portfolio Across Strategic Locations

MUMBAI

Hotels

588 Keys

JW Marriott Mumbai Sahar

A prime city hotel located near the airport (Andheri East), offers a 5 Star luxury experience

600 Keys

Renaissance Mumbai Convention Centre Hotel, Powai

Designed to enrich your lifestyle with luxury accommodation in an upscale location amid 15 acres of greenery on the banks of Powai Lake

173 Keys

Lakeside Chalet, Mumbai – Marriott Executive Apartments, Powai

Set along the banks of the picturesque Powai Lake, feel at home in an extended stay apartment with the amenities of a 5 Star hotel

152 Keys

Four Points by Sheraton Navi Mumbai, Vashi

Offering contemporary amenities in the corporate hub of Navi Mumbai metropolis, and meeting the aspirations of discerning travellers

Commercial

374K sq.ft.

Office Tower, Sahar

Retail

123K sq.ft.

The Orb, Sahar

PUNE

Hotels

223 Keys

Novotel Pune Nagar Road

One of the finest business hotels in the city celebrates life, accentuates every occasion with zest, making it ideal for both business trips and family outings

HYDERABAD

427 Keys

The Westin Hyderabad Mindspace

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

BENGALURU

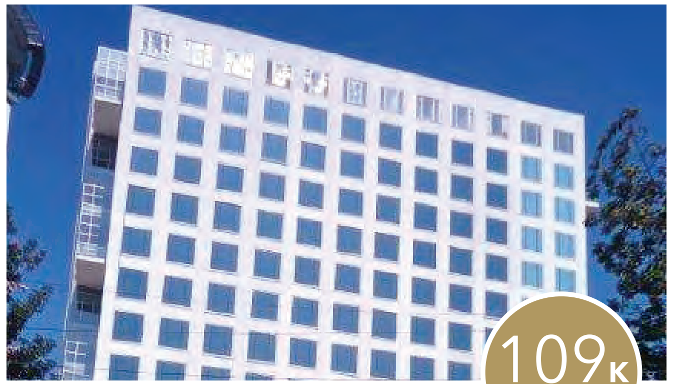
Hotel

391
Keys

Bengaluru Marriott Hotel, Whitefield

Experience luxury stay close to the corporate offices and the entertainment centres in the new business district of Bengaluru

Commercial



109K
sq.ft.

Office Tower, Whitefield

Retail

260K
sq.ft.

Inorbit, Whitefield

UPDATE ON CAPITAL EXPENDITURE OUTLAY

In light of the COVID-19 pandemic situation, the Company has taken decisions on the right-timing of Capital Expenditure plan based on assessment of demand recovery and being prudent on current cashflow needs

Commercial Development

Renaissance Complex, Powai
~750K sq.ft. commercial tower

Marriott Complex, Whitefield
~400K sq.ft. commercial tower

The projects are under development and work has been secured at pre-lockdown stage. Timeline will be reviewed in 2nd quarter of FY 2020-21 on the basis of demand and cashflow.

Hospitality

'Westin Hyderabad Hitec City', ~170 Keys

The project is nearing completion, work has been secured at pre-lockdown stage. Timeline to be reviewed in 2nd quarter of FY 2020-21 basis demand and cashflow situation.

Mumbai Metropolitan Region

- Airoli, Navi Mumbai: Proposed brand 'Hyatt Regency', 260 keys
- Renaissance Complex, Powai: Proposed brand 'W', 150 keys

These projects have been deferred for the period of FY 2020-21, to be reviewed basis demand and cashflow situation.

Product improvement plan & Rebranding

Renaissance Mumbai Convention Centre Hotel

The project undertaken would be limited to renovation of 44 rooms and public areas, while the rebranding to 'Westin Mumbai Powai Lake' has been deferred to CY 2021.

Novotel Pune Nagar Road

The proposed completion of additional 88 rooms and Spa at Novotel Pune Nagar Road has been deferred to CY 2021.

Expansions and Partnerships

FUNDAMENTALLY FORWARD-LOOKING

We are passing through extraordinary times when the hospitality sector has been hit significantly in the wake of the outbreak of the pandemic.

We continue to show our resilience during these trying times, on the basis of our strong fundamentals and our confidence in the medium to long-term outlook.

Foray into high-growth Pune markets

Novotel Pune Nagar Road

Chalet acquired Belaire Hotels Private Limited (BHPL), the owning company of 'Novotel Pune Nagar Road' Hotel (Novotel Pune), and its affiliate Seapearl Hotels Private Limited (SHPL), for a net consideration of ₹ 1,768 million. Novotel Pune is a 223-room, 5 Star hotel, with a capacity to add up to another 88 rooms. The hotel has two restaurants, a bar and banqueting space of over 7k sq ft and is operated by Accor Group. This move is aligned with our growth strategy of strengthening and expanding our portfolio to new geographies with a strong demand potential.

Pune City attracts significant traffic from business travellers and is proving to be a major hub for fin-tech, technology and auto & auto ancillary industries in India, making it a perfect destination choice for us. The hotel is in an affluent neighbourhood with proximity to key business hubs of Viman Nagar, Kharadi, Yerawada, Kalyani Nagar and Koregaon Park, within a 4 km radius. Additionally, the expansion of the airport and boom of Financial, Fintech and IT industries makes the city an attractive place for the hospitality sector.

The Company believes that with the market dynamics of the location and Chalet's asset management capabilities, the hotel should be able to deliver returns in line with the Company's expectations.

Strengthening ties with Marriott

JW Marriott Mumbai Sahar

We signed five new agreements with Marriott Hotels India Private Limited (Marriott). Under these agreements, Chalet would build hotels, change a brand and extend contracts for 1,500+ keys

- 'The Westin Hyderabad Hitec City', an upcoming ~170 keys property 'The Westin Hyderabad Mindspace' (427 keys) a new contract signed continuing with the existing brand
- 'W Mumbai Powai Lake', an upcoming ~150 keys property in Powai Mumbai
- 'The Westin Mumbai Powai Lake' (600 keys) which is a new contract with 'brand conversion and up-gradation' for Renaissance Mumbai Convention Centre and Hotel
- 'Lakeside Chalet, Mumbai – Marriott Executive Apartments' (173 keys) is a new contract signed, continuing with the existing brand

Partnering with Hyatt Group

As part of the Company's growth strategy of strengthening and expanding our portfolio, selection of the right brands continues to be a key focus area. Chalet signed a franchise agreement with Hyatt India Consultancy Private Limited (Hyatt) and its affiliates for a proposed Hyatt Regency at Navi Mumbai Airoli. The Company's upcoming ~260 keys hotel will be the first Hyatt Regency branded hotel for Chalet.

Statement from the Chairman

NAVIGATING CHALLENGES. IDENTIFYING OPPORTUNITIES.

THIS HAS BEEN A YEAR OF COLLABORATIONS AND NEW HORIZONS FOR THE COMPANY. NOVOTEL PUNE, NAGAR ROAD WAS ADDED TO THE HOTEL PORTFOLIO, MARKING AN ENTRY INTO THE BUSINESS CITY OF PUNE

Dear Shareholders,
It gives me great pleasure in presenting the 35th Annual Report of your Company for the financial year ended March 31, 2020, wherein your Company has reported a profit after tax of ₹ 996 million.

This has been a year of collaborations and new horizons for your Company. Novotel Pune, Nagar Road was added to the hotel portfolio, marking an entry into the business city of Pune. Your Company also signed new hotel management contracts of ~1,500 rooms with Marriott and franchise contract of ~250 rooms with Hyatt. With this, we have fortified the relationships of your Company with the existing partners and forged new relationships. Being brand agnostic, the Company continues to grow strategically in new markets.

The year started on a positive note and marked the third continuous year of rate growth for the Company, despite headwinds on the economic front. The emergence of COVID-19 during the final quarter of the year came as a setback to the tourism and hospitality industry world over. This impacted the final quarter performance of your Company as well and affected our annual performance.

While the situation is still evolving, your Company's Management has been totally focused on cashflow management and developing strategies to benefit from the disruptions that are likely to follow the withdrawal of lockdowns . Our core Values of Integrity, Agility, Efficiency, Collaboration, Sustainable Development and Respect have been key in the current scenario in taking the team together in formulating a 'New Normal' for the business.

THE YEAR STARTED ON A POSITIVE NOTE AND MARKED THE THIRD CONTINUOUS YEAR OF RATE GROWTH FOR YOUR COMPANY, DESPITE HEADWINDS ON THE ECONOMIC FRONT.

We consider this as not only our duty towards society but our honour and privilege to serve the nation and humanity at large. Our hotels have been regularly delivering meal packets to government personnel on duty. Our hotels have provided PPE kits to the police and employees of the Municipal Corporation as and when needed. We are honoured to keep our doors open for the front-line warriors from the medical fraternity in Mumbai and look forward to welcoming our guests in the new normal.

Yours Sincerely,

Hetal Gandhi
Chairman and Independent Director
DIN 00106895

Statement from the Managing Director

BEING RESOLUTE. EMERGING STRONGER.

WE GREW OUR PORTFOLIO TO SIX HOTEL ASSETS, ACROSS SEVEN BRANDS WITH 2,554 KEYS IN FOUR KEY CITIES IN THE UPSCALE TO LUXURY SPACE

Dear Shareholders,

It is an honour for me to address you on the second Annual General Meeting post listing of Chalet Hotels Limited.

In the most challenging crisis, the hotel industry has ever endured, our highest priority has been the well-being of our guests and colleagues. We have also adopted a 'no-regret action strategy' to reduce our costs and support our cash flows to ensure we are able to tide over the next few quarters. We believe that with a well-positioned asset base of hotels at key locations and diversified revenue streams from the non-hotel portfolio, your Company is well positioned for a quick recovery when travel demand returns.

With extremely harsh economic conditions, a vast majority of global hospitality markets have seen occupancies drop down to below 20% in the last few months. Whilst not a perfect comparison, China is a good directional comparison for what the recovery in India might look like. Since they are around three to four months ahead of the virus cycle, we can assume that India may follow a similar occupancy trend with a three to four month lag. Like many other markets, key markets in China too were performing at occupancy levels of 10% - 20% in the months of March and April. However, the first half of May has shown some green shoots of hope with peak performance hitting the 50% mark across key cities of China. This gives us hope for a turnaround in not too distant a future. However, there are several uncertainties around the access to a cure or vaccines for COVID-19 and a potential second wave. We must not let our guard down.

For FY 2019-20, the average room rate of our hotels grew by 3% whilst the overall occupancy levels were at 71%. Excluding the period of impact of the pandemic i.e. the month of March 2020, the performance of the first 11 months witnessed a 4% improvement in average room rates while occupancy held a steady 75% mark along with a 3rd consecutive year of rate growth.

The quarter ended March 31st commenced well with the acquisition of Novotel in Pune in early February 2020, marking the beginning of a tie up with the Accor Group. We grew our portfolio to six hotel assets, across seven brands with 2,554 keys in four key cities in the upscale to luxury space.

We continue to be cost effective, which is seen in our operating margins. Your company delivered a healthy operating margin of 36.1% despite a significant revenue impact at the end of the year.

An early roll out of 'No regret action strategy' have resulted in sustainable cost efficiencies and maintaining liquidity, since the start of this crisis. We are reworking one of our largest cost items, payroll, by rationalising salaries and numbers to align with business in the near to midterm. Our other large cost line item of utilities has also contributed to a downward trend on fixed costs. We have also successfully renegotiated our AMC and other contracts to achieve incremental cost savings. Along with these cost savings, current revenue, cash in books and lines of credit, I am happy to share that we are reasonably comfortable to meet our short to midterm cashflow requirements.

The opening of the skies for commercial airlines, bodes well for the hospitality industry. Further, lifting of restrictions from key business cities in the country will be critical to quantify how soon normalcy might return.

Chalet, has played a fundamental role in supporting the state machinery - with rooms being allocated for medics, quarantine facilities for asymptomatic travellers, healthy meals served to the COVID warriors and more. Four out of six hotels continued to have in-house guests during the lockdown, including long stay guests, COVID Warriors, and special circumstance groups. I cannot be more grateful to my team on the ground who have endured these tough times providing hospitality services to the guests and going beyond their line of duty.

We continue to monitor developments on the ground and look at our strategy with a new lens. In the 'new normal' the nature of demand is likely to change.

Your Company's development pipeline for new projects in the hospitality sector has been suitably modified to maintain positive cash flows and 'right time' the projects based on market dynamics. The proposed Hyatt hotel at Airoli and W hotel at Powai have been deferred at the moment.

The launch of the proposed Westin hotel at Hyderabad will be reviewed for opening in the second half of FY 2020-21.

The completion and addition of the 88 rooms and Spa at Novotel, Pune will be deferred to CY 2021.

Similarly, the new projects pipeline in commercial real estate space consisting of the commercial tower in Powai, Mumbai and Bangalore have been staggered over a longer period.

Chalet continues to prepare in multiple ways for the future - the 'new normal' - as we "Reboot, Re-invent and Race ahead."

While we keep lines of communication highly active at work with our teams across locations, we also stay connected with our customers and key accounts, who play an important role in our ability to track the nature of demand in the new normal. As the saying goes, 'We must reinvent a future, free of blinders so that we can choose from real options', and at Chalet we will evaluate all existing options and tailor new ones. In the times to come, we believe that standard conventions may cease to exist, and our values of Agility, Efficiency and Collaboration will augur well for us.

Your company shall continue to assess the emerging consumer behaviour and demand drivers thereby and suitably realign its business strategy with a view to be a dominant player in the marketplace. The management team at the hotels continue to proactively engage with their key stakeholders and guests.

One can expect that new construction across the industry will be slow over the next 12 - 24 months, as financing is expected to be constrained, until we see signs of recovery. With limited supply in the industry, one can expect some additional tailwinds for the occupancy and rate movement with the economic recovery.

I must take a moment to thank our colleagues across the hotels who have borne tough times during the crisis. Our teams have adapted admirably to new safety and sanitisation protocols and performed with lean operating staff, amazing us each day with their heart-warming stories of resilience and commitment.

Allow me to share some rare good news in such times. Our Company has recently been certified as a Great Place to Work by Great Place to Work® Institute (India) and Ranked 16th in 'India's Great Mid-size Workspaces'. This recognition comes as a testament to the team's effort to constantly innovate and internalise outstanding human resource practices.

While these are extraordinarily difficult times, we are certain that our business model, backed by our Group's legacy, and our robust talent pool, is well placed for sustained long-term growth.

Travel will bounce back, Chalet stands ready to welcome guests and help them experience outstanding hospitality, all over again.

My team joins me in thanking you for your continued support and wish you and your dear ones good health always.

Yours Sincerely

Sanjay Sethi
Managing Director & Chief Executive Officer
DIN: 00641243

Key Performance Indicators

STEADY ON COURSE

Profit and loss

Total income (₹ in million)

FY 2019-20	10,090
FY 2018-19	10,348
FY 2017-18	8,513

EBITDA (₹ in million)

FY 2019-20	3,645
FY 2018-19	3,668
FY 2017-18	3,005

EBITDA Margin (%)

FY 2019-20	36.13
FY 2018-19	35.45
FY 2017-18	35.30

Profit before tax (₹ in million)

FY 2019-20	1,008
FY 2018-19	(183)
FY 2017-18	(1,448)

Profit after tax (₹ in million)

FY 2019-20	996
FY 2018-19	(76)
FY 2017-18	(929)

Earnings per share (₹)

FY 2019-20	5.01
FY 2018-19	(0.43)
FY 2017-18	(5.88)

Balance sheet

Net worth (₹ in million)*

FY 2019-20	15,543
FY 2018-19	14,255
FY 2017-18	4,955

*Including Revaluation Reserve

Return on net worth (%)

FY 2019-20	6.41
FY 2018-19	(0.54)
FY 2017-18	(18.74)

Capital employed (₹ in million)

FY 2019-20	32,816
FY 2018-19	28,348
FY 2017-18	27,961

Return on capital employed (%)*

FY 2019-20	11.1
FY 2018-19	12.9
FY 2017-18	10.7

* Earnings before interest, depreciation, amortisation, exceptional items and tax (EBITDA) / Capital Employed

Total Debt (₹ in million)*

FY 2019-20	17,907
FY 2018-19	14,942
FY 2017-18	27,093

*Excluding Preference Capital

Business performance

Average daily rate (₹)

	FY 2019-20	FY 2018-19
MMR*	8,309	8,080
Bengaluru	9,093	8,756
Hyderabad	8,688	8,163
Pune#	5,255	-
Combined	8,482	8,210

Occupancy (%)

	FY 2019-20	FY 2018-19
MMR*	72	76
Bengaluru	73	77
Hyderabad	70	76
Pune#	41	-
Combined	71	77

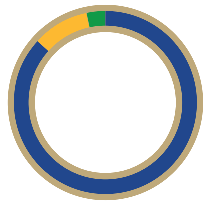
Revenue per available room (₹)

	FY 2019-20	FY 2018-19
MMR*	5,942	6,174
Bengaluru	6,593	6,757
Hyderabad	6,115	6,234
Pune#	2,130	-
Combined	6,022	6,283

*MMR: Mumbai Metropolitan Region

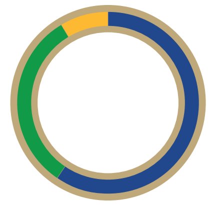
#Not comparable, consolidation is based on acquisition date of February 2020

Consolidated total income split in 2019-20 (%)



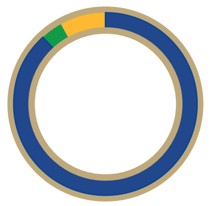
87 Hospitality
10 Retail and commercial
3 Other income

Hospitality revenue split in 2019-20 (%)



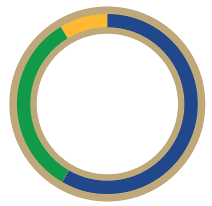
60 Room
32 F&B
8 Other Income

Consolidated total income split in 2018-19 (%)



88 Hospitality
4 Retail and commercial
8 Other income

Hospitality revenue split in 2018-19 (%)



58 Room
33 F&B
9 Other Income

Westin Hyderabad Mindspace

Business Model

THE CRUX OF THE MATTER IS BALANCE

CAPITAL INPUTS

Financial Capital
- Equity & Reserves: ₹ 15,543 million
- Total Debt (Excluding Preference Capital): ₹ 17,907 million

Manufactured Capital
- Fixed Assets: ₹ 22,825 million
- Number of hotels: 6
- Number of commercial and retail properties: 4
- Number of rooms: 2,554
- Total leased space: ~866K sq. ft.

Intellectual Capital
- Asset management ability to enhance productivity
- Strategic and business knowledge with the Group

Human Capital
- Associate Count* : 2,900 as on March 31, 2020
- Employee training & engagement: ₹ 21 million

*includes employees hired on temporary/ contractual/casual basis

Social & Relationship Capital
- CSR spend during the year: ₹ 1.90 million
- Number of brand associations: 9
- Suppliers: 6000+ active vendors
- Number of trade body memberships: 5

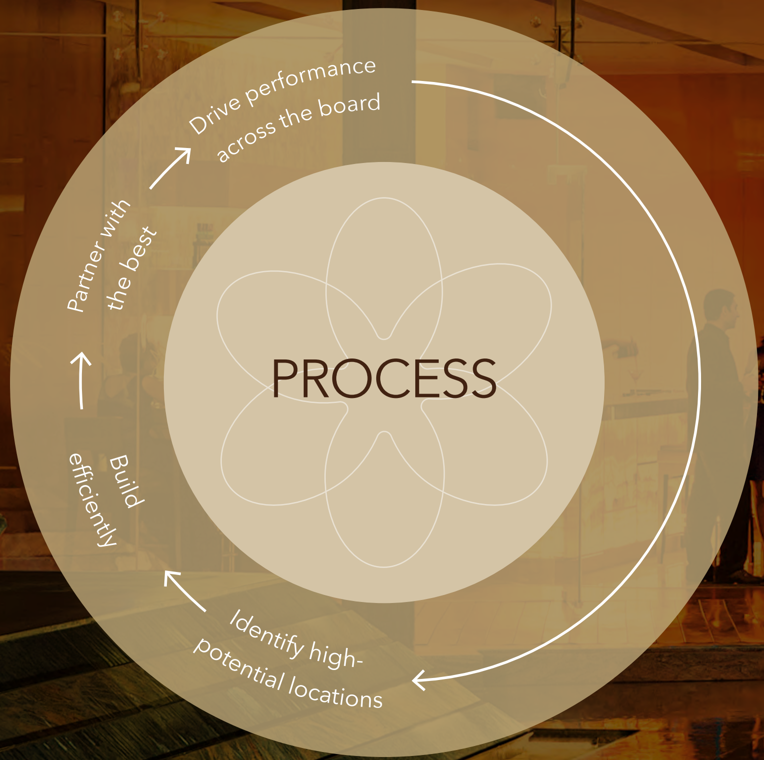
Natural Capital
- Energy mix
  - Renewable: 43%
  - Non-renewable: 57%
- Number of LEED certified properties: 4

Bengaluru Marriott Hotel Whitefield

LONG-TERM APPROACH

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

Values
- Integrity
- Agility
- Efficiency
- Collaboration
- Sustainable Development
- Respect



Strategic Priorities
- Maximising returns
- Industry leadership in operating performance
- Drive growth
- Nurture relationships
- Sustainable best practices

OUTPUTS

615,164
Total room nights during the year

71%
Average occupancy rates

₹ 8,482
Average ADR (Average daily rate) for hotels

1.67 million
Number of guests served in hotels

3,369
Events organised

~483K sq. ft.
Commercial space leased out

~383K sq. ft.
Retail space leased out

OUTCOMES

Financial Capital
- Maximise shareholder returns
- Sustainable capital structure
- Generating Optimal cash-flows per asset
- Revenues: ₹ 10,090 million
- EPS: ₹ 5.01

Manufactured Capital
- Optimal returns from investment and property
- Market dominance across all hotel properties
- Annuity shield from mixed use development

Intellectual Capital
- Prudent and Efficient Cost Structure
- Optimum Revenue Mix

Human Capital
- Higher employee productivity
- Better employee satisfaction
- Right Sizing - Staff to Room Ratio: 1.03
- Stronger talent management
- Revenue per employee: ₹ 3.48 million

Social & Relationship Capital
- Higher customer acquisition and retention
- Fortified policy development
- Community development
- CSR initiatives reaching out to various sections across society

Natural Capital
- Sustainable resource utilisation
- Water Consumption: 0.61 KL/room/day
- Consistent energy savings through various initiatives across all our properties
- CO_2 emissions avoided by embracing renewable energy:

Stakeholder Engagement

RELATIONSHIP BUILDING IS FUTURE PREPAREDNESS

Constant communication with our stakeholders on matters that concern them the most forms one of the pillars balancing your Company.

This helps build mutually beneficial relationships, create opportunities for growth and manage emerging risks. It defines the activities engaged in and the outcomes aimed at to achieve in order to create value for all stakeholders. Here, key stakeholder groups and the nature of your Company's engagement with each group has been defined.

Stakeholders	Why it is important for us to engage	How we engage with our stakeholders
Investors and Promoters	Investors and promoters are the providers of capital necessary for growth. Transparent communication to understand and deliver on their expectations is ensured.	• Meetings with existing and potential shareholders • Regular engagement with sector analysts • Information disclosure on Investor Relations section of the corporate website • Annual Reports • Earnings call and presentations • One-on-one/group meetings/concalls • Investors' conferences
Employees	People are crucial for delivering delightful customer experiences. Chalet has an enriching work environment that is essential for employee wellbeing, concurrently, encouraging them to align their aspirations and expectations to the organisational strategy.	• Interactive corporate communications • Intranet portal • Training programmes • Leadership development programmes • Team engagement initiatives by HR • Employee feedback surveys • Townhalls and other engagements between the employees and the senior management • Informal get-togethers among employees • Formal and informal team interactions • Regular Senior Management interactions across various levels
Business partners	Brand partners and suppliers enable the Company to deliver consistent customer experiences and enrich its value proposition	• Formal and informal partner meetings • Participation at owner forums • Feedback and annual evaluations • Participation at trade fairs/ trade commerce organisations • Long-standing relationships with the best brands in the business • Ensuring sustainable procurement
Communities	Engagement helps us to focus efforts on empowering local communities, which contribute to the Company's long-term viability	• Corporate social responsibility activities • Environment friendly initiatives like LEED certification for our hotels, energy efficiency initiatives, and so on • Encourage employee volunteering
Customers	It is imperative to understand and adapt to customers' requirements, perceptions and behaviours in order to deliver unique experiences, thereby enhancing brand value and driving revenue	• Guest feedback/ customer satisfaction assessment (through our brand partners) • Corporate engagement initiatives • Industry conferences • Brand-building and reputation management
Regulators	Regulators provide the framework within which the Company operates, and the Company ensures compliance with and understanding of the broader economic, social and environmental issues	• Statutory compliances • Regular filings • Press releases • Industry-level meetings and interactions

Materiality mapping

One of the most important outcomes of regularly engaging with stakeholders is identification of issues that are significant to both the organisation and stakeholders. These internal and external influencers help determine and prioritise material issues. These issues have the potential to create or destroy value. Chalet has identified the following material issues based on their potential to impact business performance and sustainability.

The prioritisation of material topics related to performance, people, and the planet is well aligned with the Company's strategic priorities.

- Health and Safety
- Sustainable Profitability & Return on Investment
- Redressal Mechanism
- Environmental initiatives
- Development of local communities
- Information and cyber security
- Brand & Reputation
- Risk Mitigation
- Water/Waste Management
- Responsible Procurement
- Growth
- Service Quality
- Sound HR Policies and Talent Management
- Social Initiatives
- Governance

External Environment

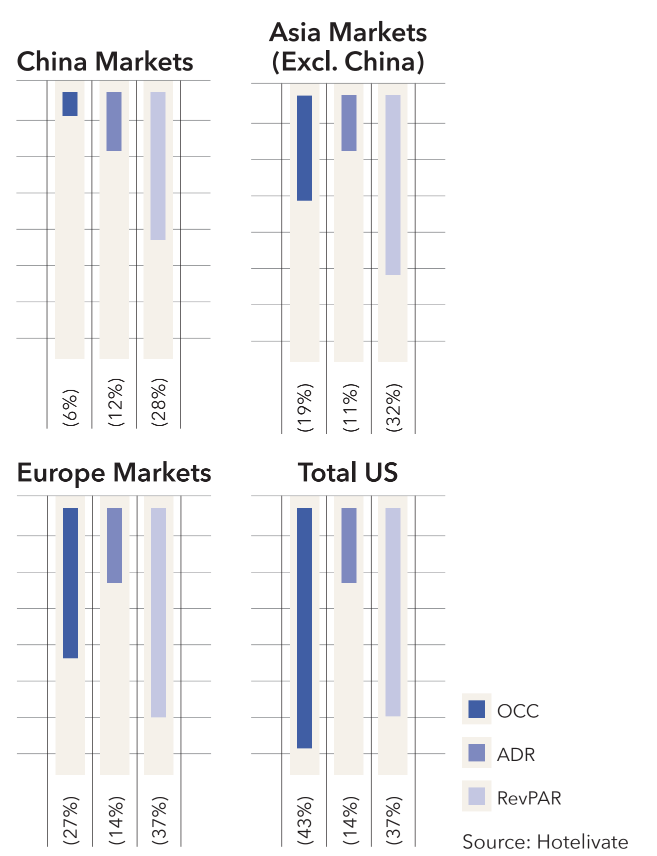
REMAINING RESILIENT

As of June 2020, the COVID-19 pandemic had spread to around 188 countries, with confirmed cases over 10 million, and had claimed more than 0.5 million lives globally according to Johns Hopkins University. The after-effects of the lockdown implemented to control the virus are expected to spread deeper into the fundamentals of the global economy.

As per a recent report by Hotelivate, "The Indian Hospitality Industry: A Comprehensive Guide to Managing COVID-19", approximately 60-65% of branded hotel rooms in India are potentially non-operational and the economic impact and cost of this lockdown are quantifiable at this stage. The report also states that with almost all countries experiencing some sort of mandated travel restrictions, those fighting the pandemic are generally exhibiting similar levels of depressed occupancy and RevPAR levels.

For the financial year ended March 2020, notwithstanding headwinds in the economy the hospitality industry saw a positive movement in rates and steady 70%+ occupancies in the key business cities of India. This was led by a favorable demand supply scenario within the Industry.

Hotel industry forecasts for 2020



Source: Hotelivate

JW Marriott Mumbai Sahar

In this section we attempt to understand the drivers within the current landscape which are key to the hospitality sector's revival

Economic relief

The Government of India has given a cumulative relief package of ~₹ 20 trillion amounting to ~10% of the country's GDP to revive the economy targeting Land, Labour, Liquidity and Law. The package also focuses specifically on the lower income groups and announces a slew of financial measures to ease pressure on the micro, small and medium-sized enterprises (MSMEs) and corporates. These measures are focused on creating an 'Atmanirbhar Bharat' or a 'Self-reliant India'.

As members of some of the major tourism and hospitality associations in India, the senior management of the Company has also been actively engaging with the regulatory bodies at the state and national level to seek specific relief to improve the recovery pace of the sector.

Nature of demand

Travel advisories from the beginning of March 2020 and the subsequent lockdown announced by the Government of India from March 24, 2020 have brought the industry to a standstill with most hotels in India operating at sub 20% occupancy levels. The demand today is largely from stranded travellers, quarantined passengers and medical staff across the country. The recovery in the Indian hospitality industry is dependent on the control of the virus, the extent of the lockdown and the subsequent zoning exercise. With the easing of lockdown from the end of May 2020, there is hope that the hospitality industry may see a growth in demand and a gradual business recovery.

As seen from the past major world events, the recovery of individual markets was primarily driven by a resurgence of demand in domestic travel. Indian hospitality industry witnesses approximately 80% demand from domestic travelers hence one can expect the recovery to start faster.

Nature of supply

Hotel projects that are in the initial planning stage are expected to be either delayed or shelved at this time. There are chances several of them will not be revived, given the uncertainties around the pandemic and stress in the capital markets. Projects that are already under construction are expected to see a slower pace of execution due to unavailability of construction labour and the developer's desire to conserve cash in these uncertain times. Such a decline in new supply will help existing hotels recover faster once demand returns.

With this 'new normal', enhanced guest experiences are expected to take shape to drive loyalty. Personalisation and uniqueness are the ethos of hospitality and unlikely to change in the future.

Service levels and guest expectations

In the post COVID world, social distancing will be the new norm and hence elaborate health and travel history checks and distancing measures will be key to ensure traveller safety. Going forward, technology, low-touch service delivery protocols and automation will transform traditional hotel operating models.

Highly trained staff would be much sought after to offer guests unique services while safe delivery of standard services with low-touch experiences will define service delivery protocols. Digital Access Control systems (DACS), guest room automation and voice technology will lead the basic expectations of the user.

Human resources

Quality of human capital is a key raw material in the service industry. Finding the right balance with employee per available room while maintaining high service levels and controlled costs will drive operational efficiency. The luxury segment with the highest service levels typically has a higher employee per available room ratio.

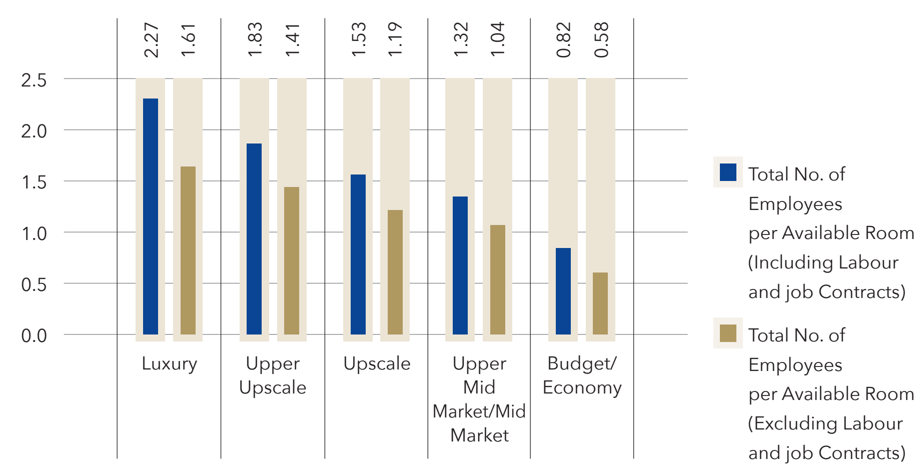
With higher dependence on technology, highly trained and specialisation in niche offerings would be sought-after skills in employees. This would help organisations to do well and manage the employee count.

Food and beverages segment

In a post-COVID era, even when the threat of virus is controlled, the fear of travel and over-crowded spaces will continue to effect people and their behaviour. Focus on increasing area per cover and in-room dining will lead the way. Á la carte service will likely take a preference over buffets.

Banqueting within the Food and Beverage space is likely to see a higher negative impact in the near term. With an expected improvement in the pace of recovery of the economy in the second half of the year, the demand for MICE (Meetings, Incentives, Conferences and Events) is likely to see some revival by the end of the current financial year although the size of events may shrink. In the Indian context, social functions may also see a surge from the November to March period.

Employee Per Available Room (January - December 2018)



Source: Hotelivate

Strategic Framework

A MORE FOCUSED VALUE CREATOR

Our business strategy revolves around effectively managing our assets and maximising returns for all our stakeholders. Our strategic approach seeks to bring about growth and transformation in an increasingly dynamic and competitive environment. Our well-defined strategies are regularly revisited and realigned to help realise our vision of creating extraordinary shareholder value through enduring experiences for our guests, partners and colleagues.

Strategic priorities	What it means	Strategy implementation through	Capitals Impacted	SDGs impacted
Maximising Returns	Strategic capex deployment to optimise efficiencies and returns	• Efficient project execution • Efficient design and development • Effective and efficient use of resources • Service excellence	Financial Manufactured Intellectual	9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production 8 Decent Work and Economic Growth
Industry leadership in operating performance	Partner with the best and enhance the performance of existing properties with strong asset management capabilities	• Detailed due diligence on right partner, right position and right product • Best-in-class asset management capabilities • Developing and nurturing the right talent • Outsourcing non-core functions and capitalising on strengths	Social & Relationship Financial Intellectual	9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production 8 Decent Work and Economic Growth
Drive Growth	Identify, expand, re-position the portfolio at the right time	• Sweating of assets driven by best-in-class asset management capabilities • Tracking business and growth trends in new/existing geographies for future expansion • Planned and rapid response to market and business dynamics for existing and new portfolio • Tracking regulatory and policy changes • Timely development of new assets	Financial Social & Relationship Human	12 Responsible Consumption and Production 8 Decent Work and Economic Growth 17 Partnerships for the Goals
Nurture Relationships	Nurture mutually beneficial relationships with best-in-class brands, with internal and external stakeholders	• Strengthening relationships with all stakeholders • A certified Great Place to Work® with strong HR policies • Great service and innovative loyalty programmes to customers • Engagement with trade bodies • Strong feedback mechanism to ensure quality improvements	Social & Relationship Human	17 Partnerships for the Goals 5 Gender Equality 4 Quality Education
Sustainable best practices	Thriving communities and sustainable business growth with least adverse environmental impact	• Strong leadership and best governance practices • Employee growth and well-being • Energy-efficient and environment friendly operations • Community well-being	Natural Intellectual	7 Affordable and Clean Energy 12 Responsible Consumption and Production 6 Clean Water and Sanitation 9 Industry, Innovation and Infrastructure

Capital Trade-off

Capitals	Maximising returns	Industry leadership in operating performance	Drive growth	Nurture relationships	Sustainable best practices
Financial	✓	✓	✓	✓	—
Manufactured	✓	✓	✓	—	—
Intellectual	✓	✓	✓	✓	✓
Human	—	✓	—	✓	✓
Social & Relationship	—	—	✓	✓	✓
Natural	—	—	—	—	✓
Explain the Trade-off	Allocation of funds based on principle of a balance between returns on investment and business sustainability	Lean operating structure with managing service levels	Asset development with asset acquisition and group know-how on strategic expansion with in-house capability of Asset Management	Relationship management while maintaining industry leading positioning	Focus on long-term business impact on the environment with key business decisions

✓ Positive — Neutral

Holistic Work Culture

ALL HANDS ON DECK

The experience and expertise of each member of the team is critical for the Company to sustain and grow the business in a dynamic operating environment with unpredictable headwinds. The Company deeply acknowledges the pivotal role of our colleagues and motivate them with need-based trainings and performance rewards.

Great Place To Work® Certified APR 2020–MAR 2021 INDIA

Great Place to Work®
Chalet has been ranked 16th in 'India's Great Mid-size Workplaces' by the Great Place to Work® Institute India.

Science behind productive recruitments
The induction process sets the organisation's relationship compass with all new team members. A cohesive orientation framework is what helps us instil in-depth understanding of our operating model.

Employee decisions taken based on cognitive and personality tests multiply the chances of them doing well. An online psychometric and talent analytics tool to ensure complete efficiency of the tests and outcomes is followed. This has significantly increased accuracy in positioning candidates in suitable roles with an 80% lead.

Diversity and Inclusion

Paternity Leave
A five-day leave policy to ease strain given increased work, personal responsibilities and need to make time for family

Pride Policy
This fortifies a non-discriminating and transparent environment at the office, creating opportunities for people across orientations to live a healthy, regular life

Fab Women
Offers expert consultation and circulars on making most of professional opportunities and better lifestyle choices

Aanchal Policy
It includes initiatives to support expectant mothers in achieving work-life balance and conquering challenges

Women Leadership Programmes
This ensures that the leadership of our organisation is diverse, well-represented and brings onboard multiple perspectives.

Adoption Assistance Policy
We also extend support and coverage for parents in the process of adoption

Hi-potential programme
Chalet has formulated an extensive, 12-month, executive and management training programme, which begins with a psychometric assessment and accelerates readiness of employees to take on more responsibilities.

Executive Development Programme (EDP) and Management Development Programme (MDP)
At Chalet, we believe in offering people careers and not jobs. Our talent development programmes focus on aspects of leadership, business, management and technological innovations. It is helping professionals develop new skills and enhance old skills across strategy, finance and negotiations. EDP/MDP graduates are recommended to be hired for internal vacancies.

Step Up - Existing employees first
The success of an organisation depends on how many leaders it creates. Chalet promotes organic growth and we are proud to have shaped leaders by imbuing inherent qualities, time and again.

Encouraging creative thinking
Chalet's organisational culture has always been to boost and motivate employees to think innovatively and explore new possibilities. Ours is a friendly environment with an open door policy to share creative ideas.

Learning and Development
Chalet imparts necessary functional training to our employees through the following initiatives:

- Environment, Health & Safety (EHS)
- Financial modelling
- Leadership skills for new managers
- Leadership coaching programme
- LEAD – Advanced leadership programme
- LEAP – Leadership Execution Accelerated Programme
- LAUNCH - Leadership Augmentation for New Challenges

Personal Development Plan
A tool for employees to identify areas of inadequate performance, the PDP establishes the framework that associates can follow to enhance ability to meet expected performance standards.

Spending quality time with our MD & CEO

connect with CEO

For our people
- Employee well-being programme
- In-house doctors
- Annual medical check-up
- Strong medical insurance policy
- Annual Sports Day
- Stepathlon

Engagement activities
The following are some of the lighter ways in which we keep our employees happy and motivated:

- Week of Joy, a gesture to celebrate the contributions of our associates
- Employee Recognition & Rewards Programme
- Values Card
- Wonder Women
- International Men's Day
- Fun Friday
- Diwali Dhamaka
- Festival and seasonal celebrations
- Town Hall
- International Women's Day

Corporate Social Responsibility

MAKING EVERY CAUSE COUNT

Chalet's CSR objective is to conceive, develop and fund programmes that can benefit the disenfranchised of the society, with focus on people with disabilities and those from the economically weaker sections. We enable and create opportunities for them to explore livelihood possibilities in hospitality and related sectors.

PANKH by TRRAIN

We have associated with Trust for Retailers and Retail Associates of India (TRRAIN), a public charitable trust that trains people with disabilities (PwD) and provides them employment opportunities in the industry.

PANKH is a unique initiative by TRRAIN to create sustainable livelihoods for Persons with Disabilities (PwD) and promote inclusive growth.
In FY 2019-20, we invested ₹ 1.7 million on training for 125 differently abled students, of which 82 completed the module and are undergoing campus recruitment.

We initiated the aforesaid program in Maharashtra, Telangana and Karnataka. The training module covers soft skills, English communication, personality development and so on.

Becoming an Inclusion Ally

Chalet believes in supporting Employee Diversity & Inclusion, as well as promoting Employee Wellness which is an integral part of building High-Trust High-Performance teams.

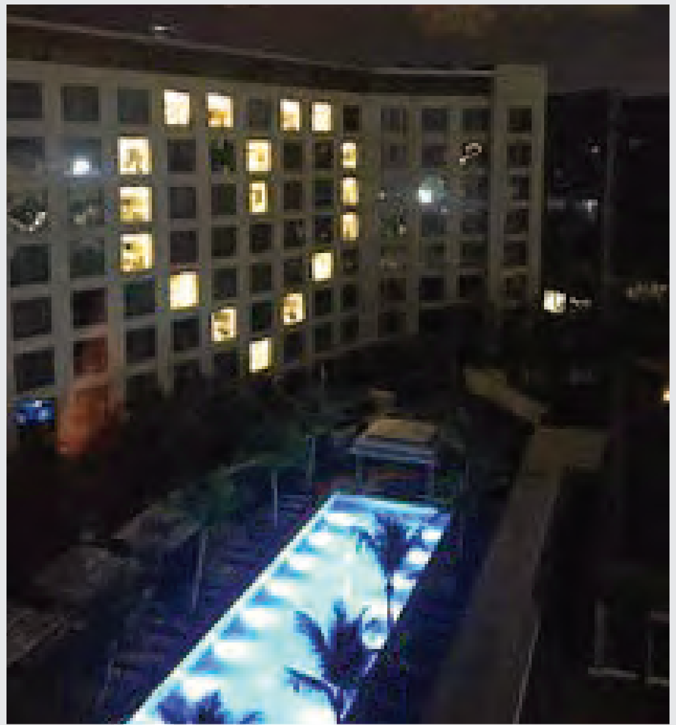
The Open 10K Run is an initiative promoted and supported by Adventures Beyond Barriers Foundation (ABBF), to provide Persons with Disabilities ('PwD') an equal opportunity to participate in the community as well as community related events.

Our employees ran with a PwD as an inclusion ally in the Open 10K Run, to shatter the stereotypes that come with disability, showing the world what true inclusion means.

Fighting a global crisis

In these unprecedented times, your Company has endeavoured to do its bit to help the Nation and our community. Our hotels are privileged that our meal packets are being accepted by those in lockdown duty. Our hotels have made PPE kits available to the police officials and employees of the municipal corporation on lockdown duty. Chalet is also honoured to keep our doors open for the front-line warriors from the medical fraternity in Mumbai.

Renaissance Mumbai Convention Center Hotel



JW Marriott Mumbai Sahar

Green Initiative

CO-CREATING THE FUTURE

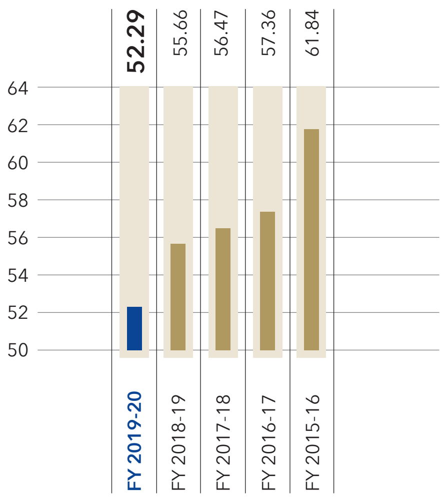
We want to be trendsetters rather than followers in our sustainability initiatives. This is a journey for us with many more milestones to cross, and we review each step from a social, ecological and economic standpoint. We invite the world to join us in better preparing for the future.

Energy efficiency

Chalet has taken the following measures to minimise the environmental impact of our operations:

- Replaced all Air Handling Unit (AHU) motors and fans with EC Fans to achieve optimum efficiency in all hotels.
- Installed heat pumps across the Units to produce hot water. This eliminates the consumption of high-speed diesel/pipeline gas. The mechanism works on electricity and releases cold water as a by-product, which supports the air conditioning system.
- Provided evaporative cooling in dry weather areas like Hyderabad for fresh air and treated fresh air system for pre-cooling.
- JW Marriott Mumbai Sahar, Bengaluru Marriott Whitefield and both Commercial assets have USGB Gold LEED certification.
- Primary and secondary system of the chiller plant room at the mid-size hotels (Between 100-250 rooms) are being converted into variable primary system for better efficiency.
- Solar panel installed within the hotel premises and generation of the solar plants are getting monitored by a mobile application.
- Amongst other initiatives, the Company has installed occupancy sensors in the rooms, LED lights across properties, converted LPG to Natural Gas.

Electrical consumption trend (KWH per room per day)



Efficient water management

We have introduced the following measures to move closer to being a water-positive organisation:

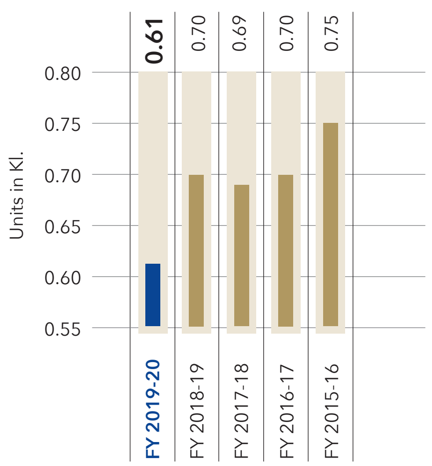
- Rainwater harvesting with mechanisms to get rainwater to percolate into ring wells, bore wells and rain harvesting tanks.
- Setting up waterless urinals at public places.
- Sewage Treatment Plant (STP) treated water is further purified by ultra-filtration to achieve better quality water. Same is getting utilised for air-conditioning, flushing and gardening.
- Our Mumbai properties' STP s are equipped with online monitoring system for constant checking and controlling the quality of water. At the same time, we are achieving zero discharge to municipal sewer line.
- We embarked on water less urinals for lobby restroom project at Four Points By Sheraton, Vashi as a pilot and more such ventures will be explored.
- All the hotels have been fitted with aerators in taps to optimise water usage by 35% - 50% per tap.

Responsible waste management

Our penchant for all things beautiful extends to nature. We are actively involved in modernising organisational waste management to leave everything nicer than we found it. Here are some of the initiatives:

- Natural drum type organic waste composter installed across all units. The organic manure is getting utilised in the respective gardens.
- Responsible disposal of E-waste
- Used cooking oil is given to third party to generate bio diesel.
- Responsible plastic sourcing and plastic shredding machines installed at all Units. Disposal of shredded plastic to authorised recyclers is also in place.

Water Consumption (KL per room per day)



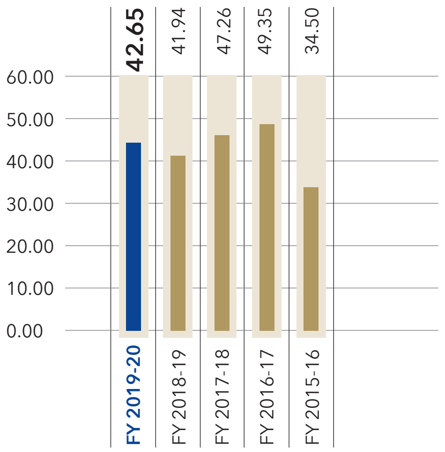
Renaissance Mumbai Convention Center Hotel

Renewable energy use

We use renewable energy from wind, solar and hydro sources. We have solar installations in our hotels and the electricity generated is being utilised for staircase and public area illumination.

Around 43% of electricity is getting generated from renewable energy.

Proportion of renewable energy used in operations (%)



Way forward

We never lose sight of our business objectives and strive to outdo our own performance. Following projects are under planning as of now:

- Pilot zero waste project will be carried out at Four Points By Sheraton, Vashi.
- Maintaining and monitoring the air quality in the guest public areas will be introduced.
- EC fans are being tested for air handling units, post full rollout it will reduce 10 to 15% of the unit consumption.

Awards

Bio-diesel from used oil - Certificate

Energy conversion - Renaissance Mumbai Convention Centre Hotel, Powai

Swatch Bharat - Renaissance Mumbai Convention Centre Hotel, Powai

#Novotel Pune Nagar Road received award for Sustainability Initiatives at Green Hotels Awards

USGB Green building certification

We intend to have a minimum USGB Gold LEED certification for all our properties. JW Marriott Mumbai Sahar, Bengaluru Marriott Whitefield, Commercial Tower Bengaluru and Commercial Tower Sahar Mumbai are Gold LEED certified.

Case study

HVAC Plant Room Optimisation

Plant room optimisation system optimises the entire Air conditioning equipment of plant room to get better efficiency. The optimiser is IP based where remote operation and monitoring is possible. To get better efficiency, system is being monitored 24 X 7 by analytical engineers to constantly improve the efficiency, apart from the hotel operation team.

Following equipment replacement are considered along with plant room optimiser to achieve better efficiency:

- High-efficiency chillers with VFD
- In-line pumping system
- Low approach cooling towers
- Auto-tube cleaner for cleaning the chiller condenser continually to get desired heat exchange/efficiency
- All our upcoming hotels will be with Plant Room Optimiser to achieve maximum cost efficiencies

22%-25% electricity saved compared to earlier plant room consumption measure

Risk Management

AGILE RESPONSE TO HEADWINDS

The increasing complexity of modern-day business models coupled with growing societal concerns are adversely impacting economies and industries. This is leading to enhanced emphasis on accountability in large organisations. We are equipped to combat enterprise risks with appropriate scenario planning to protect the interests of all those who have a stake in our growth and sustainability.

Our commitment

The Board of Directors of Chalet Hotels Limited recognises that it has a responsibility to manage risks and supports a structured, systematic and focused approach to managing those risks by approval of the risk management strategy. Mitigating the risks that arise during the course of day-to-day operations would be dealt with by the Board, its Committees and/or other employees at the time of its occurrence.

Risk management means understanding, identifying, assessing and prioritising risks followed by coordinated and economical application of resources to minimise, monitor and control the probability and/or the impact of unfortunate events. Risks could be posed by various factors – from the uncertainty in financial markets, market conditions, threats from project failures (at any phase in design, development and operations), legal liabilities, to credit risks, accidents, natural causes and disasters as well as deliberate attack from an adversary or events of uncertain or unpredictable root cause.

Risk management principles

Given the inevitability of risks arising from strategic decisions, your Company operates on proactive risk management principles framework to optimise the risk-reward relationship. The Board has, in accordance with Regulation 21 of the Listing Regulations, on May 10, 2019 authorised the Audit Committee to discharge and carry out the functions of the Risk Management Committee.

As per the terms of reference, the Audit and Risk Management Committee is responsible for evaluation of both internal financial controls and risk management systems.

Our principles of Risk Management are broadly the following:

- The Company has a robust process of identification and classification of risks that are pertinent to the Company's business and operations and identifies and reviews areas that require mitigation from time to time.
- All business decisions will be made with the prior information and acceptance of risk involved.
- The Risk Management Policy shall provide for the enhancement and protection of business value from uncertainties and consequent losses.
- The risk mitigation measures adopted by the Company shall be effective in the long-term and to the extent possible be embedded in the business processes of the Company.
- Risk tolerance levels are regularly reviewed and decided upon depending on the change in Company's strategy and the evolving economic environment.
- The occurrence, progress and status of all risks are promptly reported to the Audit and Risk Management Committee and appropriate suggestions are implemented.
- The Audit and Risk Management Committee, comprising three members of the Board, meets regularly and is joined by key management personnel and other members of the Board.

Board oversight and management involvement in risk strategy

Risk Identification and Assessment	Risk Response	Risk Monitoring and Reporting
• Define Risk • Risk Evaluation • Risk Probability • Quantitative analysis • Scenario analysis • Whistle-Blower	• Set out Business Continuity Plan • Set Milestones for implementation • Management and Insurance	• Risk mitigation Owners • Periodical Risk Evaluation • Reporting • Portfolio monitoring of financial risk
Internal checks and balances	Risk-responsive culture	Independent review and audit

Principal risks and uncertainties

	Mitigation response	Capitals impacted
1 **Slower than expected growth affecting productivity gains**	• We have a competitive-pricing policy to retain existing and increase market share. The cost is rationalised to expand customer base from reduced prices. • The Company is dynamic and devises a strategy to suit the changing environment in case of any exigencies, such as the COVID-19 pandemic. • The Company's strategy is to grow through a Revenue Per Available Room (RevPAR) concept. • With long and medium-term objectives, we have undertaken hotel development at strategic locations that have an optimised demand-supply opportunity • Tactical initiatives to sustain adverse events in the short term • Market performance is appropriately benchmarked to map opportunities for expansions and improvements.	Financial
2 **Adherence to local laws, regulations, and statutes is a challenge today. The risk of non-compliance in the states of operation, due to changing regulations**	• Compliance Management Tool and Documentary Management System with adequate checks • Extensive engagement with stakeholders to create greater awareness • Standard Operating Procedures (SOP), further strengthened by Internal Audit Reviews and the Company's Audit team • The Risk Committee actively reviews regulatory changes • Involvement and participation in industry discussions and steering improvements through such insight for greater ease of doing business.	Financial Human Social and Relationship Natural Intellectual
3 **Adopting new systems and technologies for greater returns**	• A shift to automated modes of financial reporting and related MIS was undertaken during the fiscal under review. • Guest engagement software was implemented across all Marriott properties where guest concerns and requirements can be digitally communicated to the identified service provider at the hotel. • Hotels implemented various automation initiatives during the year under review.	Financial Human Social and Relationship
4 **Cyber risk and system breakdown**	• Mechanisms are in place to ensure data protection at the properties we manage, such as masked credit cards and firewalls. • Marriott has adopted an aegis policy on cyber risk across its managed hotels. The franchise hotels are covered by a separate insurance policy. • The hotels and its departments have a contingency plan in case of an IT systems breakdown. Additionally, Mariott has a service level agreement (SLA) with each IT vendor on getting systems running within stipulated timeframes that do not affect operations. • There are prescheduled programmed data backups. Certain programmes and application data are backed up on the cloud with SLAs agreed upon with vendors for data backup. • Backup data are stored on tapes and monthly backups are stored at offsite locations.	Financial Human Social and Relationship

Foot note: The risk management policy has been uploaded in the Policies section of the website https://www.chalethotels.com/policies/

Governance

INDUSTRY-LEADING COMPLIANCE STANDARDS

The Board of your Company comprises of experienced industry leaders from diverse backgrounds and geographies, and with different areas of specialisation. The domain knowledge and experience of the Board of Directors provides the Company with a significant competitive advantage as the Company seeks to grow in existing markets and enter unexplored geographies.

Board structure

The Company's Board brings together professionalism and experience.

While India Inc. moves from family driven Boards to independent Boards, your Company's Board is spearheaded by an Independent Non-Executive Chairman and has an ideal mix of Independent and Non-Independent Directors, with half of the Board comprising Independent Directors.

The reins of the Company's management rests on professionals (who are industry stalwarts) who bring in the best industry practices across the business.

The Promoter Directors guide us with foresight and wisdom.

The Board comprises:

- Four Non-Executive Independent Directors including one Woman Director
- Two Non-Executive Promoter Directors
- Two Executive Directors

Board diversity

Chalet's Board comprises individuals from various fields and different parts of the world, resulting in diversity in thought and decision making ability to bring diverse ideas on the table.

The Chairman of the Company is an Independent Non-Executive Director.

The responsibility of the Company rests on the able shoulders of the Executive Directors viz the MD & CEO and the ED & CFO who are seasoned professionals well recognised in the hospitality industry.

The Independent Directors are experts in their respective areas who steer the Company towards achieving its long-term goals and delivering stakeholders value with their domain expertise. While some are industry stalwarts, some members have rich experience of global hospitality and capital market experience.

Key focus areas

- To set goals / targets for the Company's performance
- To supervise and control the performance of the Company
- Strategic guidance to the Company's management from time to time
- Review the Company's strategic and business / business development plans
- Monitoring responsibilities delegated to Committees and/or individuals to ensure proper and effective governance and control of the Company's activities

Effectiveness and evaluation

- Degree of fulfilment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, among others);
- Structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board / Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

Good governance - Better outcomes

The Company believes in focusing on long-term value creation for all stakeholders without compromising on integrity, social obligations and regulatory compliances.

Our Board

The Board of Chalet has eight Directors, with a majority of Non-Executive Directors. Our Board has an independent Non-Executive Chairman and half the Directors on the Company's Board are Independent. Brief biographies in respect of each Director can be found on page 38-40.

Our Board Committees

The Board has established a number of Board Committees to facilitate discharging some of its responsibilities and to monitor key activities. The Board Committees operate under Board-approved terms of reference, details of which are available in the full Corporate Governance Report which can be found on page 74.

Strong Ethics and Governance practices

The composition of the Board reflects the right balance between Executive and Non-executive Directors. The focus of the decisions is to ensure a balance between sustaining operational efficiency through sound governance practices.

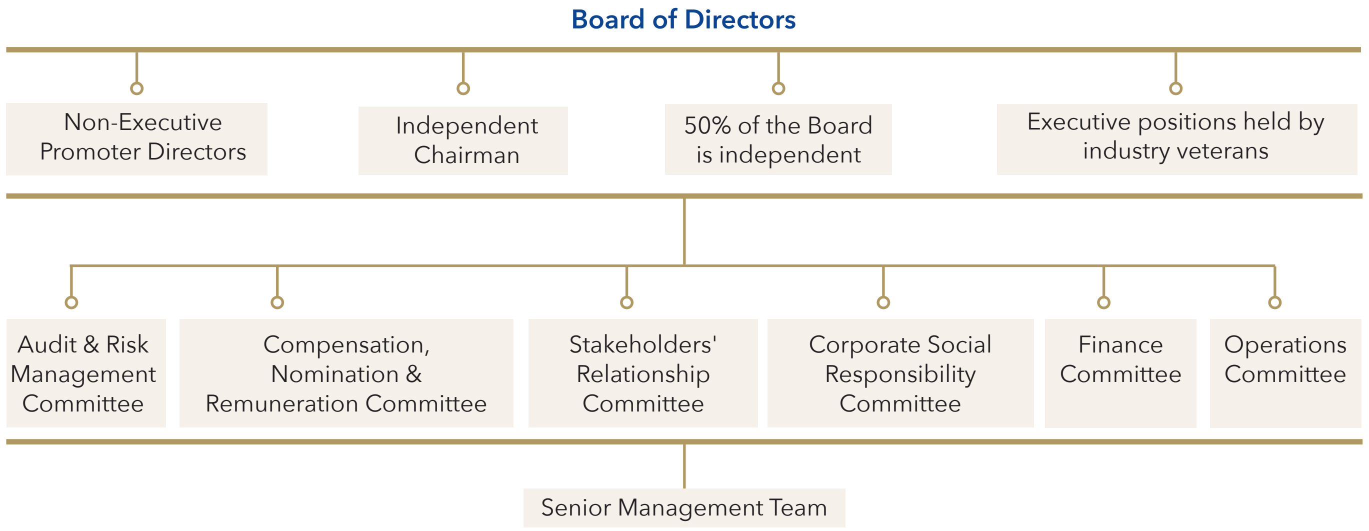
The Board oversees the sustainable and ethical operations which are also deliberated and decided upon by the CSR Committee of the Company.

Leadership and Lineage

Our Promoter Directors have displayed sound vision in building the Company as the hospitality vehicle of the K Raheja Corp Group. Our Managing Director & CEO is among the most recognised in the hospitality industry for sound knowledge and expertise.

The balance between Independent Directors, the parentage of the promoters and veteran leadership has led Chalet to become a hospitality company in India of reckoning.

The detailed composition of the Board and the Committees is detailed in the report on Corporate Governance Report on page 74.



Board of Directors

WELL-DIVERSIFIED BOARD

● Audit & Risk Management Committee ● Compensation, Nomination and Remuneration Committee
● Stakeholders' Relationship Committee ● Corporate Social Responsibility Committee
● Finance Committee ● Operations Committee

Ⓒ Chairman Ⓜ Member

1

Hetal Gandhi

Chairman and Independent Director

M C C

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

2

Joseph Conrad D'Souza

Independent Director

C C C

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

3

Radhika Piramal

Independent Director

M

Ms. Radhika Piramal is the Executive Vice Chairperson of VIP Industries Ltd., India's #1 Luggage Company. Ms. Piramal has been Executive Vice Chair since April 2017. Prior to this role, Ms. Piramal was the Managing Director of VIP Industries from 2010 – 2017, before which she worked in various sales and marketing roles in VIP from 2000 – 2004. Outside of VIP, she worked as a management consultant with Bain & Company in New York from 2006 - 2008. Ms. Piramal's leadership has been integral to revitalising VIP Industries' profitable growth. She holds a Bachelor's degree in Arts from Brasenose College, University of Oxford and a Master's in Business Administration from Harvard Business School.

4

Arthur de Haast

Independent Director

M

Mr. Arthur de Haast holds a Bachelor's degree in Hotel and Catering Management from the University of Strathclyde and has also been elected as a Life Fellow of the Institute of Hospitality. He Chairs the Global Capital Markets Advisory Council of JLL which provides advice on long term strategic matters that could influence the business, and undertakes specific projects related to the ongoing growth of Capital Markets. Mr. de Haast has over 35 years of experience in the hospitality and real estate sector, and has led a wide range of transactional and advisory assignments, apart from having extensive experience in managing and growing relationships with global clients. He is also a member of the Advisory Board of the Scottish Business School, University of Strathclyde, Glasgow and past Chairman of the Institute of Hospitality. In January 2020, he was appointed as an Independent Non-Executive Director of InterContinental Hotels Group PLC, an FTSE 100 company.

Board of Directors

5

Ravi C. Raheja
Promoter, Non-Executive Director
M M M

An alumnus of the London Business School, Mr. Ravi Raheja has over 26 years of comprehensive experience across real estate, retail and hospitality. He has spearheaded business development for the real estate arm of the Group and played a significant role in guiding the teams of corporate strategy, finance and planning for the Group's retail and hospitality divisions. At the helm of the most significant growth strategies, he is actively involved in charting the future growth of K Raheja Corp and each of its business. He has been a catalyst in the Group's evolution from a family owned business to a well-diversified conglomerate.

An evangelist for the green cause, Mr. Raheja spearheaded the signing of the memorandum of understanding with CII-Green Building Council to construct green buildings back in 2007. He plays a key role in the Group's philanthropic initiatives through K Raheja Foundation, Sadhana Education Society and S. L. Raheja Hospital.

Mr. Raheja was recently awarded the EY Entrepreneur of the Year Award in the Energy, Real Estate and Infrastructure category, along with his brother Mr. Neel Raheja.

6

Neel C. Raheja
Promoter, Non-Executive Director
M M M C

With a strong background in finance, a degree in law from the Mumbai University and an alumnus of the Harvard Business School, Mr. Neel Raheja has extended the Group beyond the realms of real estate. Working his way to the top, he has earned his place at the helm of the Group, scaling it to new heights. With an ear to the ground and ability to pre-empt current and possible future trends and practices, Mr. Raheja has been at the fore-front of driving change and innovation within the Group. He also ushered in the malls and department stores format in India; Inorbit Malls and Shoppers Stop are the culmination of his endeavour to bring organised retail into India.

He plays an active role in the Group's philanthropic initiatives through K Raheja Foundation, Sadhana Education Society and S. L. Raheja Hospital. He also drives the Group's growth through Green Building initiatives in sustainable development.

Mr. Raheja was recently awarded the EY Entrepreneur of the Year Award in the Energy, Real Estate and Infrastructure category, along with his brother Mr. Ravi Raheja.

7

Sanjay Sethi
Managing Director and CEO
M M M M

Mr. Sanjay Sethi is a hotel management graduate from IHM Pusa. He is a Certified Hotel Administrator (CHA) from American Hotel and Lodging Educational Institute and has completed various management programmes from IIM-Bangalore, XLRI and Cornell.

Mr. Sethi has over 32 years of experience in the hospitality industry. He founded Berggruen Hotels Private Limited in 2006 along with Berggruen Holdings, New York. He has briefly worked with ITC Limited as Chief Operating Officer for their Hotels Division and had a 14 year stint with the Taj Group of Hotels. Mr. Sethi is actively associated with many industry forums in bringing about reforms for the hospitality sector. He is an Executive Committee Member of Hotel Association of India (HAI) and a special invitee to the Executive Committee of Hotel and Restaurant Association of Western India (HRAWI). He is also a member of the National Real Estate Committee of FICCI and the Convenor for the Tourism Panel of CII Maharashtra and member of the Policy panel of CII Maharashtra.

Mr. Sethi believes in giving back and uses his spare time to mentor budding hospitality entrepreneurs and young hospitality professionals through his own website.

8

Rajeev Newar
Executive Director and CFO
M M M

Mr. Rajeev Newar, a CA, CS and B.Com (Hons.) from Calcutta University is a seasoned professional in the field of finance and strategy with 28 years of post qualification experience across industries like hospitality, retail, healthcare, FMCG and cement. He has been associated with leading Indian business houses such as Tata and Birla. As the Company's CFO he also oversees the implementation of a proactive, transparent and engaging investor relations strategy.

Prior to joining Chalet, Mr. Newar was associated with the The Indian Hotels Company Ltd. (Taj Group) for 17 years. During his tenure, he was on the Board of various Taj Group companies and led various transformational initiatives. In addition, he has also led a number of business and balance sheet turnaround strategies, stakeholder and investor relationships, driven organisation cultural changes, digital transformation initiatives and people development plans. He was certified as Gold Level Assessor for Balanced Scorecard and awarded Taj Awards for Business Excellence (TABE).

Apart from his professional achievements, he is also a well-known speaker, moderator and panelist at various CXO level events, industry forums and leadership summits.

Awards

RECOGNITIONS INSPIRE US

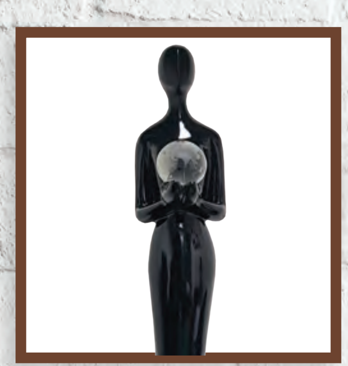
Ranked 16th in 'India's Great Mid-size Workplaces' and certified Great Place to Work by the Great Place to Work® Institute India

Novotel Pune Nagar Road received award for Sustainability Initiatives at Green Hotels Awards

Our offering, Spa by JW won the Most Luxurious Spa Treatment award from the Global Spa Awards

JW Marriott Mumbai Sahar was awarded the GEM Event Excellence of the Year for Classic Luxury Brands by Global Discipline Awards - Marriott International

Four Points by Sheraton, Vashi received Best Business Hotel in Maharashtra Award at the Business Leaders Summit Awards



Westin Hyderabad Mindspace was awarded the Best Business Hotel Award at India Travel Awards

Our CEO won the Hall of Fame award from Hotelier India

Our CEO, Sanjay Sethi, was awarded Best Professional in the Indian Hospitality from the Pacific Area Travel Writers' Association (PATWA)

Our CFO, Rajeev Newar, was awarded India's Most Admired CFO Award by White Page India

Report of the Board of Directors

Dear Members,

Chalet Hotels Limited

The Board of Directors are pleased to present your Company's Thirty Fifth Annual Report along with the Audited Financial Statements of your Company for the Financial Year ended March 31, 2020.

Financial Results

Your Company's financial performance for the Financial Year ended March 31, 2020 is summarised below:

(₹ in million)

Particulars	Standalone		Consolidated	
	For the year ended		For the year ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue from Operations	**9,765.24**	9,871.73	**9,811.28**	9,871.73
Other Income	**272.44**	436.03	**278.97**	476.08
Total Income	**10,037.68**	10,307.76	**10,090.25**	10,347.81
Total Expenses	**6,607.77**	6,670.40	**6,445.13**	6,679.47
Earnings before Interest, Depreciation, Amortisation, Tax & Exceptional Items	**3,429.91**	3,637.36	**3,645.12**	3,668.34
Depreciation and Amortisation Expenses	**1,113.66**	1,154.17	**1,133.17**	1,154.17
Finance Costs	**1,446.13**	2,651.51	**1,461.76**	2,656.69
Profit / (Loss) before Exceptional items and Tax	**870.12**	(168.32)	**1,050.19**	(142.52)
Exceptional items	**(41.71)**	(40.96)	**(41.71)**	(40.96)
Profit / (Loss) before tax	**828.41**	(209.28)	**1,008.48**	(183.48)
Tax Expense	**12.27**	(107.21)	**12.22**	(107.21)
Profit / (Loss) for the year	**816.14**	(102.07)	**996.26**	(76.27)
Other Comprehensive Income / (Expense) for the year net of tax	**(11.28)**	(7.68)	**(11.27)**	(7.68)
Total Comprehensive Income / (Expense) for the year	**804.86**	(109.75)	**984.99**	(83.95)
Total Comprehensive Income / (Expense) attributable to Owners of the Company	**-**	-	**1,015.48**	(83.95)

The WHO-declared pandemic of COVID-19 resulted in an extended lockdown and travel restrictions in India as well as in many nations across the world. The spread of the pandemic had a muted impact on business of the Company until middle of March. However, the social distancing norms, travel advisories for passengers and airlines and the nationwide lock down led to a sharp decline in revenue in second half of March. Your Company initiated various measures to contain the impact from COVID-19 with the health and safety of its employees and guests and business risk mitigation as top priorities. Taking this into consideration, knowledge sharing sessions on precaution, prevention and control were conducted at the Company's offices and Hotel Units even before India declared its first positive case. Your Company leveraged learnings from the past and the experience of its operating partners in combating the pandemic in other Asian markets to kick start cost initiatives as early as February 2020.

Further, a detailed note on the state of the Company's affairs and of its subsidiaries is being covered in the Management Discussion & Analysis section of the Annual Report.

Capital Structure

Authorised Share Capital

During the year under review, there was no change in the Authorised Share Capital of your Company. The Authorised Share Capital of your Company is ₹ 4,451 million.

Paid-up Equity Share Capital

During the year under review, there was no change in paid-up equity share capital of the Company.

Paid-up Preference Share Capital

Your Company had entered into a Subscription Agreement dated June 4, 2018 with Mr. Ravi C. Raheja and Mr. Neel C. Raheja, Promoters of the Company, wherein they agreed to provide your Company with funds required to meet any costs, expenses and liabilities pertaining to the Koramangala Residential project, including any costs and expenses towards the ongoing litigation and the completion of the Koramangala Residential project, by way of subscription by themselves or by their designated nominees to 20,000 Zero Coupon Non-Cumulative, Non-Convertible, Redeemable Preference Shares ('NCRPS' / 'Subscription Securities') of

₹100,000 each, in 2 (Two) series (viz. Series A and Series B) of 10,000 each, aggregating to ₹ 2,000 million (Initial Subscription Amount). The Promoters of your Company have further agreed that in the event the amount required towards meeting the project expenses exceeds the Initial Subscription Amount, the Promoters shall, either directly or through their designated nominees, subscribe to such additional number of subscription securities as may be required to meet the project expenses.

The NCRPS have been fully subscribed. An amount of ₹ 1,000 million and ₹ 250 million has been called and paid-up as on the date of the Balance Sheet in respect of the Series A and Series B NCRPS respectively. The amounts raised have been utilised in line with the subscription agreement referred to hereinabove.

Borrowings:

The aggregate borrowings of your Company stood at ₹ 17,840.43 million (including Preference Share Capital of ₹ 1,107.99 million) as at March 31, 2020 as compared to ₹ 15,436.52 million (including Preference Share Capital of ₹ 518.18 million) as at March 31, 2019.

The foreign currency borrowings as on March 31, 2020 were lower at US$ 10.98 million as compared to US$ 26.11 million as at March 31, 2019.

Appropriations / Dividend

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

In terms of the Dividend Distribution Policy, no dividend on Equity Shares is being recommended by the Board of Directors, for the year under review.

As per the terms of issue of the 0.001% Non-Cumulative, Non-Convertible, Redeemable Preference Shares ('NCRPS') of ₹ 100,000 each and subject to the Articles of Association of the Company, the NCRPS (other than the Subscription Securities) issued are, subject to the availability of profits during any financial year, entitled to a nominal dividend of ₹ 1/- (Rupee One Only) on each Preference Share per year, which amounts to ₹ 1,600 for the year under review.

Further, an amount of ₹ 804.86 million has been transferred to Retained Earnings for the year under review.

Projects Under Development

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

Hotels

During the year under review, your Company entered into an agreement with the Hyatt Group for its hotel, Hyatt Regency, Navi Mumbai, Airoli.

Further your Company has also signed agreements with Marriott Hotels India Private Limited (Marriott) and its affiliates in respect of its upcoming hotels viz. The Westin Hyderabad Hitec City and W Mumbai Powai Lake.

Your Company also executed new contracts with Marriott in respect of existing properties The Westin Hyderabad Mindspace and Lakeside Chalet, Mumbai - Marriott Executive Apartments retaining the existing brands.

Your Company has decided to pace its proposed development pipeline appropriately after assessment of the impact of COVID-19 on its business and consumer behaviour.

Commercial, Retail and Office Space

The proposed development pipeline assumes a construction of leasable area of over a million square feet across two locations, namely Mumbai and Bengaluru, which has progressed well during the year under review.

The construction for the projects had to be suspended with effect from late March 2020, pursuant to imposition of the lockdown across the country.

The Company has decided to pace its proposed development pipeline appropriately after assessment of COVID-19 on the business and consumer behaviour.

Re-Branding Hotels

Your Company has entered into an agreement with Marriott and its affiliates for rebranding of the existing hotel viz. Renaissance Mumbai Convention Centre Hotel as 'Westin Mumbai Powai Lake'.

The rebranding has been deferred to 2021 on account of COVID-19.

Residential Project – Koramangala, Bengaluru

The residential development project at Bengaluru was on hold during the year under review due to the pending writ petition.

In the writ petition filed by your Company, in connection with the cancellation by Hindustan Aeronautical Limited ('HAL') of its height permission for the project of your Company, judgement was delivered by the Hon'ble Karnataka High Court on May 29, 2020. The Hon'ble High Court has by the judgement inter-alia allowed the writ petition in part and quashed the cancellation of the height NOC by HAL [in so far as cancellation of NOC for construction upto 62 meters above ground level, so that the top of the structure when erected shall not exceed 932 meters Above Mean Sea Level ('AMSL')] and remanded the matter to HAL for re-survey of site AMSL within a time bound manner and thereafter, based on the re-survey, proceed further in accordance with law. The other prayers of your Company have been rejected as premature; with liberty to file necessary application at appropriate time. Further in the meantime, HAL is prohibited from taking any precipitative action, and your Company is prohibited from putting further construction and modifying/ altering or selling or agreeing to sell or entering into agreements with third parties in respect of any portion of building/property. Your

Company is further reviewing the judgement and will decide its course on the matter, after consulting its advisors.

Deposits

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

Loan from Directors

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

Loans, Guarantees, Investments and Securities

Your Company falls within the definition of "Infrastructure Company" as provided under Companies Act, 2013 ("Act") and is therefore exempt from the provisions of Section 186 of the Act with regard to Loan, Investments, Guarantees and Securities. Details of loans given, security provided in connection with a loan and investments made by your Company are given in Notes 7, 8 and 15 of the Standalone Financial Statements.

Foreign Exchange Earnings and Outgo

During the year under review, your Company earned foreign exchange of ₹ 4,253.37 million as compared to ₹ 4,968.05 million in the previous year.

The total foreign exchange outgo during the year was ₹ 896.42 million as compared to ₹ 1,262.53 million in the previous year.

Subsidiaries and Associate Companies

Acquisitions

During the year under review, your Company has acquired 100% equity shares and 100% Zero Coupon, Fully Compulsory Convertible Debentures of Belaire Hotels Private Limited ('BHPL') for a cash consideration of ₹ 1,193.32 million. The Company also acquired 100% equity shares and 100% Zero Coupon, Fully Compulsory Convertible Debentures of Seapearl Hotels Private Limited ('SHPL') for a cash consideration of ₹ 574.68 million. Consequent to the above, the said companies have become wholly-owned subsidiaries of your Company.

BHPL is the owner of 'Novotel Pune Nagar Road' Hotel, a 223-room Upscale Hotel with a capacity to add 84 to 88 rooms, which are currently in a bare-shell condition. During the year under review, BHPL reported a Total Income of ₹ 47.25 million and Net Loss (after tax) of ₹ 39.97 million.

Further, it was proposed to defer the interior fit outs of the rooms which are currently in a bare shell condition at Novotel Pune, Nagar Road in the near term.

SHPL has during the year under review, changed the terms of the 100% Zero Coupon, Fully Compulsory Convertible Debentures issued by it to make them non-convertible and thereafter redeemed them on February 12, 2020.

Existing

Chalet Hotels & Properties (Kerala) Private Limited is a subsidiary of your Company, which had insignificant or no operations during the year under review.

The audited financial statements of the subsidiary companies can be accessed on the website of the Company viz. www.chalethotels.com.

Your Company had for securing the supply of renewable energy acquired 20.8% of the Equity Share Capital of Krishna Valley Power Private Limited and 26% of the Equity Share Capital of Sahyadri Renewable Energy Private Limited, being entities engaged in generation of hydropower. Your Company continues to hold the aforesaid securities, however it does not have the ability to participate and neither is involved in the operations and/or relevant activities of these companies/ entities, and neither has exposure or rights to variable returns. Hence, the aforementioned entities have not been considered as Associate companies in the consolidation of Financial Statements.

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

The statement under Rule 8 of the Companies (Accounts) Rules, 2014 relating to Subsidiaries & Associates in Form AOC-I is annexed as **Annexure II** to this Report.

Management Discussion & Analysis, Corporate Governance and Business Responsibility Report

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

Directors

Mr. Ravi C. Raheja is due to retire by rotation at the ensuing Annual General Meeting ('AGM') of your Company, and being eligible, offers himself for re-appointment.

The approval of Members in respect of the aforesaid re-appointment has been sought in the Notice convening the AGM of your Company. The disclosure pertaining to the Director being re-appointed as required pursuant to the Listing Regulations and Secretarial Standard-2 is given in the Explanatory Statement to the Notice convening the AGM, forming part of the Annual Report.

Mr. Rajeev Newar, Executive Director & CFO has expressed his desire to resign from the services of the Company owing to personal reasons, which is under consideration.

The Non-Executive Directors of the Company had no pecuniary relationship or transaction with the Company, other than sitting fees and professional fees as applicable.

In view of the COVID-19 pandemic and challenges faced by the Company thereby, the remuneration of all employees, including Key Managerial Personnel & Senior Management was restructured as a mitigation measure, whereby a certain percentage component of the current compensation has been made variable pay, linked to performance, effective April 1, 2020. The terms of remuneration of Mr. Sanjay Sethi, Managing Director & CEO and Mr. Rajeev Newar, Executive

Director & CFO, have been restructured accordingly. The same was approved by the Board of Directors at its meeting held on June 8, 2020, pursuant to recommendations of the Compensation, Nomination & Remuneration Committee.

Annual Return

The Annual Return of your Company for the Financial Year 2019-20, shall be hosted on the website of your Company, i.e. www.chalethotels.com, under the Head 'Annual Returns' in the Investor Section, post filing of the same with the Registrar of Companies, Ministry of Corporate Affairs.

The details forming part of the extract of the Annual Return in Form MGT-9 as per Section 92(3) and 134(3) of the Act, read with the Rules framed thereunder is annexed as **Annexure VII** to this Report.

Number of Board Meetings

During the Financial Year 2019-20, the Board of Directors met 5 (five) times. The details of the meetings are given in Corporate Governance Report.

Directors' Responsibility Statement

On the basis of internal financial control framework and compliance systems in place and the work carried out by the Internal and Statutory Auditors, including audit of internal financial controls over financial reporting and internal reviews performed by the Management and the Audit Committee, the Board is of the opinion that your Company's internal financial controls were reasonable and adequate for the Financial Year 2019-20.

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

(i) In the preparation of the accounts for the Financial Year ended March 31, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(ii) The Board of Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent in order to give a true and fair view of the state of affairs of your Company at the end of the Financial Year and of the profit of your Company for the Financial Year ended March 31, 2020;

(iii) The Board of Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) The Financial Statements for the Financial Year ended March 31, 2020 have been prepared on a 'going concern' basis;

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

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

Accounting Treatment

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

Adequacy of Internal Financial Controls including with reference to the Financial Statements

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

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

Based on the recommendation of the Audit Committee, the Board has approved the appointment of PricewaterhouseCoopers Private Limited as Internal Auditors in respect of the Company, except the Retail segment in respect of which Grant Thornton India LLP have been appointed as Internal Auditors. During the year under review, your Company has appointed a Chief Internal Auditor, who will oversee the Internal Audit function and in this capacity reports to the Chairman of the Audit Committee. The reports by the Internal Auditors are placed before the Audit Committee for their review and improvements.

Details of Fraud

No material frauds were detected during the year under review.

Board Effectiveness & Board Evaluation

Pursuant to the provisions of the Act and Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance including its committees, for the Financial Year under review. A structured questionnaire was prepared after taking into consideration the Guidance Note issued by SEBI on Board Evaluation, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The feedback and suggestions received from all the Directors have been discussed at the meeting of the Board of Directors held on June 8, 2020. The Directors expressed their satisfaction with the evaluation process.

Independent Directors

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

Committees

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

Corporate Social Responsibility ('CSR')

Your Company has adopted a CSR Policy indicating the broad philosophy and objectives, which is available on the website of your Company at www.chalethotels.com/policies/.

The annual report on CSR activities and details about the composition of CSR Committee along with the initiatives undertaken by the Company on CSR activities during the year under review is annexed as **Annexure IV** to this Report.

Compensation, Nomination & Remuneration

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

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

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

The remuneration / compensation / commission for the Directors (including annual increments, if any) and Senior Management will be determined and recommended by the CNR Committee and will be subject to approval by the Board.

Employee Stock Option Scheme (ESOP)

The Board had granted an option in respect of 2,00,000 Equity Shares of ₹ 10 each at a price of ₹ 320 each to Mr. Sanjay Sethi, Managing Director & CEO of your Company, under the Chalet Hotels Limited - Employee Stock Option Plan 2018, to vest in three tranches. The first tranche of ESOPs granted have vested during the year under review. No options have been exercised during the year under review.

In terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the details of the Stock Options granted under the ESOP have been made available on the website of the Company at www.chalethotels.com/annual-report-19-20/. Further, certificate from B S R & Co. LLP, Statutory Auditors of the Company, with respect to implementation of ESOP, would be placed at the ensuing AGM for inspection by the Members of the Company.

Statutory Auditors

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

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

Explanation or Comments on Qualifications, Reservations, Adverse Remarks or Disclaimers made by the Auditors

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors in their report on the Financial Statements for the Financial Year 2019-20. However, the Statutory Auditor has drawn attention i.e. an Emphasis of Matter with regard to Note 42 (c) of the Standalone Financial Statements, in their report, details of which are as follows:

(1) We draw attention to Note 42(c) of the Standalone Financial Statements, in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the Standalone IndAS Financial Statements as at and for the year ended March 31, 2020 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to ₹ 479.33 million and ₹ 489.98 million as at March 31, 2020 and March 31, 2019 respectively.

The Auditors have clarified that their opinion is not qualified in respect of these matters.

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

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed M/s. Alwyn Jay & Co., Company Secretaries in Practice (Firm Registration No. P2010MH021500) to undertake Secretarial Audit for Financial Year 2019-20. The Secretarial Audit Report is annexed herewith as **Annexure V**. There are no qualifications or reservations in the report.

Cost Audit

Your Company has been maintaining cost records as specified by the Central Government under Section 148 of the Act. Further, during the year under review, your Company was required to conduct an audit of cost records as specified by the Central Government under Section 148 of the Act and the Rules framed thereunder and the same is also applicable for the Financial Year 2020-21. Accordingly, Mr. Vikas Vinayak Deodhar, Cost Accountant (Membership No. 3813) has been appointed as the Cost Auditor by the Board of Directors. The remuneration proposed to be paid has been approved by the Board of Directors, based on recommendation of the Audit Committee and is being proposed for approval of the Members at the ensuing AGM.

Particulars of Contracts or Arrangements with Related Parties

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

The contracts, arrangements or transactions entered into during the year under review by the Company with Related Parties were generally in the Ordinary Course of Business and on an Arm's Length Basis.

During the year under review, the Company had not entered into any contract / arrangement / transaction with Related Parties, which are materially significant as per the Policy adopted by your Company.

Accordingly, particulars of contracts or arrangements with Related Parties referred to in Section 188(1) of the Act along with the justification for entering into such contract or arrangement in Form AOC-2 is annexed as **Annexure III** of this Report. The Directors also wish to draw attention of the Members to Note 49 of the Standalone Financial Statement which sets out related party disclosures.

Risk Management

Your Company has constituted an Audit and Risk Management Committee as required under the Listing Regulations. Further, your Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act, to identify and evaluate business risks and opportunities for mitigation of the same on a continual basis.

Your Company is faced with risks of different types, each of which need varying approaches for mitigation. The Risk Management framework defines the risk management approach across the enterprise. The risk framework which seeks to create transparency, minimise adverse impact on business objective and enhance your Company's competitive advantage is reviewed by the Audit & Risk Management Committee periodically. An impact analysis of the identified risks including risk mitigation approach and risk mitigation status is also done at regular intervals taking into consideration the changing business environment. The Policy is available on the Company's website at www.chalethotels.com/policies/.

Details of various risks faced by your Company are provided in the Management Discussion and Analysis.

Vigil Mechanism and Whistle Blower Policy

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

Your Company's Vigil Mechanism & Whistle Blower Policy provides a formal mechanism to the Directors and all the Employees of the Company to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The said policy is available on the Company's website at www.chalethotels.com/policies/.

The Policy covers the adequate safeguards against victimisation of Directors and Employees who avail of the mechanism and also have provided them direct access to the Chairman of the Audit Committee. Matters reported under the Vigil mechanism are informed to the Audit Committee from time to time. It is affirmed that no personnel of the Company has been denied access to the Chairperson of the Audit Committee.

Significant and Material Orders passed by Regulators, Courts or Tribunals impacting the Going Concern status and Company's operations in future

Judgement dated May 29, 2020 has been passed by the Hon'ble Karnataka High Court in respect of the residential project at Bengaluru. Please refer to the section 'Residential Project – Koramangala, Bengaluru' for more details.

The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Company has constituted Internal Complaints Committees in compliance with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 in respect of the Corporate Office and various units. The said policy is available on the Company's website at www.chalethotels.com/policies/.

During the year under review, your Company received 6 (six) complaints on sexual harassment, all of which have been resolved and appropriate action taken, wherever necessary. There are no pending cases. Workshops have been conducted from time to time to promote awareness on the issue.

Human Capital Initiatives & Particulars of Employees

Your Company focuses on building on the capability of its employees, through training and development and work life balance. During the year under review, your Company has undertaken various training initiatives for nurturing and developing talent. Further, the Company has been certified by the Great Place to Work® Institute for benchmarking and planning actions to strengthen its workplace culture.

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

Further, the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company and others entitled thereto. Any Member interested in obtaining such information may write to the Company Secretary at companysecretary@chalethotels.com and the same will be furnished on request. The Annual Report including the aforesaid information is also available on the Company's website.

Environmental Initiatives and Energy Management

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

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

The information relating to technology absorption is not given since the same is not applicable to your Company.

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of your Company, which have occurred between the end of the Financial Year to which the Financial Statements relate and the date of this Report.

Acknowledgements

Your Directors would like to thank the Members for their support received and their continued confidence in the Company. Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the regulatory and statutory authorities, government and its agencies, hotel & retail operating partners, stock exchanges, depositories, lenders, legal advisors, Registrar & Share Transfer Agent, auditors, vendors and other key stakeholders.

Your Directors place on record their gratitude to the Company's employees at all levels.

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

Hetal Gandhi
Chairman
DIN: 00106895

Place: Mumbai
Date: June 8, 2020

ANNEXURE I

Dividend Distribution Policy

Objective and Philosophy

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

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

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

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

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

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

Regulatory Framework

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

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

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

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

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

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

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

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

a) Internal Factors:

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

b) External Factors:

- Business cycles
- Industry Outlook for the future
- Economic environment

- Capital markets
- Global conditions
- Changes in the government policies and regulatory provisions and guidelines

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

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

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

d) Utilisation of Retained Earnings

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

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

Disclosures

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

Policy review and amendments

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

ANNEXURE II

Form AOC-I

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

Statement containing salient features of the Financial Statements of subsidiaries /associates / joint ventures

Part "A": Subsidiaries

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

₹ in million

Sl. No.	Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant FY in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1.	Chalet Hotels & Properties (Kerala) Private Limited*	December 22, 2006	April 1, 2019 to March 31, 2020	Indian Rupees	277.88	(304.87)	0.87	0.87	NIL	0.00	(63.60)	(0.38)	(63.22)	NIL	90%
2.	Belaire Hotels Private Limited	February 3, 2020	April 1, 2019 to March 31, 2020	Indian Rupees	1407.05	(254.10) (includes FCCDs of ₹ 845.04 million)	3,020.50	3,020.50	NIL	47.25	(39.98)	NIL	(39.98)	NIL	100%
3.	Seapearl Hotels Private Limited	February 10, 2020	April 1, 2019 to March 31, 2020	Indian Rupees	52.66	49.41	102.49	102.49	NIL	1.23	0.93	0.33	0.60	NIL	100%

Notes:

* Names of subsidiaries which are yet to commence operations

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

Part "B": Associates and Joint Ventures

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

Sl. No.	Name of Associates	Date on which the Associate or Joint Venture was associated or acquired	Latest audited Balance Sheet Date	Shares of Associate held by the company on the year end: No.	Amount of Investment in Associates (₹ in million)	Extent of Holding %	Description of how there is significant influence	Reason why the associate is not consolidated	Net-worth attributable to Shareholding as per latest audited Balance Sheet (₹)	Net Profit or Loss for the year after tax: Considered in Consolidation (₹)	Not Considered in Consolidation (₹)
1.	Krishna Valley Power Private Limited	January 8, 2019	March 31, 2019	622,960	12.54	20.80%	There is no significant influence	Your Company has, for securing the supply of renewable energy acquired 20.8% of the Equity Share Capital of Krishna Valley Power Private Limited and 26% of the Equity Share Capital of Sahyadri Renewable Energy Private Limited, being entities engaged in generation of hydropower. Your Company, does not have the ability to participate and neither is involved in the operations and/ or relevant activities of these companies/entities and neither has exposure or rights to variable returns. Hence, the aforementioned entities have not been considered as Associate companies in the consolidation for Financial Statements.	N.A.	N.A.	N.A.
2.	Sahyadri Renewable Energy Private Limited	November 5, 2017	March 31, 2019	1,044,500	31.46	26%			N.A.	N.A.	N.A.

Notes:

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

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

Sanjay Sethi
Managing Director & CEO
DIN: 00641243

Rajeev Newar
Executive Director & CFO
DIN: 00468125

Christabelle Baptista
Company Secretary
A17817

Place: Mumbai
Date: June 8, 2020

ANNEXURE III

Form AOC -2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
K Raheja Corporate Services Private Limited	Agreement for sharing of services of a senior resource with K Raheja Corporate Services Private Limited	From April 1, 2019 to March 31, 2020	₹ 8.5 lakhs per month	The Company is leveraging the expertise of a senior resource engaged by K Raheja Corporate Services Private Limited for its projects, with a third of his remuneration being borne by the Company. The Company would have to spend a higher amount in case it avails a dedicated resource for the same.	February 10, 2020	NIL	N.A.

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

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

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

Hetal Gandhi
Chairman
DIN: 00106895

Place: Mumbai
Date: June 8, 2020

ANNEXURE IV

Annual Report on CSR Activities

(I) Brief Outline and Overview

The CSR Policy of your Company enables it to embark on a CSR journey covering various initiatives within the permitted regulatory framework. During the year under review, while the focus continued on sustainability initiatives within the operating properties and the development pipeline, the Company also touched the lives of 125 'People with Disabilities' ("PwDs') through a vocational and skill enhancement program, which was instrumentalised by TRRAIN (Trust for Retailers and Retail Associates of India), a Public Charitable Trust. Also, at the operating properties, the Company along with its operating partners viz. Marriott (Marriott Hotels India Private Limited and its affiliates) and Inorbit (Inorbit Malls (India) Private Limited) undertook various activities to give back to the society.

During the year under review the Hotel Units have amongst many others CSR activities, carried out donation of grains and pulses, stationery items and conducted vocational guidance workshops for differently abled persons. Food/meals distribution has also been carried out on various occasions during the year.

Medical check-ups for senior citizens and eye check-ups for children at an orphanage were also organised. The Hotels also conducted Daan Utsav for distribution of various items at different locations. During the rains, raincoats and umbrellas were distributed among needy children.

Blood Donation camps are also held from time to time at the Hotels with our associates always willing to come forward and support these camps.

Chefs from Arpan Café, which is a cafe with menu choices prepared & served with a special touch by the differently-abled adults (down syndrome) visited our Hotel (JW Marriott Mumbai Sahar) to learn new recipes and cooking tips from our Italian Chef, which will help enhance their offering.

Marriott has a program whereby donations raised from guests is donated to Rising Star Outreach Program (Marriott School for Boys). The Rising Star Campus is self-sustaining offering safe living quarters. It creates and supports educational programs for children living in leprosy colonies and neighboring villages to foster equal opportunity, integration, and confidence in the rising generation with the belief that quality education has the power to erase stigma, restore dignity, and pave a path for a bright future. The donations collected by Marriott at the Hotels, continue to be utilised for the aforesaid purpose.

The Company has also, as a responsible corporate citizen, supported the community and the Government, during the COVID-19 crisis, by:

a) making available a large inventory of its hotel rooms in Mumbai to MCGM for accommodating doctors, nurses and medical support staff, fighting against COVID-19 at a very nominal rate.

b) providing complimentary food packets and donating PPE kits to the COVID-19 government task force during the period of the lockdown,

c) providing soaps, biscuits, sanitisers and masks to migrant labourers housed at CIDCO exhibition centre in Navi Mumbai.

(II) Composition of the CSR Committee:

(i) Mr. Hetal Gandhi – Chairman

(ii) Ms. Radhika Piramal

(iii) Mr. Neel C. Raheja

(iv) Mr. Sanjay Sethi

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

(Amount in ₹)

Financial Year	2018-19	2017-18	2016-17
Adjusted Net Profit / (Loss)	(78,741,033)	(308,160,000)	641,081,108
Average Net Profit / (Loss)	84,726,692	-	-
CSR @ 2% of the above	1,694,534	-	-

Prescribed CSR Expenditure:	₹ 1,694,534
Details of CSR spent during the Financial Year:	₹ 1,898,960

Amount unspent, if any:	Nil The entire amount was disbursed to TRRAIN with whom the Company has entered into MOU for training of PwDs as detailed above. However due to COVID-19, 2(two) batches with 43 candidates who are still under training which was to end on March 30, 2020 had to be halted until the lockdown ends. Out of the PwDs trained, 37 PwDs have been gainfully employed.

(IV) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs Local area or other (Specify the State and District where projects or programs undertaken)	Amount outlay (budget) project or program wise (₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (₹)	Cumulative expenditure upto to the reporting period (₹)	Amount spent: Direct or through implementing agency (Give details of implementing agency)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Livelihood creation for persons with disabilities (Employment linked training)	Schedule VII – Clause ii - Promoting education and employment enhancing vocational skills among differently abled and livelihood enhancement projects	Maharashtra, Karnataka & Telangana	1,698,960	1,698,960	1,698,960	Implementing Agency:- TRRAIN (Trust for Retailers and Retail Associates of India)
2.	The Society of the Home for the Aged - Little Sisters of the Poor	Schedule VII – Clause iii – setting up old age homes	Maharashtra	Nil	200,000	200,000	Direct Contribution
			Total	1,698,960	1,898,960	1,898,960	

In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report. - N.A.

The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

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

Hetal Gandhi
Chairman - CSR Committee
DIN: 00106895

Place: Mumbai
Date: June 8, 2020

ANNEXURE V

Form No. MR-3

Secretarial Audit Report

for the Financial Year ended 31st March, 2020

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

To,
The Members,
Chalet Hotels Limited

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

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

Based on the verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and have required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on 31st March, 2020 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

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

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

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

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

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

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

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable to the Company**;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable to the Company**;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016 - **Not Applicable to the Company**;

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company**;

   (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 – **Not Applicable to the Company**;

   (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

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

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

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

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

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

(f) Other applicable general laws, rules, regulations and guidelines.

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

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

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that -

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

(b) No changes took place in the composition of the Board of Directors during the period under review.

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

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

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

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

1. Approval of the Board of Directors of the Company at its meeting held on January 17, 2020 was obtained for the execution of a Share Purchase Agreement for acquisition of 100% of the Equity Shares and Zero Coupon, Fully Compulsorily Convertible Debentures of Belaire Hotels Private Limited ("BHPL") and Seapearl Hotels Private Limited ("SHPL").

2. The existing shareholders of BHPL have transferred 100% of Equity Shares and 100% of Zero Coupon Fully Compulsorily Convertible Debentures of BHPL to the Company and the Company has paid complete cash consideration of ₹ 1,193.32 Million for the same. Consequent to above BHPL has become a wholly-owned subsidiary of the Company.

3. The existing shareholders of SHPL have transferred 100% of the Equity Shares & 100% of Zero Coupon Fully Compulsorily Convertible Debentures in SHPL to the Company, and the Company has paid the complete cash consideration of ₹ 574.68 Million for the same. Consequent to this, SHPL has become a wholly-owned subsidiary of the Company.

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Alwyn Jay & Co.
Company Secretaries

Jay D'Souza
FCS: 3058
Certificate of Practice No.: 6915

Place: Mumbai
Date: June 8, 2020

ANNEXURE A

To
The Members,
Chalet Hotels Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Chalet Hotels Limited** (hereinafter called "the Company") is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 lockdown and on test check basis to ensure that correct facts as reflected in secretarial and other records are produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Alwyn Jay & Co.
Company Secretaries

Jay D'Souza
FCS: 3058
Certificate of Practice No.: 6915

Place: Mumbai
Date: June 8, 2020

Annexure VI

Energy Conservation Measures undertaken by the Company during Financial Year 2019-20

The energy conservation measures undertaken during the financial year under review have been broadly categorised into 2 (two) sections – Projects & Operations:

A. Projects:

Your Company continues to deploy the principles set out by the U S Green Building Council for Leadership in Energy and Environmental Design (USGB LEED) Certification while executing all the projects under development, which will result in energy efficient building models. Few of the measures are elaborated as below: -

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

2) DOAS (Dedicated Outdoor-Air Systems)
Using DOAS helps to reduce total installed Cooling / Heating Capacity.

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

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

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

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

B. Operations:

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

1) Energy Management:

- Plant Room Optimiser: Complete automated IP Based system with high efficient Chillers, In line pumps, Low Approach Cooling Towers.
- Water-to-water Heat Pumps have been installed which not only give hot water but also helps the air-conditioning system by getting chilled water as a by-product.
- EC Motors have been introduced for bigger capacity Air Handling Units (AHUs) to achieve the accurate temperature with improved efficiency.
- Heat Recovery Wheel (HRW) are used for reduction of ventilation and humidification for treated fresh air system (TFA).
- LEDs & Motion Sensors for Light Controls are implemented.
- Solar PV panels for generation of solar energy have been installed at some of our projects.
- Auto tube cleaning system for Chiller condenser tubes
- Entire plant room equipment provided with VFD's
- Pressure Independent Balancing Valves for AHU's & FCU's
- Carbon Dioxide sensors for fresh air monitoring
- Guest room automation with occupancy sensor
- Chiller plant with variable primary & condenser system

2) Water Management:

- All properties are designed to treat 100% waste water through Sewage Treatment Plant (STP) for efficient use of water.
- Ultra-filtration & on-line monitoring systems are used for STP treated water to further purify and make it suitable for usage in air conditioning condenser water & flushing, apart from gardening.
- Efficient collection of terrace / periphery rainwater & routing it into rainwater harvesting tanks or re-charging/peculation pits, in order to improve the water table of surrounding areas.
- Water aerators have been fixed for all water taps
- Waterless urinals are being installed in the common areas
- Sensor based taps are being installed
- Dual flush tanks being implemented

3) Waste Management:

- Natural Organic Waste Composter installed to convert wet-waste into manure which is used in the gardens within the properties.
- Use of "Bottle Crusher Machine", whereby plastic bottles are crushed & stored and then handed over to authorised vendor for re-cycling.
- Water bottling plant is being implemented for reduction of single use plastic bottles

Annexure VII

Form MGT-9

Extract of Annual Return as on Financial Year ended March 31, 2020

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

I. Registration and other Details:

i)	CIN	:	L55101MH1986PLC038538
ii)	Registration Date	:	January 6, 1986
iii)	Name of the Company	:	Chalet Hotels Limited
iv)	Category / Sub-Category of the Company	:	Company Limited by Shares / Indian Non-Government Company
v)	Registered Office of the Company	:	Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (E), Mumbai 400051
vi)	Whether shares listed on recognised Stock Exchange(s)	:	Yes
vii)	Name and Address of Registrar & Transfer Agents (RTA)	:	KFin Technologies Private Limited Selenium Tower B, Plot 31-32 Gachibowli, Financial District Nanakramguda, Hyderabad 500 032. Toll free number: 1800-3454-001 E-mail: einward.ris@kfintech.com

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover* of the Company
1	Hotels, restaurants, accommodation and related services	551 (I1)	89.18%
2	Retail and Commercial	701 (L1)	10.27%

* does not include Other Income

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Chalet Hotels & Properties (Kerala) Private Limited 'ICCC' Near NISH School, Village Cheruvaikkal & Village Attipra, Akkulam, Thiruvananthapuram, Kerala 695017.	U55101KL2006PTC020125	Subsidiary	90%	2(87)
2	Belaire Hotels Private Limited Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (E), Mumbai 400051.	U55101MH2007PTC170789	Subsidiary	100%	2(87)
3	Seapearl Hotels Private Limited Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (E), Mumbai 400051.	U55204MH2007PTC168713	Subsidiary	100%	2(87)
4	Krishna Valley Power Private Limited No. 303, Elphinston House 17, Marzban Road, Mumbai 400001	U31101MH2001PTC131856	Associate	20.80%	2(6)
5	Sahyadri Renewable Energy Private Limited No. 303, Elphinston House 17, Marzban Road, Mumbai 400001.	U40100MH2003PTC138827	Associate	26%	2(6)

IV(1). Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

A) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	20,652,636	0	20,652,636	10.07	20,652,636	0	20,652,636	10.07	0.00
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	125,757,657	0	125,757,657	61.34	125,758,663	0	125,758,663	61.34	0.00
e) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f) Others	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	**146,410,293**	**0**	**146,410,293**	**71.41**	**146,411,299**	**0**	**146,411,299**	**71.41**	**0.00**
2. Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of promoter (A)=(A)(1)+(A)(2)	**146,410,293**	**0**	**146,410,293**	**71.41**	**146,411,299**	**0**	**146,411,299**	**71.41**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	32,513,962	0	32,513,962	15.86	35,903,221	0	35,903,221	17.51	1.65
b) Financial Institutions/ Banks	14,129	0	14,129	0.01	451	0	451	0.00	(0.01)
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Others:	-	-	-	-	-	-	-	-	-
- Alternate Investment Funds	12,250	0	12,250	0.01	0	0	0	0.00	(0.01)
- Foreign Portfolio Investors	20,603,416	0	20,603,416	10.05	17,635,584	0	17,635,584	8.60	(1.45)
- Qualified Institutional Buyers	0	0	0	0.00	2,546,605	0	2,546,605	1.24	1.24
Sub Total (B) (1)	**53,143,757**	**0**	**53,143,757**	**25.92**	**56,085,861**	**0**	**56,085,861**	**27.35**	**1.42**
2. Non-Institutions									
a) Bodies Corporate	4,849,178	0	4,849,178	2.37	2,042,771	0	2,042,771	1.00	(1.37)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	394,857	0	394,857	0.19	309,861	0	309,861	0.15	(0.04)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	163,938	0	163,938	0.08	120,286	0	120,286	0.06	(0.02)

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	
c) Others									
NBFC registered with RBI	26,591	0	26,591	0.01	24,000	0	24,000	0.01	0.00
Non-Resident Indian	16,197	0	16,197	0.01	3,840	0	3,840	0.00	(0.01)
Clearing Member	15,361	0	15,361	0.01	21,357	0	21,357	0.01	0.00
Non-Resident Indian Non Repatriable	3,692	0	3,692	0.00	4,589	0	4,589	0.00	0.00
Sub Total (B) (2)	**5,469,814**	**0**	**5,469,814**	**2.67**	**2,526,704**	**0**	**2,526,704**	**1.23**	**(1.44)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**58,613,571**	**0**	**58,613,571**	**28.59**	**58,612,565**	**0**	**58,612,565**	**28.59**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)	**205,023,864**	**0**	**205,023,864**	**100.00**	**205,023,864**	**0**	**205,023,864**	**100.00**	**0.00**

B) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares of the Company	No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares of the Company	
1	Mr. Ravi C. Raheja	10,326,318	5.04	0.00	10,326,318	5.04	0.00	0.00
2	Mr. Neel C. Raheja	10,326,318	5.04	0.00	10,326,318	5.04	0.00	0.00
3	Raghukool Estate Developement LLP	16,495,680	8.04	1.65	16,495,680	8.04	1.65	0.00
4	Capstan Trading LLP	16,495,680	8.04	1.46	16,495,680	8.04	1.46	0.00
5	Casa Maria Properties LLP	16,496,280	8.04	0.00	16,496,280	8.04	0.00	0.00
6	Anbee Constructions LLP	13,116,180	6.40	6.40	13,116,180	6.40	6.40	0.00
7	Cape Trading LLP	13,116,180	6.40	6.40	13,116,180	6.40	6.40	0.00
8	Palm Shelter Estate Development LLP	0	0.00	0.00	1,006	0.00	0.00	0.00
9	K. Raheja Private Limited	12,400,000	6.05	0.00	12,400,000	6.05	0.00	0.00
10	Touchstone Properties and Hotels Private Limited	14,500,000	7.07	7.02	14,500,000	7.07	7.02	0.00
11	K. Raheja Corp Private Limited	3,785,824	1.85	0.00	3,785,824	1.85	0.00	0.00
12	Ivory Properties and Hotels Private Limited*	11,351,833	5.54	0.00	11,351,833	5.54	0.00	0.00
13	Genext Hardware & Parks Private Limited	8,000,000	3.90	0.00	8,000,000	3.90	0.00	0.00
	Total	**146,410,293**	**71.41**	**22.93**	**146,411,299**	**71.41**	**22.93**	**0.00**

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

Note: Where the same set of shareholders are holding shares under different Client IDs, the holdings have been clubbed together

C) Change in Promoters' Shareholding:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Datewise increase / decrease in shareholding during the year			Cumulative shareholding during the year	
		No of Shares	% of total shares of the Company	Date	Reason	Increase / Decrease in shareholding	No of Shares	% of total shares of the Company
1.	Palm Shelter Estate Development LLP	0	0.00	March 9, 2020	Market purchase	1,006	1,006	0.00

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

Sr. No.	Top 10 Shareholders*	Shareholding at the beginning of the year		Cumulative shareholding at the end of the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1	Reliance Capital Trustee Co Ltd. A/C Reliance Multi Cap Fund	10,693,167	5.22	9,421,535	4.60
2	SBI Long Term Advantage Fund - Series VI	7,336,224	3.58	8,192,746	4.00
3	ICICI Prudential Equity & Debt Fund	5,885,362	2.87	5,202,918	2.54
4	HDFC Small Cap Fund	4,847,303	2.36	6,180,597	3.01
5	Fidelity Funds - India Focus Fund	3,769,690	1.84	4,571,893	2.23
6	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund	801,340	0.39	3,649,012	1.78
7	HDFC Life Insurance Company Limited	2,500,000	1.22	2,546,605	1.24
8	Goldman Sachs India Limited	2,430,968	1.19	1,898,104	0.93
9	Kuwait Investment Authority Fund 223	2,197,061	1.07	2,333,438	1.14
10	UTI - Core Equity Fund	1,642,467	0.80	2,445,066	1.19

*The shares of the Company are traded on a daily basis and hence the datewise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the Shareholder.

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Datewise increase / decrease in shareholding during the year			Cumulative shareholding during the year	
		No of Shares	% of total shares of the Company	Date	Reason	Increase / Decrease in shareholding	No of Shares	% of total shares of the Company
1	Mr. Ravi C. Raheja	10,326,318	5.04	-	-	-	10,326,318	5.04
2	Mr. Neel C. Raheja	10,326,318	5.04	-	-	-	10,326,318	5.04
3	Mr. Joseph Conrad D'Souza	689	0.00	-	-	-	689	0.00

IV(2). Shareholding Pattern (Preference Share Capital Breakup as percentage of Total Preference):

A) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/HUF	9,300	0	9,300	43.05	9,300	0	9,300	43.05	0.00
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	10,700	0	10,700	49.54	10,700	0	10,700	49.54	0.00
e) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
f) Others	1,600	0	1,600	7.41	1,600	0	1,600	7.41	0.00
Sub Total (A) (1)	**21,600**	**0**	**21,600**	**100.00**	**21,600**	**0**	**21,600**	**100.00**	**0.00**
2. Foreign	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A)=(A)(1)+(A)(2)	**21,600**	**0**	**21,600**	**100.00**	**21,600**	**0**	**21,600**	**100.00**	**0.00**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
Sub Total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1) (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A) + (B) + (C)	**21,600**	**0**	**21,600**	**100.00**	**21,600**	**0**	**21,600**	**100.00**	**0.00**

Preference Share Capital:

1,600 - 0.001% Non-Cumulative Redeemable Preference shares of ₹100,000/- each

10,000 - Series A - Zero Coupon Non-Cumulative, Non-Convertible, Redeemable Preference Shares of ₹100,000/- each

10,000 - Series B - Zero Coupon Non-Cumulative, Non-Convertible, Redeemable Preference Shares of ₹ 100,000/- each

B) Shareholding of Promoters

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Mr. Chandru L. Raheja jointly with Mrs. Jyoti Raheja*	1,600	7.40	0.00	1,600	7.40	0.00	0.00
2.	Mr. Ravi C. Raheja (Series A – 2,325 NCRPS and Series B – 2,325 NCRPS)	4,650	21.53	0.00	4,650	21.53	0.00	0.00
3.	Mr. Neel C. Raheja (Series A – 2,325 NCRPS and Series B – 2,325 NCRPS)	4,650	21.53	0.00	4,650	21.53	0.00	0.00
4.	K. Raheja Corp. Private Limited (Series A – 4,500 NCRPS and Series B – 4,500 NCRPS)	9,000	41.67	0.00	9,000	41.67	0.00	0.00
5.	Ivory Properties and Hotels Private Limited (Series A – 850 NCRPS and Series B – 850 NCRPS)	1,700	7.87	0.00	1,700	7.87	0.00	0.00

*Held by the Registered Owners for and on behalf of the beneficiaries of Ivory Property Trust.

C) Change in Promoters' Shareholding:

Sr. No.	Name of the Shareholder	Shareholding as at the beginning of the year		Datewise increase / decrease in shareholding during the year			Cumulative shareholding during the Year	
		No of Shares	% of total shares of the Company	Date	Reason	Increase / Decrease in shareholding	No of Shares	% of total shares of the Company
No change during the Financial Year under review								

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

Sr. No.	Top 10 Shareholders	Shareholding as at the beginning of the year		Datewise increase / decrease in shareholding during the year			Cumulative shareholding during the Year	
		No of Shares	% of total shares of the Company	Date	Reason	Increase / Decrease in shareholding	No of Shares	% of total shares of the Company
NIL								

E) Preference Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Directors and Key Managerial Personnel Name	Shareholding at the beginning of the year		Datewise Increase / Decrease in shareholding during the year			Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	Reason	Increase / Decrease in shareholding	No. of Shares	% of total Shares of the company
1	Mr. Ravi C. Raheja	4,650	21.53	-	-	-	4,650	21.53
2	Mr. Neel C. Raheja	4,650	21.53	-	-	-	4,650	21.53

V. Indebtedness

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

(Amount in ₹)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	14,834,237,314	53,989,671	-	14,888,226,985
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28,870,504	1,253,284	-	30,123,788
Total (i + ii + iii)	**14,863,107,818**	**55,242,955**	**-**	**14,918,350,774**
Change in Indebtedness during the Financial Year (net)				
Addition	6,035,000,000	-	-	6,035,000,000
Reduction	4,165,664,948	55,242,955	-	4,220,907,904
Net Change	**1,869,335,052**	**(55,242,955)**	**-**	**1,814,092,096**
Indebtedness at the end of the Financial Year				
i) Principal Amount	16,700,795,992	-	-	16,700,795,992
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	31,646,879	-	-	31,646,879
Total (i + ii + iii)	**16,732,442,870**	**-**	**-**	**16,732,442,870**

Notes:

- Excluding Preference Share Capital of ₹1,107,987,565.
- Processing fees on new / existing loans have been adjusted (as per IndAS) and net movement is considered in borrowing.

VI. Remuneration of Directors and Key Managerial Personnel:

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Sanjay Sethi MD & CEO	Mr. Rajeev Newar ED & CFO	
1	Gross Salary: (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	63,106,398	23,055,482	86,161,880
2.	Stock Option	12,059,962* (200,000 options granted)	-	12,059,962
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	75,166,360	23,055,482	98,221,842
	Ceiling as per the Act			114,611,010**

* ESOP expense recognised for the Financial Year ended March 31, 2020.

** Maximum remuneration as per Schedule V of the Act.

B) Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the Director				Total Amount
	Independent Directors	Mr. Hetal Gandhi	Mr. Joseph Conrad D'Souza	Mr. Arthur William de Haast	Ms. Radhika Piramal	
1.	Fees for attending Board / Committee meetings	635,000	665,000	445,000	300,000	2,045,000
	Commission	-	-	-	-	-
	Others - Professional Fees	-	-	2,028,909	-	2,028,909
	Total (1)	635,000	665,000	2,473,909	300,000	4,073,909
2.	Other Non-Executive Directors	Mr. Ravi C. Raheja		Mr. Neel C. Raheja		
	Fees for attending Board / Committee meetings	630,000		440,000		1,070,000
	Commission	-		-		-
	Others, please specify	-		-		-
	Total (2)	630,000		440,000		1,070,000
	Total (B) = (1+2)					51,43,909
	Total Managerial Remuneration					**103,365,751**
	Overall Ceiling as per the Act					114,611,010*

* Maximum remuneration as per Schedule V of the Act.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel Ms. Christabelle Baptista Company Secretary	Total Amount
1.	Gross Salary: (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	3,485,460	3,485,460
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission (as % of profit / other)	-	-
5.	Others, please specify	-	-
	Total	3,485,460	3,485,460

VII. Penalties / Punishments / Compounding of Offences:

There were no penalties, punishments or compounding of offences during the year under review.

For and on behalf of the Board of Directors

Hetal Gandhi
Chairman
(DIN: 00106895)

Place: Mumbai
Date: June 8, 2020

Management Discussion and Analysis

Market Conditions

The WHO-declared COVID-19 a pandemic in early 2020, the resultantly rapidly changing circumstances and uncertain consumer demand for travel makes one's ability to assess the situation limited, especially with regard to the hospitality industry.

These are tough times and Chalet is working diligently with its partners and vendors to ensure that smart policies and effective communication are in place to enable a more resilient year ahead.

While the report was being drafted, the COVID-19 situation was still evolving. Hence, our thoughts and actions will be constantly reviewed in the course of the year.

Are We Prepared?

In these testing times, experience and long-term vision is needed to take immediate action and prove the business model resilient. Years of focus on cost and asset management has kept the team agile and ready to implement initiatives early on within the system. Taking learnings from past experiences and from its operating partners' experience in other Asian markets of China and Singapore, your Company was able to kick start some of its cost initiatives as early as February 2020 with an increased focus on health and safety of guests and colleagues as well as building a risk mitigation plan.

During the COVID-19 pandemic, your Company has tried to take a step back and re-evaluate all areas of work to prioritize those that are critical to function. Your Company has also tried to rethink ways to reinvent its team. It is felt that it is not only important to stay positive in our minds and hearts but also stay positive with finances. Your Company is reviewing its ongoing capex intensive projects currently, to align them with demand dynamics and cash flow projections. On the operating side, new strategies have been drawn up to capture a healthy market share as the post COVID-19 world opens out.

The energy and eagerness of the Company's associates to rise to the occasion has truly helped in strengthening the plans put in play by the Company. The team has exhibited strong motivation and resilience in facing the challenge head on.

Prioritizing Safety:

Whilst branded hotels follow adequate brand standards, when it comes to guest service and hygiene; these standards are being further enhanced by the hotel operators to align with learning from the emerging global best practices in this situation.

Focus on Cashflow:

In the near term, the earnings and profitability of our business is expected to be materially impacted.

The Company has, over the years, built a strong hotel led mixed-use asset development model. In the current situation, while operations for Hotel and Retail segments continue to witness direct impact from the crisis, rentals from Commercial Operations provide a steady annuity shield and resilience to the operating cashflows. The Retail portfolio, which includes a Food & Beverage hub in Mumbai continues to remain closed in line with state government directives as is the case with the mall in Bengaluru, which was opened in June after the lockdown rules were revised in the state of Karnataka.

As the lockdown unfolds, market conditions are being watched closely and all the projects in pipeline are being evaluated and will be paced in line with market conditions.

The management, based on its assessment of the situation, has internally revised its business forecasts for the near term and assessed the cashflow needed. The cash on books, the sanctioned lines of credit and the operating cashflows as per the forecast appear to be reasonably adequate to meet the operating cash required, debt servicing obligations and minimal capital spends in respect of the development pipeline for the year.

Business Updates:

Within the hotel's portfolio, 5 of the 6 hotel properties today have in-house guests which include stay-on guests, doctors, medical fraternity and guests from repatriation flights. Our colleagues at the hotels, continue to provide hospitality services to these guests under these trying circumstances.

Cost efficiencies have always been a key driver for business performance at Chalet and these practices have held us in good stead during this crisis and allowed us permissible forms of cost savings too. The hotel operators who manage our hotels have a significant presence in China, providing Chalet an opportunity of an early warning on the crisis and a head start in implementing various mitigation initiatives such as hiring freeze, managing inventory of supplies and reworking re-order levels as early as February 2020. This also allowed building of a business risk mitigation plan early in the cycle. Chalet was able to undertake a detailed review of all the fixed costs and has managed to significantly drive optimisation wherever permissible, while continuing to ideate on new thoughts.

Another significant cost for the Company is Heat, Light and Power costs, where significant steps have been taken to reduce consumption.

A comprehensive renegotiation exercise is under way with vendors and service providers, where significant progress has been achieved. The Company is also engaging with the hotel operators for a lower cash outflow in respect of the services rendered by / through them.

Your Company's HR and IT teams were quick off the block to set up Business Continuity Plans on people and on the IT front. All of the corporate office associates are connected seamlessly on Microsoft Teams.

The senior management of your Company has been actively working with various Hospitality and Industry associations (FAITH, HAI, FHRAI, CII & FICCI) in engaging with the Government to seek relief for the industry. This will provide the sector incremental support for revival over the short to midterm.

The environment today:

Notwithstanding the multitude of actions taken by the management, these are trying circumstances, impacting the entire world; and your Company's business is witnessing material impact from the prevailing global situation.

While the world awaits a permanent cure for the pandemic, Chalet is also preparing for a new and an evolved future for the travel and hospitality industry globally.

During this period of lockdown, the Company has taken various steps towards rethinking the 'new normal' for the business and gearing its offerings for the post COVID-19 world.

These steps are divided into two phases, **'Phase 1: Surviving COVID-19 Crisis'** and **'Phase 2: Post-COVID-19 strategy'**, through which an action plan has been prepared to address the situation and deal with contingencies in a proactive and efficient manner.

At Chalet we are exploring ways to try and extend support to our country's COVID-19 fighters and relevant authorities to contain this pandemic, by offering all that we can and assist as and when we can. (Please refer Page 31)

'Reboot, Re-invent & Race Ahead'

Let us walk you through Phase 2 of our strategy in a post COVID-19 environment. Chalet continues to prepare in multiple ways by addressing the 'new normal' situation that is expected in the future and is working on plans to **'Reboot, Re-invent & Race Ahead'**.

Reboot:

Your Company continues to constantly stay in touch with its people and teams across locations, to align the thoughts on the situation. The Company team has also been active in coming forward with business improvement ideas – several of which have already been implemented or are under implementation.

Today, all your Company's hotels including the ones without guests are adequately manned to align with the inhouse guest count, plant and machinery are regularly operated and sourcing arrangements are in place to the extent permissible to ensure smooth operations of the business. The hotels are thus, able to scale up at a short notice, post lockdown.

Your Company's Hotels intend to stay connected with customers and key accounts to help track the nature of demand in the future. We believe these points should help us **'Reboot'** and kickstart our system, people, and products in the right direction.

Re-invent:

As the saying goes, 'We must **Re-invent** a future free of blinders so that we can choose from real options', Chalet will try to relook at all existing options and try to find some new ones. Your Company strongly believes that standard conventions will cease to exist and our values of agility, efficiency & collaboration will be put to test. Chalet is prepared to address these new challenges by sharpening our focus towards our customers and inclusion of tech-enabled user-friendly product offerings.

Your Company's hotels are in the process of adopting new SOP's (Standard Operating Procedures) with upgraded guest service levels, addressing the new safety and hygiene needs of the hour considering the new norms. Focusing on experience and efficiency of deliverables over size of team will realign the biggest cost base for the business.

Race Ahead:

Racing ahead will require a larger focus from all of us. This will entail exploring new streams for generating revenue and maybe even new verticals for the business. Hotels as we know it, may get entire new business segments with completely different characteristics and will require us to be prepared for it. In this new situation, new opportunities for growth and development are being looked at and Chalet will continue to look at them aggressively with an accretive viewpoint.

Indian Economy

As per the International Monetary Fund ('IMF'), the real GDP growth for India in 2019 was 4.2%. In wake of the current situation, the projected real GDP growth for the year 2020 corrected considerably to 1.9%. While the relief packages announced by the government are expected to provide a substantial boost to the economy, the near-term forecast will continue to bear scars of the pandemic.

With the announced phased opening up of the country, there is hope of an economic recovery in the mid-term.

Indian Hospitality Industry Performance

The hospitality sector witnessed nearly 30% growth in hotel brand signings during the calendar year 2019 with approximately 170 new hotels entering the branded hotel market and an additional 53 being re-branded. 2019 was a good year for hotel transactions too, which witnessed transactions worth ₹ 4,937 Cr compared to just over ₹ 535 Cr in the previous year, indicating that interest levels in the sector were clearly at an all-time high.

Considering the new developments, one finds it difficult to gauge the performance of the industry in the near term. The mid-term recovery of the sector can be expected in lines of the economic recovery.

As per a recent report from HVS, 2019 started on a positive note, with the first quarter of the year performing in line with market expectations and benefiting from easing of Goods & Services Tax (GST) rate on hotel room tariffs. But successive negative impacts on the sector drained much of the enthuse. The closure of Jet Airways, India's largest airline by market share, lead to a severe crunch in availability of airline seats, which combined with the impact of general elections in the country and a longish monsoon with heavy showers causing flight cancellations led to a temporary softening in discretionary demand growth. As the year ended, the industry witnessed good performance in November, with hotels across key markets doing good business. However, the hardening economic headwinds, protests related to CAA & NRC and the global pandemic of COVID-19 dampened the spirits towards the end of the year. Thus, the Indian hotel industry witnessed an India wide RevPAR growth of just over 4% in 2019.

Hospitality Performance

For the hospitality portfolio of Chalet, the average rate appreciation has been 3% whilst the overall occupancy levels were at 71% for the financial year ended March 31, 2020.

Excluding the period of larger impact of the pandemic i.e. the month of March 2020 the performance of 11 months till February 29, 2020, witnessed a 4% improvement in average room rates while occupancy held a steady 75% mark for the period. This performance was led by a favorable demand supply environment, in spite of a few headwinds in the first half of the year as already mentioned.

Commercial and Retail Operations:

The commercial tower at Sahar, Mumbai is witnessing steady rentals. The retail portfolio saw business closure for most of March 2020 in line with the government regulations on the Pandemic. Overall, the segment achieved 2.5x growth in revenue largely led by operationalisation of the Commercial tower in Sahar Mumbai and improved rentals at the Bengaluru Mall.

Portfolio:

For details on the Company's Portfolio, please refer to Pages 6 to 10 of the Annual Report.

Acquisition of Novotel

In January 2020, Chalet signed a Share Purchase Agreement ('SPA') for the purchase of Novotel Pune Nagar Road Hotel (Novotel Pune). As of 7th February, Chalet concluded the transaction and Belaire Hotels Pvt Ltd and Seapearl Hotels Pvt Ltd are 100% subsidiaries of the Company. The acquisition was at an enterprise value of ₹ 2,938 million.

This acquisition marks the beginning of a tie-up with Accor Group which is one of the largest global hospitality players with significant presence in India.

Novotel Pune, today has 223 keys and has an expansion potential of another 84-88 keys which are today in bare shell stage.

Pune is an attractive market and has sizeable commercial office development, resulting in strong hotel demand dynamics. The hotel is located at a central location to key business hubs of Viman Nagar, Kharadi, Yerawada, Kalyani Nagar and Koregaon Park which are all within a radius of 4km of Novotel Pune. Additionally, the expansion of the airport and boom of financial technology and IT industries make the city an attractive to place to have our presence in.

The market dynamics of the location, the option of 40% increase in inventory and Chalet's asset management capabilities should help the hotel to deliver improved shareholder returns.

This move is aligned with the growth strategy of strengthening and expanding our portfolio to new geographies with strong demand potential.

Update on Pipeline

Based on our strategy of delivering world-class hotel assets, Chalet continues to upgrade its offerings and develop new assets to gear itself for future growth and development. However, given the significant impact on the industry by the pandemic, it is prudent to align our capex plans with demand dynamics and cash flow availability.

For update on the Capital expenditure outlay please refer to Page 11 of the Annual Report.

Hotel Brand Signups for Existing and Proposed Projects

With an objective of optimising the returns for all our stakeholders and repositioning our hotel assets to cater to the ever-changing needs and aspirations of our customers, your Company has successfully negotiated and executed the following six new agreements with hotel brands from Marriott and Hyatt.

The following five new agreements were signed with Marriott Hotels India Private Limited ('Marriott'). Under the agreement, Chalet would build hotels, change a brand & extend contracts across brands such as W, Westin & Marriott Executive Apartments in Hyderabad & Mumbai for 1,500+ keys

- 'The Westin Hyderabad Hitec City', an upcoming ~170 keys property
- 'The Westin Hyderabad Mindspace' (427 keys) a new contract signed continuing with the existing brand
- 'W Mumbai Powai Lake', an upcoming ~150 keys property in Powai Mumbai
- 'The Westin Mumbai Powai Lake' (600 keys) which is a new contract with 'brand conversion' for Renaissance Mumbai Convention Centre and Hotel
- 'Lakeside Chalet, Mumbai – Marriott Executive Apartments' (173 keys) a new contract signed, continuing with the existing brand

Your Company signed a franchise agreement with Hyatt India Consultancy Private Limited (Hyatt) and its affiliates for a proposed Hyatt Regency at Navi Mumbai Airoli. The Company's upcoming ~260 keys hotel will be the first Hyatt Regency branded hotel for Chalet.

Results of Operations for the year ended March 31, 2020

The Company's Consolidated financial performance for the year ended March 31, 2020

(₹ in million)

Particulars	For the year ended			For the 3 months ended		
	March 31, 2020	March 31, 2019	Change %	March 31, 2020	March 31, 2019	Change %
Revenue from Operations	**9,811.28**	9,871.73	(1%)	**2,273.48**	2,698.65	(16%)
Other Income	**278.97**	476.08	(41%)	**102.79**	72.08	43%
Total Income	**10,090.25**	10,347.81	(2%)	**2,376.27**	2,770.73	(14%)
Total Expenses	**6,445.13**	6,679.47	(4%)	**1,641.06**	1,726.79	(5%)
EBITDA before exceptional items	**3,645.12**	3,668.34	(1%)	**735.21**	1,043.94	(30%)
Depreciation and amortisation expenses	**1,133.17**	1,154.17	(2%)	**284.88**	295.43	(4%)
Finance costs	**1,461.76**	2,656.69	(45%)	**397.01**	560.52	(29%)
Profit/(Loss) before Exceptional items and Tax	**1,050.19**	(142.52)		**53.32**	187.99	(72%)
Exceptional items	**(41.71)**	(40.96)		**(4.53)**	(15.48)	(71%)
Profit/(Loss) before income tax	**1,008.48**	(183.48)		**48.79**	172.51	(72%)
Tax Expense	**12.22**	(107.21)		**(372.99)**	39.43	
Profit/(Loss) for the year	**996.26**	(76.27)		**421.78**	133.08	217%

Financial year ended March 31, 2020 was a challenging year for the Industry and your Company. The Company witnessed steady business for a large part of the financial year ended March 31, 2020. There was a mild impact on business in January 2020 and the impact was largely felt towards the end of the quarter. The business impact continued as the Government of India prepared for the worst with maximum caution, travel advisories, restrictions and the subsequent lock-down across the country.

The analysis of major items of financial statement are given below:

Revenue

(₹ in million)

Particulars	For the year ended			For the 3 months ended		
	31-Mar-20	31-Mar-19	Change %	31-Mar-20	31-Mar-19	Change %
Hospitality	**8,755.01**	9,136.80	(4%)	**2,010.67**	2,566.71	(22%)
Room Revenue	**5,218.77**	5,340.51	(2%)	**1,215.26**	1,530.28	(21%)
Food & Beverage Revenue	**2,798.21**	3,015.82	(7%)	**645.19**	832.11	(22%)
Other Revenue	**738.03**	780.47	(5%)	**150.21**	204.31	(26%)
Retail & Commercial	**1,003.33**	390.69	157%	**262.82**	91.19	188%
Lease Rent	**802.09**	271.21	196%	**212.91**	56.32	278%
Maintenance and other recoveries	**130.49**	64.86	101%	**33.77**	17.37	94%
Revenue from other services	**70.75**	54.62	30%	**16.14**	17.50	(8%)
Real Estate						
Sale of residential flats	**52.94**	344.24	(85%)	**0**	40.76	
Other Income	**278.97**	**476.08**	**(41%)**	**102.79**	**72.08**	**43%**
Total Income	**10,090.25**	10,347.81	(2%)	**2,367.27**	2,770.73	(14%)

Hospitality FY 2019-20 performance:

- Hospitality revenue declined by 4% against previous year
- Room revenue declined by 2% against the previous year, driven by 3% growth in Average Daily Rates (ADR) for the year while the Occupancy contracted by 600 Bps to 71% for the same period
- For the period of impact, the 3 months ended March 2020 –
  - Hospitality revenues were down 22% against previous year
  - Room revenues declined by 21% for the same period, primarily due to a drop in occupancy by 2,100 bps to 61%
  - Excluding the newly acquired property of Novotel Pune Nagar Road, ADR for the period improved by 2%

– Your Company acquired Novotel Pune Nagar Road Hotel in February 2020. The performance of the same has also been consolidated in the financials for the period and is part of the period of Impact. However, the same was not part of the previous year's performance.

Hospitality KPI

(₹ in million)

Particulars	For the year ended			For the 3 months ended		
	March 31, 2020	March 31, 2019	Change %	March 31, 2020	March 31, 2019	Change %
ADR (₹)	**8,482**	8,210	3%	**8,890**	8,852	0%
MMR*	**8,309**	8,080	3%	**8,886**	8,693	2%
Bengaluru	**9,093**	8,756	4%	**9,461**	9,435	0%
Hyderabad	**8,688**	8,163	6%	**9,211**	8,883	4%
Pune	**5,255**			**5,255**		
Occupancy %	**71%**	77%	(600 bps)	**61%**	82%	(2100 bps)
MMR*	**72%**	76%	(400 bps)	**62%**	83%	(2000 bps)
Bengaluru	**73%**	77%	(400 bps)	**62%**	83%	(2100 bps)
Hyderabad	**70%**	76%	(600 bps)	**60%**	82%	(2100 bps)
Pune	**41%**			**41%**		
RevPAR	**6,022**	6,283	(4%)	**5,386**	7,294	(26%)
MMR*	**5,942**	6,174	(4%)	**5,540**	7,174	(23%)
Bengaluru	**6,593**	6,757	(2%)	**5,830**	7,814	(25%)
Hyderabad	**6,115**	6,234	(2%)	**5,554**	7,244	(23%)
Pune	**2,130**			**2,130**		

*MMR represents Mumbai Metropolitan Region

- Food & Beverage revenues declined by 7% for the year in line with the weak consumer demand environment
- For the period of impact, the 3 months ended March 2020
  – Food & Beverage revenues declined by 22%, led by cancellation of MICE and banqueting events due to social distancing regulations set by the Government and the subsequent lockdown
- Other Revenue declined by 5% over the previous year

Retail and Commercial:

- Segment Revenues grew by 157% against the previous year, which was led by 196% growth in Lease Rent.
- The Sahar office tower was operationalised during the period and contributed to 66% of the segment revenue. Inorbit Mall at Bengaluru saw steady occupancy and The Orb at Sahar saw some pick-up in business.
- For the period of impact, the 3 months ended March 2020 –
  – The Retail business including The Inorbit Mall at Bengaluru and The Orb at Sahar, Mumbai were closed down in the month of March 2020 in line with the government's COVID-19 guidelines. Operations commenced at Bengaluru in June 2020 as per revised regulations. The State Government in Maharashtra is yet to permit re-opening of retail malls in Mumbai.

Real Estate:

- Segment revenue was at ₹ 53 million led by sale of the last 3 residential flats at the Hyderabad project as compared to sale of ₹ 344 million in the previous year same period. The Hyderabad Project stands completed.

Other Income:

- Other Income for the period decreased to ₹ 279 million against ₹ 476 million for the previous year led by treasury income being lower from ₹ 188 million to Nil in the current year.

Operating Expenses:
Operating expenses for the period were lower by 4% against the previous year led by business contraction in Q4FY20 on account of the pandemic and partly offset by an impact of Exchange Loss on external commercial borrowings (ECB) of ₹ 18 million (Previous Year ₹ 161 million)

(₹ in million)

Particulars	For the year ended			For the 3 months ended		
	March 31, 2020	March 31, 2019	Change %	March 31, 2020	March 31, 2019	Change %
Real estate development cost	**228.90**	433.78	(47%)	**27.54**	38.75	(29%)
Food and beverages consumed	**828.39**	866.67	(4%)	**184.88**	202.47	(9%)
Operating supplies consumed	**306.71**	262.83	17%	**74.47**	68.67	8%
Employee benefits expense	**1,522.81**	1,448.08	5%	**386.6**	381.66	1%
Other expenses	**3,558.32**	3,668.11	(3%)	**967.57**	1,035.25	(7%)
Total Expenses	**6,445.13**	6,679.47	(4%)	**1,641.06**	1,726.79	(5%)

- Real Estate development cost was at ₹ 229 million against ₹ 434 million in the previous year
- Food and Beverages Consumed for the period was lower by 4% and in-line with the decline in our Food and Beverage Revenue led by market conditions.
- Operating Supplies Consumed grew by 17% for the year due to shutdown of laundry at properties in Mumbai and consequent outsourcing of laundry to third party vendor, increasing par stocks of linen entailing higher costs.
- Employee benefit expenses grew by 5% for the year led by regular salary hikes in line with the business plan at the beginning of the year and hotel performance of the year.
- Other expenses contracted by 3% from the previous year largely led by lower loss on forex exchange fluctuation and certain curb on costs undertaken during the period of impact Q4FY20.

EBITDA
Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items was steady at ₹ 3,645 million as compared to the previous year of ₹ 3,668 million notwithstanding extremely challenging economic conditions. EBITDA margin for the period improved by 70 bps to 36.1% against 35.4% for the previous year led by conscious efforts to streamline costs.

For the period of impact, the 3 months ended March 2020 the EBITDA stood at ₹ 735 million as compared to the previous year same period ₹ 1,044 million a drop of 30% and a margin contraction of ~700 bps to 31%.

Depreciation and amortisation expenses were steady at ₹ 1,133 million for the year as compared to ₹ 1,154 million.

Finance costs were at ₹ 1,462 million a saving of 45%. During the previous year ₹ 12,151 million of net debt was repaid. The average cost of borrowing for the year was at 9.38% as compared an average cost of borrowing of 9.72% for the previous year.

Exceptional Items

(₹ in million)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Provision for estimated cost in relation to potential cancellation	**(41.71)**	(40.96)
Total Expenses	**(41.71)**	(40.96)

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

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

During the year ended March 31, 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Company, decided that the Company should proactively consider re-commencement of construction up to permissible limits and engage with buyers above the 10th floor for evaluating possible options. Accordingly, the Company has reassessed the estimated cost of completion of the Project up to 10th floor as per the aforementioned plan and has made certain adjustments as exceptional items as at March 31, 2018. Provision for interest in relation to potential cancellations of ₹ 41.71 million for the year ended March 31, 2020 (March 31, 2019: ₹ 40.96 million) is reflected as an exceptional item.

By judgement dated May 29, 2020, the Hon'ble High Court of Karnataka has allowed the writ petition in part, quashing the cancellation of the NOC and remanding back the matter to HAL for re-survey in a time bound manner and thereafter proceed in accordance with law. Management is of the view that no changes are required on this account in the standalone financial results as at and for the year ended March 31, 2020.

Profit/(Loss) for the year

Profit for the year was at ₹ 996 million against a loss of ₹ 76 million in the previous year this was driven by steady business performance in unprecedented times, reduction in interest costs and lower Exchange Loss.

Equity & Debt

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

(₹ in million)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Equity share capital	**2,050.24**	2,050.24
Other equity	**13,495.27**	12,176.48
Non-Controlling interests	**(2.70)**	27.79
Total equity	**15,542.81**	14,254.51
Non-cumulative redeemable preference shares	**1107.99**	518.18
Gross Debt (Excl Pref Capital)	**17,907.49**	14,942.14
Debt / Equity	**1.15**	1.05

- Led by the 9% depreciation in INR for the year ending March 31, 2020 the ECB exposure in USD was at USD 26.24 million at the end of the year as compared to USD 26.11 million at the beginning of the year.
- Your Company acquired Belaire Hotels Private Limited (BHPL), owner of 'Novotel Pune Nagar Road' Hotel (Novotel Pune) and its affiliate entity Seapearl Hotels Private Limited (SHPL) for a gross consideration of ₹ 2,938 million which has resulted in the increase of debt for the year. Net of term loan liabilities of the acquired entity of ₹ 1,170 million the net consideration was at ₹ 1,768 million.

Reserves & Surplus

The increase in reserves for the year was led by profits of ₹ 661 million and acquisition.

(₹ in million)

Particulars	For the year ended		
	March 31, 2020	March 31, 2019	Change %
Debtors Turnover[1]	**24.21**	21.70	12%
Inventory Turnover[2]	**2.57**	2.62	(2%)
Current Ratio[3]	**0.90**	0.83	9%
Interest Coverage Ratio[4]	**2.49**	1.38	81%

1: Total Income/ Trade receivable

2: Total Income / Inventories

3: Current assets/ Current liabilities

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

Improvement in Interest Coverage Ratio is on account of significant reduction in Interest Cost led by reduction in Debt and Interest Charges.

Cashflow

(₹ in million)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Net Cash from Operating Activities	**2,524.41**	3,655.21
Net Cash from Investing Activities	**(3,937.24)**	1,472.40
Net Cash from Financing Activities	**1,327.86**	(5,228.33)
Net Change in Cash and Cash Equivalent	**(84.97)**	(100.72)

Standalone Financials

The Total Income as per the Company's Standalone Financials accounts for 99.5% of the Total Income as per the Company's Consolidated Financial results.

(₹ in million)

Particulars	For the year ended			For the 3 months ended		
	March 31, 2020	March 31, 2019	Change %	**March 31, 2020**	March 31, 2019	Change %
Revenue from Operations	**9,765.24**	9,871.73	(1%)	**2,227.44**	2,698.65	(17%)
Other Income	**272.44**	436.03	(38%)	**96.32**	72.08	34%
Total Income	**10,037.68**	10,307.76	(3%)	**2,323.76**	2,770.73	(16%)
Total Expenses	**6,607.77**	6,670.40	(1%)	**1,805.46**	1,721.11	5%
EBITDA before exceptional items	**3,429.91**	3,637.36	(6%)	**518.30**	1,049.62	(51%)
Depreciation and amortisation expenses	**1,113.66**	1,154.17	(4%)	**265.37**	295.43	(10%)
Finance costs	**1,446.13**	2,651.51	(45%)	**383.00**	560.01	(32%)
Profit/(Loss) before Exceptional items and Tax	**870.12**	(168.32)		**(130.07)**	194.18	-
Exceptional items	**(41.71)**	(40.96)		**(4.53)**	(15.48)	(71%)
Profit/(Loss) before income tax	**828.41**	(209.28)		**(134.60)**	178.70	
Tax Expense	**12.27**	(107.21)		**(372.94)**	39.43	
Profit/(Loss) for the year	**816.14**	(102.07)		**238.34**	139.27	71%

Standalone Revenue for the year de-grew by 3% to ₹ 10,038 million against previous year led by 5% decline in Hospitality segment while Retail and Commercial segment grew by 157% led by operationalisation of commercial tower at Sahar, Mumbai.

Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items was at ₹ 3,430 million with margin of 34.2% for the year as compared to ₹ 3,638 million with a margin of 35.3% in the previous year.

Profit for the year was at ₹ 816 million as compared to a loss of ₹ 102 million in the previous year.

Report on Corporate Governance

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

Philosophy on Code of Corporate Governance

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

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

Board of Directors

Composition and Category of Directors:

The Company's Board of Directors comprises of eight Directors, of which four are Independent Directors including one Woman Director, two are Promoter Directors and two are Executive Directors. Furthermore, the Chairman of the Board is also an Independent and Non-Executive Director.

The four Independent Directors and the two Promoter Directors are Non-Executive Directors ('NEDs'). The Board's composition is in compliance with the requirements of Regulation 17(1) of the Listing Regulations read with Section 149 of the Act. The Directors possess experience in diverse fields including real estate, retail, banking, finance, consumer industry and hospitality. The rich and varied experience of the Board has proved to be of immense value to the Company.

All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act and the Listing Regulations. They have declared that they do not fall under any disqualifications specified under the Act. Further, in the opinion of the Board the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

The details of the Director seeking re-appointment are mentioned in the Notice of the Annual General Meeting.

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

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

During the year under review:

- the Board of Directors met 5 (five) times, on May 10, 2019, August 13, 2019, November 8, 2019, January 17, 2020 and February 10, 2020;
- the Audit Committee met 5 (five) times on April 15, 2019, May 10, 2019, August 13, 2019, November 8, 2019 and February 10, 2020;
- the Compensation Nomination & Remuneration ('CNR') Committee met 3 (three) times on April 24, 2019, August 13, 2019 and November 8, 2019;
- the Stakeholders' Relationship Committee met 3 (three) times on May 10, 2019, August 13, 2019 and November 8, 2019; and
- the Corporate Social Responsibility ('CSR') Committee met 4 (four) times on May 10, 2019, August 13, 2019, November 8, 2019 and February 10, 2020.

Details of attendance at meetings of the Board of Directors and General Meetings held during the Financial Year under review is given below:

Name of the Directors and DIN	Category of Director	Board Meetings					Previous Annual General Meeting
		May 10, 2019	August 13, 2019	November 8, 2019	January 17, 2020	February 10, 2020	August 13, 2019
Independent Directors							
Mr. Hetal Gandhi (DIN: 00106895)	Chairman & Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Joseph Conrad D'Souza (DIN: 00010576)	Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Arthur William DeHaast (DIN: 07893738)	Independent Director	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Radhika Piramal (DIN: 02105221)	Independent Director	Yes	No	Yes	No	Yes	No
Non-Executive Directors							
Mr. Ravi C. Raheja (DIN: 00028044)	Promoter, Non – Executive Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Neel C. Raheja (DIN: 00029010)	Promoter, Non – Executive Director	Yes	Yes	Yes	No	Yes	Yes
Executive Directors							
Mr. Sanjay Sethi (DIN: 00641243)	Managing Director & Chief Executive Director	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Rajeev Newar (DIN: 00468125)	Executive Director & Chief Financial Officer	Yes	Yes	Yes	Yes	Yes	Yes

A synopsis of the attendance at the meetings of the Board of Directors and its Committees held during the Financial Year under review is given below:

Name of the Directors and DIN	Category of Director	Board Meetings	Audit Committee Meetings	CNR Committee Meetings	Stakeholders' Relationship Committee Meetings	CSR Committee Meetings
Independent Directors						
Mr. Hetal Gandhi (DIN: 00106895)	Chairman & Independent Director	5	5	-	-	4
Mr. Joseph Conrad D'Souza (DIN: 00010576)	Independent Director	5	5	3	3	-
Mr. Arthur William DeHaast (DIN: 07893738)	Independent Director	5	-	3	-	-
Ms. Radhika Piramal (DIN: 02105221)	Independent Director	3	-	-	-	3
Non-Executive Directors						
Mr. Ravi C. Raheja (DIN: 00028044)	Promoter, Non – Executive Director	5	5	-	3	-
Mr. Neel C. Raheja (DIN: 00029010)	Promoter, Non – Executive Director	4	-	3	3	4
Executive Directors						
Mr. Sanjay Sethi (DIN: 00641243)	Managing Director & Chief Executive Director	5	-	-	-	4
Mr. Rajeev Newar (DIN: 00468125)	Executive Director & Chief Financial Officer	5	-	-	3	-

CNR: Compensation, Nomination & Remuneration

CSR: Corporate Social Responsibility

Directors' Details

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

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

Name of the Director	Date of Appointment in the current term/ cessation	No. of Directorships in listed entities including this listed entity and name of the other listed entity	No. of memberships in Audit / Stakeholders' Relationship Committee(s) including this listed entity	No. of post of Chairperson in Audit / Stakeholders' Relationship Committee held in listed entities including this listed entity	Salary & Perks for FY 2019-20 (in ₹)	ESOPs	Sitting Fees (in ₹)	No. of Equity Shares held
Independent Directors								
Mr. Hetal Gandhi (DIN:00106895)	5 years w.e.f. 12.06.2018	1	1	Nil	N.A.	-	635,000	0
Mr. Joseph Conrad D'Souza (DIN: 00010576)	5 years w.e.f. 12.06.2018	1	4	3*	N.A.	-	665,000	689
Mr. Arthur William De Haast (DIN: 07893738)	5 years w.e.f. 12.06.2018	1	Nil	Nil	N.A.	-	445,000	0
Ms. Radhika Piramal (DIN: 02105221)	5 years w.e.f. 12.06.2018	2 V.I.P. Industries Limited as Executive Director and Vice Chairperson	Nil	Nil	N.A.	-	300,000	0
Non-Executive Directors								
Mr. Ravi C. Raheja (DIN: 00028044)	04.09.1995	2 Shoppers Stop Limited as Non-Executive Director	7**	1	N.A.	-	630,000	10,326,318
Mr. Neel C. Raheja (DIN: 00029010)	12.12.1996	2 Shoppers Stop Limited as Non-Executive Director	5**	Nil	N.A.	-	440,000	10,326,318
Executive Directors								
Mr. Sanjay Sethi (DIN: 00641243)	3 years w.e.f. 09.02.2018	1	2	Nil	63,106,398	200,000 options to Equity Shares have been granted	N.A.	0
Mr. Rajeev Newar (DIN: 00468125)	3 years w.e.f. 03.08.2017	1	2	Nil	23,055,482	-	N.A.	0

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

** Mr. Ravi C. Raheja and Mr. Neel C. Raheja have disclosed to the Company that they are the Designated Partners of K Raheja Corp Investment Managers LLP, a Limited Liability Partnership which has been appointed as the Manager of Mindspace Business Parks REIT, a Real Estate Investment Trust registered with SEBI which has filed an Offer Document with SEBI and is currently in the process of getting listed. They have further disclosed that they are also a member of the Audit Committee and the Stakeholders' Relationship Committee respectively, of the REIT. As the REIT is not yet listed, the Company has not, pursuant to the disclosure increased the number of audit and stakeholder committees that they are a part of. Readers may read the said numbers basis this note. The Company has requested Mr. Ravi C. Raheja and Mr. Neel C. Raheja to inform the Company once the aforesaid REIT is listed. The Company will at that time increase the number of Committees for the said persons.

Familiarisation Program

The Policy on Familiarisation Programmes for Independent Directors and details of such programs held during the Financial Year under review have been uploaded on the website of the Company and is accessible on www.chalethotels.com/.

The Company's familiarisation programs provide the Independent Directors insight on strategy, operations and functioning of the Company. The presentations and discussions at the Board & Committee meetings includes updates on local and global market, economic trends, competition, strategy, risk management, changes in the relevant laws / regulations and the impact vis-à-vis the Company from time to time, etc. The management also presents the Board with available opportunities for Business Development, the emerging scenario for the industry, Industry wide best practices and note-worthy initiatives by the Company.

During the year under review, a program was conducted by an external expert which focused on Board's Effectiveness and Governance. This program comprised various modules which included the practical approach by boards, the regulatory framework and requirements and best global practices.

The Company also organised a meeting to encourage direct interaction between the Board Members and the Corporate team comprising Business & Functional Heads and General Managers of the Company's Hotels.

Profile & Core Competencies

Brief profile of the Board of Directors of the Company is provided below:

Name	Educational Qualification	Brief Profile
Mr. Hetal Gandhi	- Bachelor of Commerce, Mumbai University - Chartered Accountant	Mr. Hetal Gandhi is the co-founder and Managing Director of Tano India Advisors Private Limited. He was previously associated with a diversified financial services company as Head - Financial Services and with ORIX Auto and Business Solutions Limited as Chief Executive Officer. He has over 32 years of experience in the financial services industry spanning private equity, investment banking and asset financing.
Mr. Joseph Conrad D'Souza	- Masters of Commerce, University of Mumbai - Diploma in Financial Management, University of Mumbai - Master's Degree in Business Administration from South Gujarat University - Graduate of the Senior Executive Program from the London Business School	Mr. Joseph Conrad D'Souza has been associated with HDFC Limited since 1984. He is currently their Chief Investor Relations Officer and a member of the executive management. His responsibilities include corporate planning and budgeting, corporate finance and investor relations. He is also Senior Independent Director on the Board of Nations Trust Bank PLC, Sri Lanka.
Mr. Arthur William DeHaast	- Bachelors Degree in Hotel Management, University of Strathclyde	Mr. Arthur William DeHaast has been associated with Jones Lang LaSalle Incorporated (JLL) since 1987 in a variety of senior roles, including the Global Chief Executive Officer and then Chairman of its hotels and hospitality group. Currently, he is Chairman Global Capital Markets Advisory Council, which provides advice on long term strategic matters that could influence the business and undertakes specific projects related to the ongoing growth of Capital Markets. He has over 35 years of experience in hospitality and real estate and has led many transactional and advisory assignments. He is also a Member on the Board of InterContinental Hotels Group PLC and a member of the Advisory Board of the Scottish Business School, University of Strathclyde, Glasgow and past Chairman of the Institute of Hospitality.
Ms. Radhika Piramal	- Bachelor's degree in Arts, Brasenose College, University of Oxford - Master's in Business Administration, Harvard Business School.	Ms. Radhika Piramal is the Executive Vice Chairperson of VIP Industries Ltd. Ms. Piramal has been Executive Vice Chair since April 2017. Prior to this role, Ms. Piramal was the Managing Director of VIP Industries from 2010 – 2017, before which she worked in various sales and marketing roles in VIP from 2000 – 2004. Outside of VIP, she worked as a management consultant with Bain & Company in New York from 2006 - 2008. Ms. Piramal's leadership has been integral to revitalising VIP Industries' profitable growth.

Name	Educational Qualification	Brief Profile
Mr. Ravi C. Raheja	- Bachelor of Commerce, Mumbai University - Masters of Business Administration from London Business School	Mr. Ravi Raheja has over 26 years of comprehensive experience across real estate, retail and hospitality. He has spearheaded business development for the real estate arm of the Group and played a significant role in guiding the teams of corporate strategy, finance and planning for the Group's retail and hospitality divisions. At the helm of the most significant growth strategies, he is actively involved in charting the future growth of K Raheja Corp and each of its business. He has been a catalyst in the Group's evolution from a family owned business to a well-diversified conglomerate. An evangelist for the green cause, Mr. Raheja spearheaded the signing of the memorandum of understanding with CII-Green Building Council to construct green buildings back in 2007. He plays a key role in the Group's philanthropic initiatives through K Raheja Foundation, Sadhana Education Society and S. L. Raheja Hospital.
Mr. Neel C. Raheja	- Bachelors of Law, Mumbai University - Masters of Commerce, Mumbai University - Owner/President Management Program from Harvard Business School	With a strong background in finance and law and an alumnus of the Harvard Business School, Mr. Neel Raheja has extended the Group beyond the realms of real estate. Working his way to the top, he has earned his place at the helm of the Group, scaling it to new heights. With a ear to the ground and ability to pre-empt current and possible future trends and practices, Mr. Raheja has been at the fore-front of driving change and innovation within the Group. He also ushered in the malls and department stores format in India; Inorbit Malls and Shoppers Stop are the culmination of his endeavour to bring organised retail into India. He plays an active role in the Group's philanthropic initiatives through K Raheja Foundation, Sadhana Education Society and S. L. Raheja Hospital. He also drives the Group's growth through Green Building initiatives in sustainable development.
Mr. Sanjay Sethi	- Diploma in Hotel Management, Catering and Nutrition, IHM Pusa - Certified Hotel Administrator (CHA) from American Hotel and Lodging Educational Institute - General Management Course in Business Excellence from IIM Bangalore	Mr. Sanjay Sethi has over 32 years of experience in the hospitality industry. Mr. Sethi founded Berggruen Hotels Private Limited in 2006 along with Berggruen Holdings, New York. He has briefly worked with ITC Limited as Chief Operating Officer for their Hotels Division and had a fourteen year stint with the Taj Group of Hotels. Mr. Sethi is actively associated with many industry forums in bringing about reforms for the Hospitality sector. He is an Executive Committee Member of Hotel Association of India (HAI) and a special invitee to the Executive Committee of Hotel and Restaurant Association of Western India (HRAWI). He is also a member of the National Real Estate Committee of FICCI and the Convenor for the Tourism Panel of CII Maharashtra and member of the Policy Panel of CII Maharashtra. In December 2019, Mr. Sethi was conferred the coveted Hall of Fame Award by Hotelier India and in March of 2020 he was conferred the Best Hospitality professional in India by the Pacific Asia Travel Writers Association (PATWA). Mr. Sethi believes in giving back and uses his spare time to mentor budding hospitality entrepreneurs and young hospitality professionals through his own website.
Mr. Rajeev Newar	- B. Com (Hons.), University of Calcutta - A.C.A. - A.C.S.	Mr. Rajeev Newar is a seasoned professional in the field of finance and strategy with over three decades of experience across industries like Hospitality, Retail, Healthcare, FMCG and Cement. He has been associated with leading Indian business houses such as Tata & Birla. As the Company's CFO he also oversees the implementation of a proactive, transparent and engaging investor relations strategy. Prior to joining Chalet, Mr. Newar was associated with the The Indian Hotels Company Limited (Taj Group) for 17 years. During his tenure, he was on the Board of various Taj Group companies and led various transformational initiatives. In addition, he has also led a number of business and balance sheet turnaround strategies, stakeholder and investor relationships, drove organisation cultural changes, digital transformation initiatives and people development plans. He was certified as Gold Level Assessor for Balanced Scorecard and awarded TAJ Awards for Business Excellence (TABE). Apart from his professional achievements, he is also a well-known speaker, moderator and panelist at various CXO level events, industry forums and leadership summits.

As per the requirement of the Listing Regulations, the Board has identified the following core skills / expertise / competencies of the Directors as required in the context of the Company's business for effective functioning, as well as identified the Directors who possess the respective skills as given below:

Particulars	Hetal Gandhi	Joseph Conrad D'Souza	Arthur DeHaast	Radhika Piramal	Ravi C. Raheja	Neel C. Raheja	Sanjay Sethi	Rajeev Newar
1 Industry Knowledge / Expertise		✓	✓	✓	✓	✓	✓	✓
2 Operational Knowledge / Expertise			✓		✓		✓	
3 Leadership Attributes	✓	✓	✓	✓	✓	✓	✓	✓
4 Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓
5 Risk Management	✓	✓	✓			✓	✓	✓
6 Financial Acumen	✓	✓	✓	✓	✓	✓	✓	✓
7 Stakeholder Engagement	✓	✓		✓			✓	✓
8 Legal/Regulatory Expertise					✓	✓		
9 M & A / Business Development	✓		✓	✓	✓	✓	✓	✓

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

(Amount in ₹)

Particulars	Mr. Sanjay Sethi	Mr. Rajeev Newar
Basic	13,788,000	7,644,000
Allowances and Perquisites	19,699,256	11,407,437
Provident Fund (Employers Contribution)	1,654,560	917,280
Superannuation	-	-
Performance Bonus	27,964,582	3,086,765
Number of stock options granted	200,000 Equity Shares	-
Total	63,106,398	23,055,482

The ESOPs granted to Mr. Sanjay Sethi, Managing Director & CEO under the Chalet Hotels Limited - Employee Stock Option Plan 2018 shall vest not earlier than 1 (one) year and not later than maximum than 3 (three) years from the date of grant i.e. June 26, 2018. The first tranche of ESOPs granted have vested during the year under review and no options have been exercised till the date of this Report. ESOP expense amounting to ₹ 12,059,962 has been recognised during the Financial Year ended March 31, 2020.

No stock options have been granted to any of the Non-Executive Directors.

Your Company has w.e.f. April 1, 2020 revised the terms of remuneration of Mr. Sanjay Sethi, Managing Director & CEO and Mr. Rajeev Newar, Executive Director & CFO, for their balance term of appointment, by shifting 30% and 28% respectively of the salary drawn by them from fixed to variable, payable on the basis of their and your Company's performance. The same was approved by the Board of Directors at its meeting held on June 8, 2020, pursuant to recommendation of the Compensation, Nomination & Remuneration Committee.

Mr. Arthur DeHaast, Independent & Non-Executive Director is also paid a Professional Fee (apart from the sitting fees for attending Board and Committee Meetings) of GBP 3,750 per day for every meeting/visit along with reimbursement of traveling expenses, as per contract entered into with him, pursuant to approval of the Members at the Meeting held on August 2, 2017, which amounted to ₹ 20,28,909 for the year under review. Considering the COVID-19 pandemic, Mr. DeHaast has as a sign of solidarity towards the Company, voluntarily taken a 30% reduction in professional fee that may be payable to him during the Financial Year 2020-21, as per which the professional fee payable for the Financial Year 2020-21 stands revised at GBP 2,625 per day.

Service Contract, Notice Period & Severance Fee
The contract of the Executive Directors of the Company is for a period of 3 (three) years and is terminable by giving 90 days' notice from either side. The term of the Executive Directors is subject to retirement by rotation, in accordance with the provisions of the Act.

Criteria for making Payments to Non-Executive Directors
The Non-Executive Independent Directors are only paid sitting fees for their attendance at the Board Meeting and certain Committee Meetings. As approved by the Board of Directors at its meeting held on November 8, 2019, the sitting fees have been revised to ₹ 1,00,000/- for attending each Board Meeting, ₹ 50,000/- for attending each Audit Committee Meeting and ₹ 25,000/- for attending each meeting of the Compensation, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Finance Committee.

Meeting of Independent Directors
During the year under review, two meetings of the Independent Directors were held on May 10, 2019 and February 10, 2020. All the Independent Directors were present at both the meetings.

At the meeting held on May 10, 2019 the Independent Directors deliberated on the performance of the Board during the Financial Year 2018-19 and the measures/steps for improvement of Board performance. The policies adopted and the procedures followed including timeliness of flow of information between the Company management and the Board were also discussed.

At the meeting held on February 10, 2020, the Independent Directors deliberated upon the quality, quantity and flow of information to the Board and its Committees. The Committee also delved into various aspects of Board / Management practices. Further, they also deliberated on the performance of the Board during the year under review and measures / steps towards improvement of Board's performance.

Code of Conduct

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

Additionally, all Directors and Senior Management adhere with the "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons" and "Code of Practices for Fair Disclosure of Unpublished Price Sensitive Information" pursuant to Regulation 8(1) and 9(1) respectively of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The above codes are also displayed on the Company's website www.chalethotels.com/policies/.

Composition of Committees of the Board of Directors and Attendance at the Meetings

Details in respect of the Board's Committees are as follows:

Audit & Risk Management Committee

The Company's Audit & Risk Management Committee comprises of Mr. Joseph Conrad D'Souza, Chairman & Independent Director, Mr. Hetal Gandhi, Independent Director and Mr. Ravi C. Raheja, Non-Executive Director. Each member of the Committee has relevant experience in the field of finance, accounting and hospitality industry. The Board has in accordance with Regulation 21 of the Listing Regulations, on May 10, 2019 authorised the Audit Committee to discharge and carry out the functions of the Risk Management Committee. Ms. Christabelle Baptista, Company Secretary, acts as the secretary to the Committee. The Committee has inter-alia (among other things, as may be required by the Stock Exchanges from time to time), the following terms of reference:

1. oversight of the Company's financial reporting process, examination of the financial statement and auditor's report thereon and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company;
3. reviewing the financial statements with respect to its subsidiaries, in particular investments made by the unlisted subsidiaries;
4. approval of payment to the Company's Statutory Auditors for any other services rendered by the Statutory Auditors;
5. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management of the Company;
    d. significant adjustments made in the financial statements arising out of audit findings;
    e. compliance with listing and other legal requirements relating to financial statements;
    f. disclosure of any Related Party Transactions; and
    g. modified opinion(s) in the draft audit report.
6. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
7. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. reviewing the auditor's independence and performance, and effectiveness of audit process;
9. approval of any subsequent modification of transactions of the Company with Related Parties and Omnibus Approval for Related Party Transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: The term "Related Party Transaction" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and / or the applicable Accounting Standards and / or the Companies Act.

10. scrutiny of inter-corporate loans and investments;

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

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

13. formulating a policy on Related Party Transactions, which shall include the materiality of Related Party Transactions;

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

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

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

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

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

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

20. reviewing the functioning of the whistle blower mechanism;

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

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

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

24. lay down procedures to inform members of Board of Directors about risk assessment and minimisation procedures;

25. monitoring and reviewing the risk management plan, including plan for cyber security;

26. any other function as is mentioned in the terms of reference of the Audit Committee as per the Listing Regulations; and

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

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

Name of the Chairperson / Member	Category	April 15, 2019	May 10, 2019	August 13, 2019	November 8, 2019	February 10, 2020
Mr. Joseph Conrad D'Souza	Chairman and Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Hetal Gandhi	Member and Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Ravi C. Raheja	Member and Non-Executive Director	Yes	Yes	Yes	Yes	Yes

Compensation, Nomination and Remuneration Committee

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

1. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and senior management;

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

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

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

   iii. remuneration to Directors, Key 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.

3. formulation of criteria for evaluation of performance of Independent Directors and the Board;

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

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

6. whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Directors;

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

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

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

8. perform such other activities as may be delegated by the Board or specified / provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority;

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

Name of the Chairperson / Member	Category	Date of Meeting		
		April 24, 2019	August 13, 2019	November 8, 2019
Mr. Joseph Conrad D'Souza	Chairman and Independent Director	Yes	Yes	Yes
Mr. Arthur William DeHaast	Member and Independent Director	Yes	Yes	Yes
Mr. Neel C. Raheja	Member and Non-Executive Director	Yes	Yes	Yes

Performance Evaluation Criteria for Independent Directors

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

Stakeholders' Relationship Committee

The Company's Stakeholders' Relationship Committee which was reconstituted on November 8, 2019 comprises of Mr. Joseph Conrad D'Souza, Chairman & Independent Director, Mr. Ravi C. Raheja, Non-Executive Director, Mr. Neel C. Raheja, Non-Executive Director, Mr. Sanjay Sethi, Managing Director & CEO (appointed w.e.f. November 8, 2019) and Mr. Rajeev Newar, Executive Director & and Chief Financial Officer. The Committee has inter-alia (among other things, as may be required by the Stock Exchanges from time to time), the following terms of reference:

1. considering and resolving grievances of shareholders', debenture holders and other security holders;

2. redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer/transmission of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, issue of new/duplicate certificates, general meetings etc.;

3. allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;

4. issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

5. review of measures taken for effective exercise of voting rights by shareholders;

6. review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

7. review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

8. carrying out any other functions required to be undertaken by the Stakeholders Relationship Committee under applicable law.

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

Name of the Chairperson / Member	Category	Date of Meeting		
		May 10, 2019	August 13, 2019	November 8, 2019
Mr. Joseph Conrad D'Souza	Chairman and Independent Director	Yes	Yes	Yes
Mr. Ravi C. Raheja	Member and Non-Executive Director	Yes	Yes	Yes
Mr. Neel C. Raheja	Member and Non-Executive Director	Yes	Yes	Yes
Mr. Sanjay Sethi	Member and Managing Director & Chief Executive Officer Appointed w.e.f. November 8, 2019	N.A.	N.A.	N.A.
Mr. Rajeev Newar	Member and Executive Director & Chief Financial Officer	Yes	Yes	Yes

Corporate Social Responsibility Committee (CSR Committee)

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

1. formulate and recommend to the Board, a 'Corporate Social Responsibility Policy' which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

2. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (1);

3. monitor the Corporate Social Responsibility policy of the Company and its implementation from time to time; and

4. any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

The Committee also focuses and oversees the sustainability initiatives of the Company and provides guidance to the Management team w.r.t. the same.

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

Name of the Chariperson / Member	Category	Date of Meeting			
		May 10, 2019	August 13, 2019	November 8, 2019	February 10, 2020
Mr. Hetal Gandhi	Chairman & Independent Director	Yes	Yes	Yes	Yes
Ms. Radhika Piramal	Member & Independent Director	Yes	No	Yes	Yes
Mr. Neel C. Raheja	Member and Non-Executive Director	Yes	Yes	Yes	Yes
Mr. Sanjay Sethi	Member and Managing Director & CEO	Yes	Yes	Yes	Yes

Name and Designation of Compliance Officer:

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

General Body Meetings

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

Year	Particulars of Meeting	Location	Number and Nature of Special Resolutions passed, if any
2019-20	Tuesday, August 13, 2019 at 3.00 p.m.	Boundary Hall, First Floor, MCA Recreation Centre, RG-2, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	2 (Two) Special Resolutions - Approval of remuneration of Mr. Sanjay Sethi (DIN: 00641243) as Managing Director & CEO in excess of the limits prescribed under Companies Act, 2013 - Approval of remuneration of Mr. Rajeev Newar (DIN: 00468125) as Executive Director & CFO of the Company in excess of the limits prescribed under Companies Act, 2013

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

Postal Ballot

The Company has not passed any Special Resolution through postal ballot during the Financial Year 2019-20.

Means of Communication:

The Company, on a timely basis, disseminates information to the Stock Exchanges, viz. National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The same is also published on its website 'www.chalethotels.com'. The Company interacts on a regular basis with stakeholders through announcements, investor meetings, investor calls, annual report, results, press releases, media interactions & interviews and the Company's website. Operational updates are also posted on social media, such as LinkedIn and Facebook from time to time.

The Financial Results of the Company are generally published in Financial Express (English) Newspaper circulating in substantially whole of India and Navshakti (Marathi) vernacular newspaper, on a quarterly basis. The same are also available on the website of the Company www.chalethotels.com/

The website of the Company also displays news releases by the Company.

Presentations made to institutional investors/analysts are also displayed on the Company's website.

Green Initiative

In line with the "Green Initiative" undertaken by the Ministry of Corporate Affairs and pursuant to the Circular Nos. 14/2020 dated April 8, 2020 & 17/2020 dated April 13, 2020, read with Circular No. 20/2020 dated May 5, 2020, issued by the Ministry of Corporate Affairs ('MCA') and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India due to the continuing COVID-19 pandemic, the Company will be sending this year's Annual Report (including notices and communications, as permissible) to the shareholders who have registered their email address with the Company/Depository /Registrar & Share Transfer Agent. The Annual Reports of the Company are also available in the Investor Relations section of the Company's website 'www.chalethotels.com'.

General Shareholder Information:

Annual General Meeting:

Date:	August 11, 2020
Time:	4:00 p.m.
Venue:	The Company is conducting the Annual General Meeting (AGM) through Video Conferencing / Other Audio Visual Means (VC / OAVM) pursuant to the MCA Circular dated May 5, 2020. As such, there is no requirement for a venue of the AGM.
Financial Year	April 1, 2019 to March 31, 2020
Dividend Payment Date	No dividend on Equity Shares is proposed to be declared at the forthcoming Annual General Meeting
Listing Information	**National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. **Scrip Code: CHALET** **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. **Scrip Code: 542399** Listing Fees are paid within due dates to both the Stock Exchanges where the equity shares of the Company are listed.

Market Price Data of the Company

Month	NSE High Price	NSE Low Price	NSE No. of Shares Traded	BSE High Price	BSE Low Price	BSE No. of Shares Traded
	National Stock Exchange of India Limited (NSE)			BSE Limited		
April 2019	351	310	440,598	352	302	86,097
May 2019	358	294	1,594,891	387	304	31,468
June 2019	350	300	662,509	352	293	7,062
July 2019	330	277	1,329,921	326	285	11,811
August 2019	352	282	1,123,556	356	281	51,502
September 2019	350	280	1,454,394	344	278	145,512
October 2019	348	293	519,612	345	303	40,882
November 2019	379	314	906,560	375	315	13,730
December 2019	402	320	2,127,094	395	318	50,353
January 2020	364	320	1,680,245	362	319	531,661
February 2020	379	285	1,475,415	372	286	32,187
March 2020	349	179	1,565,576	335	165	32,259

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

Month	National Stock Exchange of India Limited (NSE)		BSE Limited	
	Chalet Hotels Limited Closing Price	NIFTY 500 Closing Price	Chalet Hotels Limited Closing Price	S&P BSE 500 Closing Price
April 2019	321	9,664	326	15,293
May 2019	349	9,805	345	15,517
June 2019	317	9,657	317	15,291
July 2019	320	9,044	322	14,324
August 2019	293	8,977	296	14,234
September 2019	315	9,340	313	14,810
October 2019	325	9,689	326	15,387
November 2019	354	9,813	353	15,567
December 2019	348	9,872	347	15,667
January 2020	329	9,861	330	15,649
February 2020	328	9,236	328	14,627
March 2020	205	6,996	203	11,098

Registrar and Share Transfer Agent:

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad 500 032.

Share Transfer System

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

Distribution of Shareholding

Shareholding of Nominal Value (₹)	As on March 31, 2020				As on March 31, 2019			
	Number of Shareholders	% to Total Number of Shares	Amount in (₹)	% to Total Amount	Number of Shareholders	% to Total Number of Shares	Amount in (₹)	% to Total Amount
upto 5000	2,678	90.75	1,604,570	0.08	2,482	89.41	1,815,890	0.09
5001 - 10000	106	3.59	733,760	0.04	127	4.57	869,620	0.04
10001 - 20000	21	0.71	315,000	0.02	22	0.79	341,230	0.02
20001 - 30000	7	0.24	177,680	0.01	5	0.18	122,810	0.01
30001 - 40000	11	0.37	396,850	0.02	13	0.47	469,830	0.02
40001 - 50000	2	0.07	87,380	0.00	4	0.14	184,040	0.01
50001 - 100000	7	0.24	495,940	0.02	10	0.36	802,520	0.04
100001 & Above	119	4.03	2,046,427,460	99.81	113	4.07	2,045,632,700	99.78
	2,951	**100.00**	**2,050,238,640**	**100.00**	**2,776**	**100.00**	**2,050,238,640**	**100.00**

Investor Complaints

No. of complaints pending at the beginning of the Financial Year	No. of Complaints received during the Financial Year	No. of complaints not solved to the satisfaction of the shareholders	No. of Complaints pending at the end of the Financial Year
0	2	0	2

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

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

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

Further, out of the outstanding ECB of USD 10.98 million as on April 1, 2019, the Company booked forward cover contract for USD 10 million which was valid upto April 24, 2020. Thereafter, the Company has booked forward cover for USD 10.708 million, with USD 9 million expiring in April 2021 and the balance USD 1.708 million, expiring in 4 equal amounts of USD 0.427 million, at the end of every quarter thereafter.

Unit locations
Hospitality Portfolio:

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

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

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

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

Bengaluru Marriott Hotel Whitefield
Plot No. 75, EPIP Area, Whitefield, Bengaluru 560066.

Hospitality Portfolio of wholly-owned subsidiary (Belaire Hotels Private Limited)

Novotel Pune Nagar Road
Weikfield IT City Infopark, Viman Nagar, Pune 411014.

Non-Hospitality Portfolio:

Inorbit Mall, Whitefield, Bengaluru
Plot No. 75, EPIP Area, Whitefield, Bengaluru 560066.

Whitefield Bengaluru – Commercial
Plot No. 75, EPIP Area, Whitefield, Bengaluru 560066.

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

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

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

Credit Ratings

During the year under review, the Company has received the following credit ratings:

Credit Rating Agency	Type	Rating at the beginning of the year under review	Revised Rating	Outlook
India Ratings & Research Private Limited	Term Loans and Fund Based Working Capital limits	IND BBB / RWP	IND BBB+	Positive
	Non-Fund based Working Capital limits	IND A3+/RWP	IND A2+	-
ICRA Limited	Term Loans, Long-Term Fund Based limits	ICRA BBB	ICRA BBB+	Stable
	Short Term Non-Fund based limits	ICRA A3+	ICRA A2	-

Further to the above, the aforementioned rating agencies viz. India Ratings & Research Private Limited has on March 31, 2020 and ICRA Limited has on April 13, 2020, reaffirmed the ratings and revised the Outlook for long term rating to 'Rating Watch Negative' and 'Negative' respectively.

Other Disclosures

Material Transactions with Related Parties

During the year under review, there were no transactions with related parties that were materially significant or that may have potential conflict with the interests of listed entity at large.

Details of Compliance

There have been no instances of non-compliance by the Company, imposition of penalties and strictures by the Stock Exchanges(s), SEBI or any statutory authority, on any matter related to the capital markets, during the last three years, other than those mentioned below:

There was a delay in uploading the quarterly Corporate Governance Report with the BSE Limited for the quarter ended March 31, 2019 due to technical glitches. The report was however submitted to the BSE Limited through email within due time. However, BSE Limited had levied a fine of ₹ 2,360 for delayed filing upon the Company.

Vigil Mechanism / Whistle Blower Policy

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

Policy for determining 'material' subsidiaries

The Board of Directors of the Company has adopted a Policy for Determination of Material Subsidiaries and the same is published on the website www.chalethotels.com/policies/. During the year under review, none of the companies were identified as material subsidiaries.

Policy for determining Related Party Transactions

The Board of Directors of the Company has adopted a Policy for dealing with Related Party Transactions and the same is published on the website www.chalethotels.com/policies/.

Disqualification of Directors

The names of Mr. Ravi C. Raheja and Mr. Neel C. Raheja, Directors of the Company, were included in the list published on the official website of the Ministry of Corporate Affairs ('MCA') as persons disqualified by the Registrar of Companies, Bengaluru for appointment as Directors under Section 164(2)(a) of the Act. The said Directors filed a Writ Petition before the Hon'ble High Court of Karnataka against the Registrar of Companies, Bengaluru to set aside the operation of the disqualifications and any other consequential action pursuant to the publication of the disqualification lists under Section 164(2)(a) of the Act. Through an interim order dated June 15, 2018, the Hon'ble High Court of Karnataka stayed the disqualification of the aforesaid Directors to act as directors of companies and the Registrar of Companies (ROC), Karnataka had, by his letter dated September 11, 2018, stated that the Hon'ble High Court of Karnataka has granted stay in respect of the disqualification by the said order. Further, the ROC has informed that the DIN of the said Directors are "Active". Further, the Hon'ble High Court of Karnataka by its order dated June 12, 2019, allowed the Writ Petition, and quashed the list published by MCA, on certain grounds. The Directors have however petitioned the High Court for action on the remaining prayers that formed part of their Writ Petition.

M/s. BNP & Associates, Company Secretaries in Practice, have certified that as on March 31, 2020, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Recommendations of Committees

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

CEO & CFO Certificate

As required under Regulation 17(8) of the Listing Regulations, the Chief Executive Officer and the Chief Financial Officer of the Company have furnished to the Board, a certificate regarding the Financial Statements for the year ended March 31, 2020.

Total fees for services paid to Statutory Auditor

Details relating to the fees paid to the Statutory Auditors are given in Note 44 to the Standalone Financial Statements and Note 43 to the Consolidated Financial Statements.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The details of number of complaints filed and resolved during the Financial Year is as follows:

Number of complaints filed during the Financial Year	Number of complaints disposed of during the Financial Year	Number of complaints pending as on end of the Financial Year
6	6	0

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

- **The Board:** The Company has a Non-Executive & Independent Director as Chairman. Currently no reimbursement towards his expenses for performance (other than payment of sitting fees) and maintenance of Chairman's Office is being done.

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

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

- **Separate posts of Chairperson and Managing Director & CEO:** The positions of Chairperson and Managing Director & CEO are separately held and the Chairperson is not in any way related to the Managing Director & CEO of the Company in terms of Section 2 (77) of the Act.

- **Reporting of Internal Auditor:** Internal Auditors are invited to the meetings of Audit Committee to present to the Committee their observations during the course of their Internal Audit. Further, the Company has also appointed Ms. Asha Nair as General Manager – Internal Audit of the Company to look after the in-house Internal Audit function.

Details of Compliance with mandatory requirements

The Company is in compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

Declaration by Chief Executive Officer

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

Compliance Certificate from Practising Company Secretary regarding compliance of conditions of Corporate Governance

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

ANNEXURE - A

Declaration on adherence to the Code of Conduct

To,
The Members of
Chalet Hotels Limited

I hereby declare that the Directors and Senior Managerial Personnel of the Company have affirmed in writing, their compliance with the Company's Code of Conduct for the Board of Directors and Senior Management Personnel, during the year ended March 31, 2020.

For Chalet Hotels Limited

Sanjay Sethi
Managing Director & CEO
DIN: 00641243

Date: June 8, 2020
Place: Mumbai

ANNEXURE - B

Compliance Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance

To,
The Members of
Chalet Hotels Limited

We have examined the compliance of conditions of corporate governance by **Chalet Hotels Limited** (the 'Company') for the year ended March 31, 2020, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paras C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

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

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

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

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

Partner
Avinash Bagul
FCS No. 5578
COP No. 19862

Place: Mumbai
Date: June 8, 2020

Business Responsibility Report

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

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company:	L55101MH1986PLC038538	
2. Name of the Company:	Chalet Hotels Limited	
3. Registered Office Address:	Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (E), Mumbai 400051	
4. Website:	www.chalethotels.com	
5. E-mail ID:	investorrelations@chalethotels.com	
6. Financial Year Reported:	April 1, 2019 to March 31, 2020	
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	**Group**	**Description**
	551	Hotels, restaurants, accommodation and related services
	701	Real Estate activities
8. List three key products/services that the Company manufactures / provides (as in Balance Sheet):	1	Hospitality (Hotels)
	2	Commercial and Retail
	3	Real Estate
9. Total number of locations where business activity is undertaken by the Company:	(a) Number of International Locations	Nil
	(b) Number of National Locations (including subsidiary)	The Company has its business activities and operations spread across the following cities viz. – Mumbai, Navi Mumbai, Pune, Bengaluru and Hyderabad.
10. Markets served by the Company:	National	Services are provided from the respective locations as mentioned above

Section B: Financial Details of the Company

1. Paid up Capital (INR):	₹ 3,460.24 million (including preference share capital)
2. Total Turnover (INR):	₹ 9,765.24 million (other income of ₹ 272.44 million has not been considered as turnover)
3. Total profit after taxes (INR):	Profit after tax is ₹ 816.14 million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	₹ 1,898,960/- % of PAT: 0.23%
5. List of activities in which expenditure in 4 above has been incurred:	- Promoting employment enhancing vocational skills among differently abled persons - Contribution towards setting up of an old age home

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has 3(Three) Subsidiary Companies as on March 31, 2020.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(ies)	Yes – 1(One) – Belaire Hotels Private Limited.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?	Yes
If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	The Company has business arrangements with service providers to oversee a large part of its operations. The revenue from such arrangement accounts for more than 60% of turnover.

Section D: BR Information

1. Details of Director/Directors responsible for BR

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

CSR Committee comprising of

No.	Particulars	Details			
1.	DIN	00106895	02105221	00029010	00641243
2.	Name	Mr. Hetal Gandhi	Ms. Radhika Piramal	Mr. Ravi C. Raheja	Mr. Sanjay Sethi
3.	Designation	Chairman – Independent Director	Independent Director	Non-Executive Non-Independent Director	Managing Director & CEO
4.	Telephone Number	022-26564000			
5.	E-mail ID	companysecretary@chalethotels.com			

(a) Details of the BR head

No.	Particulars	Details		
1.	DIN (if applicable)	NA	NA	NA
2.	Name	Mr. Rajneesh Malhotra	Mr. Pragnesh Doctoria#	Ms. Suborna Biswas##
3.	Designation	Vice President - Operations & Asset Management	GM – Engineering	Senior Manager - Human Resources
4.	Telephone Number	022 – 26564000		
5.	E-mail ID	Rajneesh.malhotra@chalethotels.com	Pragnesh.doctoria@chalethotels.com	Suborna.biswas@chalethotels.com

Responsible for ensuring observance of BR Policy in engineering / construction / operations of the Company

Responsible for ensuring observance of BR Policy by the Company generally, including observance by employees and agencies.

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

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

01 PRINCIPLE

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

02 PRINCIPLE

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

03 PRINCIPLE

Business should promote the wellbeing of all employees

04 PRINCIPLE

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

05 PRINCIPLE

Businesses should respect and promote human rights

06 PRINCIPLE

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

07 PRINCIPLE

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

08 PRINCIPLE

Business should support inclusive growth and equitable development

09 PRINCIPLE

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

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

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Consultations with stakeholders are ongoing wherever required and possible and the relevant policies continue to evolve over time.								
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Business Responsibility Policy is in accordance with principles laid down in the NVG on Economic, Social and Environmental responsibilities of Business published by the Ministry of Corporate Affairs. The other policies are in accordance with applicable laws and conform to industry benchmarks. The Company has adopted the principles of Integrated Reporting Framework prescribed by the International Integrated Reporting Council while presenting this Annual Report.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes. Policies mandated under the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') are approved by the Board and circulated amongst relevant stakeholders. Other policies are approved by the Managing Director/functional heads of the Company as deemed appropriate from time to time. Business Responsibility Policy is approved by the Board of Directors for the Company and is made available on the website of the Company.								
5.	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		CSR Committee								
6.	Indicate the link for the policy to be viewed online?	The Policies mandated to be displayed on the website of the Company as per the Act and Listing Regulations are available online on www.chalethotels.com/policies/. Other policies can be accessed on the intranet/website in place for the Company/service providers, as applicable.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		As deemed appropriate. The Business Responsibility Report has been made available on the Company's website https://www.chalethotels.com/policies/. It has been the Company's practice to have the relevant policies either uploaded on the intranet for information/implementation by the concerned stakeholders or put up on notice board or communicated through town hall meetings or email.								
8.	Does the Company have in-house structure to implement the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The implementation of the Business Responsibility Policy by the Company is being evaluated internally.								

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

No.	Questions	
1.	The Company has not understood the Principles	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-
3.	The Company does not have financial or manpower resources available for the task	-
4.	It is planned to be done within next 6 months	-
5.	It is planned to be done within the next 1 year	-
6.	Any other reason (please specify)	-

3. Governance related to BR

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

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

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

This Business Responsibility Report is being published by the Company for the Financial Year 2019-20. It will be made available on the website of the Company at www.chalethotels.com. The Business Responsibility Report will be published on an annual basis.

Section E: Principle-Wise Performance

Principle 1: Ethics

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

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

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

The framework has been set up for the Company and its associates covers dealings with suppliers, customers, business partners and other stakeholders. The Policies are uniform and are being adopted in respect of the subsidiary company, as may be applicable.

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

There were two complaints received during the year under review, both relating to the hotel units of the Company.

(i) An allegation was received from a whistle blower an erstwhile associate had received some benefits from a vendor in lieu of placing orders and releasing payments. On an investigation being undertaken, the allegations appeared to be substantiated. The associate was accordingly marked as not to be rehired by the Company as well as the Hotel Operator.

(ii) The Complainant, a Chauffer of an outsourced fleet management company alleged improper treatment while working at one of the hotels of the Company. The investigation was completed under process and since the allegations were unsubstantiated, no action was taken.

Since the above matters related to the operating properties, they were investigated by the team at Hotel Operator.

Principle 2: Sustainability

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

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

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

It is the Company's endeavor to incorporate measures for energy and water conservation, waste treatment, in its operations. Various measures are undertaken for reduction of water consumption such as optimal usage of sewage treated water, effluent treatment plant for laundry water, ultra-filtration system, online monitoring of treated water, aerators for all water taps, waterless urinals, sensor-based taps and dual flushing tanks. Renewable sources of energy generation such as wind power, solar energy, hydropower is being used at the properties. In-house solar plants have been installed in the hotels and electricity generated therefrom is utilised for staircase and public area lighting.

All upcoming projects undergo pre-certification under USGBC (US Green Building Council) LEED (Leadership in Energy and Environment Designs) system, a certification which imbibes several intangible benefits from the construction stage itself such as reduction in consumption of energy & water and use of environment friendly processes, besides several intangible benefits.

The interiors of all the Company's properties are designed to incorporate energy saving measures. The Company encourages purchases from local and marginalised entrepreneurs.

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

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

During the year under review, 43% of the total power consumed by the Company, including its subsidiary, was from renewable resources.

Our new projects are being designed as per green building certifications with use of the latest available energy efficient technology & equipment. The Company has implemented plant room optimisation systems and installed auto tube cleaning system for chiller condenser tubes for better heat exchange to optimise efficiency of the chiller plant. Also, Electrolytic Control motors (EC/DC Motors) are being installed to replace Variable Frequency Drives (VFD) for the Air Handling Units (AHU) & ventilation systems.

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

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

Yes, as result of the energy conservation initiatives undertaken by the Company, there was a reduction in electricity consumption during the Financial Year 2019-20. Also, water resources are being conserved through diligent measures which are implemented and continuously improved.

Recycling of water through Sewage Treatment Plant and use of Ultra-Filtration system, resulting in reduction of dependency and consumption of fresh water.

The following measures undertaken by the Company across its properties to improve efficiency of natural resources and strengthen sustainability:

- installation of completely automated plant room optimisers
- water to water heat pumps
- LED lamps have been installed at all the Hotels
- heat recovery wheels have been installed for fresh air
- auto tube cleaning system for chiller condenser tubes
- EC Motors for all air handling units
- Pressure Independent Balancing Valves for AHU's & FCU's
- carbon dioxide sensors for Fresh Air Monitoring
- guest room automation with occupancy sensors for reduction of electricity consumption
- Chiller plant with variable primary & condenser system

c) Does the Company have procedures in place for sustainable sourcing (including transportation)?
If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has crafted strategies and engages with the hotel operator to ensure sustainable consumption of energy, water and other resources at its Hotels and is continuously exploring initiatives to increase this. Some of the initiatives undertaken include recycling of water through use of sewage treatment plants, rainwater harvesting, installation of water saving taps/fixtures, pressure reducing valves at various Hotels. The Company has been focusing on energy conservation and increasing the share of renewable energy in its total energy consumption, water conservation and recycling & reusing waste generated.

Total units generated through tie-ups with suppliers of renewable sources of energy is 43% of the total consumption.

d) Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company's Hotels are engaging with local Non-Governmental Organisations (NGOs) to source products/supplies for the Hotels and empowering women and children. The procurement team endeavors to provide opportunity to all suppliers, irrespective of their size or status, while considering proposals and awarding tenders.

The Company endeavors wherever possible to employ local labour and also provides transport and other infrastructural facilities. Various local festivals are celebrated from time to time.

e) Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company aims to integrate sustainability in the procurement process for its products and services across its business. It encourages resource efficiency in the supply chain and its partners to adopt sustainable practices. The Company has installed natural drum type organic waste composters at Hotels where 100% of wet waste is being converted into natural manure with minimal electricity consumption. Compost machines have been introduced for recycling dry and wet garbage respectively.

During the year under review, 100% of the wet waste produced by the Company was recycled and 100% of the total water consumed was recycled.

Also, all used cooking oil is donated to certified agencies which in-turn convert the same into biodiesel.

All e-waste generated in the Company's properties is given to recyclers certified by the Pollution Control Board.

The Company is in the process of installing a water bottling plant at its Units which will be commissioned during Financial Year 20 – 21 which will eliminate single use plastic bottles completely.

Principle 3: Employee Wellbeing

1.	Please indicate the total number of employees	2,572 (including employees of the subsidiary)
2.	Please indicate the total number of employees hired on temporary/ contractual/casual basis	328
3.	Please indicate the number of permanent women employees	399
4.	Please indicate the number of permanent employees with disabilities	5
5.	Do you have an employee association that is recognised by management?	Yes
6.	What percentage of your permanent employees are members of this recognised employee association?	26%
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	6 complaints relating to Sexual Harassment were received during the year and they have been resolved suitably.

Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1. Child labour / forced labour / involuntary labour	Nil	Nil
2. Sexual harassment	6	0
3. Discriminatory employment	Nil	Nil
8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?		
(a) Permanent Employees -	100%	
(b) Permanent Women Employees -	100%	
(c) Casual/Temporary/Contractual Employees -	100%	
(d) Employees with Disabilities -	100%	

Principle 4: Stakeholders Interest

1. Has the Company mapped its internal and external stakeholders? Yes/No

   Yes. The Company has mapped its internal and external stakeholders, the major/key categories viz. shareholders, Central and State Governments / regulatory authorities, customers, employees, vendors, suppliers, media, financial institutions/banks, service providers and society at large.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

   Yes. The Company acknowledges the important role played by the society in its growth and development and strives to discharge its responsibility towards the society at large. The Company has identified areas/avenues for inclusion of disadvantaged, vulnerable & marginalised stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so:

The Company is engaging with local Non-Governmental Organisations (NGOs) to source products/supplies for the Hotels and empowering women and children. During the year, the Company/Hotels have supported a home for the elderly, a remand home for juvenile girls and the hotel chefs engaged with cooks who have different developmental disabilities like Autism, ADHD and Down's Syndrome. Further, the Hotels/properties are designed in a manner that they are conducive to use by differently abled persons. There are dedicated washrooms for differently abled persons in all public areas. There are access ramps at all level changes on the outside and within the hotel premises. Also every hotel has one room designed to suit physically challenged persons.

During the year under review, the Company partnered with Trust for Retailers and Retail Associates of India ('TRRAIN') to create employability/skill development in persons with disabilities. The Company's initiative touched the lives of 125 such persons. Various other initiatives that were carried out at the Hotel & Retail Units have been listed in the Annual Report on CSR Activities which is on Pages 53 to 54 of the Annual Report.

Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company firmly believes in upholding and promoting human rights. It adheres to all statutes which embodies the principles of human rights such as prevention of child labour and women empowerment.

We strive at adopting a humane approach when dealing with internal and external stakeholders and includes values relating to respecting human rights and women empowerment. The Policy extends to its consultants and others who represent or act on behalf of the Company. We believe in an inclusive work culture which embraces differences and encourages employees in being who they are.

The Pride Policy that has been introduced during the year under review includes:

- Zero Discrimination in Hiring – ensure recruitment of the right candidate purely on merit without any bias
- Financial Support [upto ₹ 2(Two) Lakh towards Gender Reassignment Surgery]
- Adoption Assistance Benefit extended to LGBTQ employees, on a case to case basis as determined by the Adoption Assistance Committee
- Professional Counselling Sessions - to support employees
- Workshops on Employee Sensitisation – to educate employees on the topic

2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

NIL

Principle 6: Environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The Company's policy extends to all its business units, employees, consultants, contractors and service providers to the business of the Company. The Company strives to use energy in the most efficient, cost-effective and environmentally responsible manner. The Company has been having environmental management plan (EMP) for its projects, which extend into the life cycle of the projects. The Company ensures adherence to the same by the suppliers and contractors providing services therein. The Code of Conduct for the Company's Senior Management lays out that the Company acknowledges the impact of its business activities on the environment and are committed to improving environmental track record through precautionary measures and the use of environmental friendly technology.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage, etc.

Various initiatives pertaining to Environment, Health and Safety are being evolved and implemented at the Hotels/properties.

The Company recognises the importance of sustainability and has adopted responsible business practices and measures across its properties to ensure waste minimisation and solid waste recycling.

In addition to the key areas identified for implementing sustainable practices such as carbon footprint measurement and recycling, the Company has commissioned in-house water glass bottling plant which is a comprehensive solution for moving our hotels from plastic water to sustainable glass bottles. This initiative will also result in reducing carbon footprint and promote the elimination of single use plastic, which is becoming a hazard to our environment.

Directional guidance towards climate change mitigation and natural resource replenishment initiatives is given to employees and hotels/project teams.

Rainwater is harvested for internal usage. Water is conserved through various techniques adopted during carrying out Hotel operations. The Company's properties are designed to treat its wastewater through STP, where Sewage Treatment Plant Water is treated not only through the Water Treatment Plant but also through Ultra-Filtration system, resulting in water that is odor free and pleasant to utilise, though recycled. Parameters have been set and the quality of the treated water is being monitored online.

As a responsible corporate, the Company is committed to energy conservation. Towards achieving this, all greenfield projects of the Company are being designed as per green building certifications with use of the latest available energy efficient technology & equipment.

The Company has tied up with various providers for sourcing electricity from renewable sources. During the year under review, 39% of the total power consumed by the Company was from renewable resources. The Company has installed Solar PV Cells for generation of electricity.

3. Does the Company identify and assess potential environmental risks? Y/N

   Yes – the potential impact on environment is assessed while embarking on any of its projects. The Company is compliant with local / national laws concerning waste-water treatment and recycling.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   As a responsible corporate, the Company is committed to energy conservation. Towards achieving this, all the new projects of the Company have been designed as per green building certifications with use of the latest available energy efficient technology and equipment.

   Yes – an environmental compliance report is submitted prior to grant of green building certificate.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage, etc.

   The Company has tied up with various providers for sourcing electricity from renewable sources. The Company has installed Solar PV Cells for generation of electricity. The Company has replaced all hot water generators which work on HSD (High Speed Diesel) with electrical heat-pumps. Most of the Company's existing properties have replaced existing CFL light fixtures with LED light fixtures and all upcoming properties are designed with 100% LED light fixtures along with motion sensors. Other similar initiatives undertaken have been detailed hereinabove.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   Nil

Principle 7: Responsibility towards public and regulatory policy

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

   Yes, the Company is part of the following associations:

   (a) The Federation of Hotels and Restaurants Association of India

   (b) Hotel Association of India – Executive Committee Member

   (c) FICCI – Real Estate Committee

   (d) CII - Convenor of the CII Maharashtra Panel for Tourism and Hospitality

   (e) HRAWI - Special Invitee to the Executive Committee

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes, the Company has been participating in promoting Governance and Administration, sustainable business practices, economic reforms, inclusive development policy and energy security.

   The Company and its management team are actively involved with these associations for promotion of the interest of the hospitality sector. The Company's team communicates ideas and suggestions towards improvement of the hospitality and real estate sector. Various measures for reform are also recommended through them.

   The Company also participates as a stakeholder in other industry associations related to economic reform and promotion of tourism policies.

Principle 8: Inclusive growth & Equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

   Various initiatives have been undertaken at the Hotel units during the year under review, which include amongst many others CSR activities, donation of grains and pulses, stationery items, conducting vocational guidance workshops for differently abled persons. Food/meals distribution has also been carried out on various occasions during the year. Medical check-ups for senior citisens and eye check-ups for children at an orphanage were also organised. The Hotels also conducted Daan Utsav for distribution of various items at different locations. During the rains, raincoats and umbrellas were distributed among needy children.

   Further, the Company in association with TRRAIN has developed and conducted specified programmes at various locations, towards inclusion by providing skill-based training to differently abled persons/persons with disabilities.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGOs/government structures/any other organisation?

   The programmes and projects during the year under review have been undertaken by the Hotel's in-house team as well as in association of the external NGOs.

3. Have you done any impact assessment of your initiative?

   No

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   During the year under review, Company has not made any direct contribution to community development projects.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   No

Principle 9: Value to guests

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   Customer Satisfaction is of utmost importance for the Company. The Company receives customer complaints which are appropriately redressed. At the end of the financial year under review, 2 consumer cases/litigations were pending (no fresh cases have been filed during the year)

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

   Since the Company is in the Hospitality business and not manufacturing, the requirement of display of product information on the product label is not applicable to the Company.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   A complaint has been filed before the Industrial Court, Mumbai by 5 employees of a contractor, engaged by the Company at its project site, alleging unfair labour practice. The matter is sub-judice.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   Yes - The Company's service providers have systems in place to assess guest satisfaction. Surveys are conducted periodically through formal and informal means to access the guest satisfaction level and experience.

Financial Statements

Independent Auditors' Report

To the Members of **Chalet Hotels Limited**

Report on the Audit of the Standalone financial statements

Opinion

We have audited the standalone financial statements of Chalet Hotels Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, its profit 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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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 standalone financial statements.

Emphasis of Matter

We draw attention to Note 42(c) of the standalone financial statements, in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the standalone Ind AS financial Statements as at and for the year ended 31 March 2020 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to ₹ 479.33 million and ₹ 489.98 million as at 31 March 2020 and 31 March 2019 respectively.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters :-

Impact of COVID 19 on Going concern (refer note 57 to the standalone financial statements)

The Key Audit Matter	How the matter was addressed in our audit
On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. The Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from 22 March 2020 onwards. The lockdowns and restrictions imposed on various activities due to COVID–19 pandemic have posed challenges to the businesses of the Company. The impact of the COVID-19 pandemic and the measures put in place to control the spreading of the virus, have created a number of events and conditions which may have indicated uncertainties related to going concern for the Company. The Company has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections and has prepared a range of scenarios to estimate cash flows from operating activities and the financing requirements. Based on the above, the financial statements of the Company for the year ended March 31, 2020 have been prepared on a going concern basis. In view of uncertainties identified outlined above, we identified a key audit matter related to going concern due to the significant judgement required to conclude on the going concern assumption.	Our audit procedures included: • Obtained understanding of the key controls relating to the Company's forecasting process. • Obtained an understanding of key assumptions adopted by the Company in preparing the cash flow forecast, including revenue, fixed and operating costs, capital expenditure including commitments to subsidiaries. Assessed the key assumptions based on our understanding of the Company's business. • Compared the future expected cash flows in the cash flow forecast with the Company's business plan approved by the Board of Directors • Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Company and its impact on the going concern assumption • Obtained details of borrowing disbursed subsequent to the year end and tested with underlying documentation • Assessed compliance with the loan covenants during the year, and subsequent to the year end • Considered the adequacy of the Company's disclosure in respect of management's assessment of going concern assumption.

Valuation/Impairment of Investment in Subsidiaries (refer note 7 to the standalone financial statements)

The Key Audit Matter	How the matter was addressed in our audit
The carrying amount of investment in subsidiaries, representing 3.26% of the Company's total assets. During the year ended 31 March 2020, the Company has recorded provision for impairment for investments in respect of one subsidiary representing full value of the investment. **Recoverability of investment in subsidiaries** The Company's investments in subsidiaries are associated with significant risk in respect of valuation of such investments. These investments are carried at cost less any diminution in value. The investments are assessed for impairment at each reporting date. This assessment is based on the projected cash flows, which involve significant estimates and judgement, due to the inherent uncertainty involved in forecasting future cash flows. There is significant judgement involved in estimating the timing of the cash flows and discount rate used by the Company. Accordingly, this was an area of focus for our audit.	Our audit procedures included: • Evaluated design and implementation and testing operating effectiveness of controls over the Company's process of impairment assessment and approval of forecasts. • Assessed the valuation methods used, financial position of the subsidiaries to identify excess of their net assets over their carrying amount of investment by the Company and assessing history of profit / losses of those subsidiaries. • For the investments where the carrying amount exceeded the net asset value, understanding from the Company regarding the basis and assumptions used for the projections. • Assessed the key assumptions of valuation performed by the Company. Involving valuation expert who assisted us to evaluate the model and assumptions used around the key drivers of the valuations. Compared the previous forecast to actual results to assess the Company's ability to forecast accurately. • Performed sensitivity analysis on key assumptions including discount rates and estimated future growth. • Considered the adequacy of disclosures in respect of the impairment of investment in subsidiaries.

Deferred Tax Assets (refer note 23 to the standalone financial statements)

The Key Audit Matter	How the matter was addressed in our audit
The carrying amount of the Deferred Tax Assets represents 2.20 % of the Company's total assets. **Recognition and measurement of deferred tax assets** Under Ind AS, the Company is required to reassess recognition of deferred tax asset at each reporting date. The Company has deferred tax assets in respect of expenditure on specified business under Section 35AD of the Income-tax Act, 1961, brought forward losses and other temporary differences, as set out in note 23 to the standalone financial statements. The Company's deferred tax assets in respect of brought forward deduction of expenditure on specified business under Section 35AD, brought forward house property loss and brought forward business losses are based on the projected profitability, determined based on approved business plans, to demonstrate availability of sufficient taxable income to utilise such Section 35AD deduction, house property loss and brought forward tax loss. We focused on this area as recognition of deferred tax requires significant judgement in estimating future taxable income and accordingly recognition of deferred tax.	Our audit procedures included: • Obtained the approved business plans, projected profitability statements. • Evaluated the design and testing the operating effectiveness of controls over quarterly assessment of deferred tax balances and underlying data. • Evaluated the projections of future taxable profits. Testing the underlying data and assumptions used in the profitability projections and performing sensitivity analysis. • Assessed the recoverability of deferred tax assets by evaluating profitability, Company's forecasts and fiscal developments. • Considered the adequacy of the Company's disclosures on deferred tax and assumptions used. The Company's disclosures concerning income taxes are included in note 23 to the standalone financial statements.

Litigations and Claims (refer note 36 and 42(c) to the standalone financial statements)

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2020, the Company has two key litigations pertaining to Bengaluru Residential project carried under inventories and leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. We focused on this area as a key audit matter due to the amounts involved as well as the inherent uncertainty in the application of the measurement aspects of accounting standards to determine the amount to be provided for and the disclosures to be made in respect of this matter.	Our procedures included, amongst others: • Evaluated the design and implementation of the Company's controls over the assessment of litigations and completeness of disclosures and tested operating effectiveness of these controls. • Read correspondence from the Company's external lawyers in response to our requests for significant litigations and assessed the competence and objectivity of the external lawyers; and • Additionally, considered effect of new information in respect of litigation and claims post 1 April 2020 till the date of signing of the report to evaluate any change required in the Company's position on the litigation and claims as at 31 March 2020. • Assessed the Company's disclosures adequately reflect the quantitative and qualitative considerations in relation to the matters in accordance with auditing standards.

Other Information

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone 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 judgement 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the standalone balance sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(e) on the basis of the written representations received from the directors as on 31 March 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) with respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements – Refer Note 36 and 42 to the standalone financial statements;

ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts, Refer notes 12 and 29 to the standalone financial statements;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. the disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we report that:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year, is in accordance with the provisions of Section 197 read with Schedule V to the Act. The remuneration paid to any director is as per the limit laid down under Section 197 read with Schedule V to the Act and as approved by the shareholder's through special resolution in the Annual General Meeting held on 13 August 2019. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 20108511AAAADM5039

Mumbai
8 June 2020

Annexure A to the Independent Auditors' Report – 31 March 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone 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 and investment properties.

(b) The Company has a regular programme of physical verification of its fixed assets and investment properties by which the fixed assets and investment properties are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain fixed assets and investment properties during the year and no discrepancies were noticed in respect of assets verified during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties comprising of freehold land and buildings and lease agreement in respect of the leasehold land and building, as listed in Note 2 of the standalone financial statements, are held in the name of the Company, except as stated in the table below:

Land / building	Number of cases	Freehold	Note in the standalone financial statements	Gross block (₹ in million)	Net block (₹ in million)	Remarks
Building	1	Freehold	2	542.93	345.03	Refer note 42 (c) in the standalone Ind AS financial statements in respect of the matter which is presently under litigation

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

Land / building	Number of cases	Lease hold	Note in the standalone financial statements	Gross block (₹ in million)	Net block (₹ in million)	Remarks
Land	1	Lease hold	11	65.06	52.13	Refer note 42 (c) in the standalone Ind AS financial statements in respect of the matter which is presently under litigation

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company does not have any stock lying with third parties at the year-end. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.

(iii) The Company has granted unsecured loans to one company covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to firms or other parties covered in the register required to be maintained under Section 189 of the Act.

i) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans granted by the Company to company covered in the register required to be maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

ii) According to the information and explanations given to us and based on the audit procedures conducted by us, the unsecured loans granted to the company are repayable on demand. The borrowers have been regular in payment of principal and interest as demanded or as per contractual terms, as applicable.

iii) There are no overdue amounts of more than 90 days in respect of the unsecured loans granted to companies and limited liability partnerships by the Company.

(iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Sections 185 of the Act. According to the information and explanations given to us, the provisions of Section 186 of the Act in respect of the loans given, guarantees given and security provided are not applicable to the Company, since it is covered as a Company engaged in infrastructural facilities. The Company has complied with the provisions of Section 186 of the Act in respect of investments made during the year. The Company has not provided any guarantee or security during the year. Accordingly, compliance under Sections 186 of the Act in respect of providing guarantees and securities are not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Goods and Service tax, Labour cess, Profession tax, Property tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities after considering the extension of due date granted for Goods and Service tax, Income-tax and Profession tax for payment of such dues for the month of March 2020.Amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, Labour cess, Profession tax, Property tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Value added tax and Goods and Service tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the statute	Nature of the dues	Amount not deposited on account of demand ₹ in million	Amount paid ₹ in million	Financial year (F.Y.) to which the amount relates	Forum where dispute is Pending
Finance Act, 1994	Denial of CENVAT credit of service tax paid on Marriott fees paid	57.91	-	2004-05 to 2010-11	CESTAT, Mumbai
Finance Act, 1994	Demand for service tax on Telephone services and Laundry wet cleaning service as accommodation services	4.24	-	May 2011 to June 2012	Commissioner (appeals), Hyderabad
Finance Act, 1994	Service tax demand on treating In-room dining and Mini-bar services as 'Accommodation' instead of 'Restaurant Services' by Service tax Department.	7.22	-	2012-13 to 2014-15	Commissioner (appeals), Hyderabad

Name of the statute	Nature of the dues	Amount not deposited on account of demand ₹ in million	Amount paid ₹ in million	Financial year (F.Y.) to which the amount relates	Forum where dispute is Pending
MVAT Act, 2002	VAT demand on Sale of cocktail	1.59	0.40	FY 2010-11 to 2012-16	Deputy Commissioner, Hyderabad
MVAT Act, 2002	VAT demand on sale of cocktail and others	1.76	1.41	FY 2013-14 to FY 15-16	Deputy Commissioner, Hyderabad

Name of the statute	Nature of the dues	Amount not deposited on account of demand ₹ in million	Amount paid ₹ in million	Financial year (F.Y.) to which the amount relates	Forum where dispute is Pending
Income Tax Act, 1961	Section 14A of Income-tax Act, 1961 disallowance	190.71	-	FY 2013-14 , FY2015-16 to FY 2017-18	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Depreciation disallowance	23.98	-	FY 2012-13 to FY 2017-18	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Deemed rental income on house property	22.95	-	FY 2013-14 FY 2015-16 FY 2016-17	Commissioner of Income tax (Appeals)

Name of the statute	Nature of the dues	Amount not deposited on account of demand ₹ in million	Amount paid ₹ in million	Financial year (F.Y.) to which the amount relates	Forum where dispute is Pending
Foreign Trade Policy (Duty of Customs)	Recovery of SFIS benefits granted to foreign brands	5.74	-	2017	Karnataka High Court
Foreign Trade Policy (Duty of Customs)	Foreign brands not eligible for SFIS duty credit scripts	218.33		2009-14	Gujarat High Court

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to banks or financial institutions. The Company does not have any loans or borrowings from government and dues to debenture holders during the year.

(ix) 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 has been applied for the purpose for which they are raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, during the current year, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of Zero% Non-cumulative, Non-convertible redeemable preference shares during the year in compliance with the requirements of Section 42 of the Act. The total money aggregating to ₹ 740 million raised, has been utilised by the Company for the purpose for which it was raised. The Company has not made any other private placement or preferential allotment of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

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

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

Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 20108511AAAADM5039

Mumbai
8 June 2020

Annexure B to the Independent Auditors' Report – 31 March 2020

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Chalet Hotels Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with respect to financial statements and their operating effectiveness. Our audit of internal financial controls with respect to financial statements included obtaining an understanding of internal financial controls with respect to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

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

Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 20108511AAAADM5039

Mumbai
8 June 2020

Standalone Balance Sheet

as at 31 March 2020

(₹ in million)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	**19,797.38**	20,492.15
Capital work-in-progress	3	**875.13**	284.76
Investment property	4	**7,138.18**	6,809.57
Goodwill	5	**226.11**	226.11
Other intangible assets	6	**32.24**	6.33
Financial assets			
(i) Investments in subsidiaries	7	**1,264.92**	250.09
(ii) Other investments	8	**45.14**	47.08
(iii) Loans	9	**100.80**	121.75
(iv) Others	10	**70.88**	51.08
Other non-current assets	11	**604.68**	256.26
Deferred tax assets (net)	23	**852.81**	732.40
Non-current tax assets (net)		**772.73**	517.70
Total non-current assets		**31,781.00**	29,795.28
Current assets			
Inventories	12	**3,920.58**	3,954.64
Financial assets			
(i) Trade receivables	13	**393.54**	476.81
(ii) Cash and cash equivalents	14a	**65.46**	398.83
(iii) Bank balances other than (ii) above	14b	**1,085.94**	426.71
(iv) Loans	15	**691.38**	18.05
(v) Others	16	**151.80**	239.07
Other current assets	17	**752.29**	478.77
Total current assets		**7,060.99**	5,992.88
TOTAL ASSETS		**38,841.99**	35,788.16
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	**2,050.24**	2,050.24
Other equity	19	**13,441.98**	12,418.64
Total equity		**15,492.22**	14,468.88
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	**15,772.64**	13,392.45
(ii) Others	21	**198.27**	208.44
Provisions	22	**74.23**	57.58
Deferred tax liabilities (net)	23	**222.11**	290.49
Other non-current liabilities	24	**132.51**	144.35
Total non-current liabilities		**16,399.76**	14,093.31
Current liabilities			
Financial liabilities			
(i) Borrowings	25	**377.20**	693.98
(ii) Trade payables	26		
(a) Total outstanding dues of micro enterprises and small enterprises and		**29.53**	27.54
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises		**988.48**	1,187.79
(iii) Other financial liabilities	27	**2,215.01**	1,657.70
Other current liabilities	28	**2,256.28**	2,692.27
Provisions	29	**888.51**	966.69
Current tax liabilities		**195.00**	-
Total current liabilities		**6,950.01**	7,225.97
TOTAL EQUITY AND LIABILITIES		**38,841.99**	35,788.16
Significant Accounting Policies	1		
Notes to the Standalone Financial Statements	2 - 57		

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

As per our audit report of even date attached

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

Mansi Pardiwalla
Partner
Membership No: 108511

Mumbai
8 June 2020

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN. 00468125)

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
8 June 2020

Standalone Statement of Profit and Loss

for the year ended 31 March 2020

(₹ in million)

	Note	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Revenue			
Revenue from operations	30	**9,765.24**	9,871.73
Other income	31	**272.44**	436.03
Total income (A)		**10,037.68**	10,307.76
Expenses			
Real estate development cost	32(a)	**205.56**	194.08
Changes in inventories of finished good and construction work in progress	32(a)	**23.34**	239.70
Food and beverages consumed	32(b)	**823.38**	866.67
Operating supplies consumed	32(c)	**302.31**	262.83
Employee benefits expense	33	**1,507.94**	1,448.08
Other expenses	35	**3,745.24**	3,659.04
Total expenses (B)		**6,607.77**	6,670.40
Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items (C) (A-B)		**3,429.91**	3,637.36
Depreciation and amortisation expenses	2,4,6	**1,113.66**	1,154.17
Finance costs	34	**1,446.13**	2,651.51
Profit/(loss) before exceptional items and tax (D)		**870.12**	(168.32)
Exceptional items (E)	36	**(41.71)**	(40.96)
Profit/(loss) before income tax (F) (D+E)		**828.41**	(209.28)
Tax expense (G)		**12.27**	(107.21)
Current tax	23	**195.00**	10.00
Deferred tax (credit)	23	**(182.73)**	(117.21)
Profit/(loss) for the year (H) (F-G)		**816.14**	(102.07)
Other comprehensive (Expense)			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**(17.34)**	(11.80)
Income tax Credit on above		**6.06**	4.12
Other comprehensive (expense) for the year, net of tax (H)		**(11.28)**	(7.68)
Total comprehensive income / (expense) for the year (I) (G+H)		**804.86**	(109.75)
Earnings per equity share (face value of ₹ 10 each)			
Basic	37	**3.98**	(0.58)
Diluted	37	**3.98**	(0.58)
Significant Accounting Policies	1		
Notes to the Standalone Financial Statements	2 - 57		

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

As per our audit report of even date attached

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

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

Mansi Pardiwalla
Partner
Membership No: 108511

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN. 00468125)

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
8 June 2020

Mumbai
8 June 2020

Standalone Statement of Cash Flows

for the year ended 31 March 2020

(₹ in million)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/ (Loss) before tax	**828.41**	(209.28)
Adjustments for :		
Interest income from instruments measured at amortised cost	**(47.85)**	(213.79)
Dividend received*	**-**	-
Depreciation and amortisation expenses	**1,113.66**	1,154.17
Finance costs	**1,446.13**	2,651.51
Unrealised exchange loss	**46.64**	22.57
Provision for estimated cost	**41.71**	40.96
Profit on sale of property, plants and equipment (net)	**(11.20)**	(2.39)
Property, plants and equipment written off	**6.31**	3.17
Provision for impairment of investment	**250.09**	-
Loss on sale/redemption of investments	**45.95**	-
Provision for doubtful debts, advances and bad debt written off	**14.43**	93.64
Employee stock option expense	**12.06**	14.64
Export benefits and entitlements	**(132.72)**	(155.48)
Provision for mark to market on derivative contract	**(28.60)**	-
Provision for stock obsolescence	**6.78**	-
Proposed dividend*	**0.00**	-
Tax on dividend*	**0.00**	-
Others	**-**	3.54
Total	**2,763.40**	3,612.54
Operating Profit before working capital changes	**3,591.81**	3,403.26
Adjustments		
Decrease / (Increase) in trade receivables and current assets	**35.00**	(63.12)
Decrease / (Increase) in inventories	**34.06**	(838.84)
(Increase) / Decrease in trade payables and current liabilities	**(842.01)**	1,168.06
Total	**(772.95)**	266.10
Direct taxes paid(net)	**(255.03)**	(65.91)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**2,563.83**	3,603.45
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of property, plant and equipment (including capital work in progress, capital creditors and capital advances)	**(962.66)**	(308.93)
Proceeds from sale of property, plants and equipments and investment property	**65.08**	11.93
Purchase of investments (including investment property and investment property under construction)	**(2,331.43)**	(538.75)
Sale/redemption of Investments	**478.92**	-
Dividend received*	**0.00**	-
Loans given	**(661.30)**	(889.89)
Loans repaid	**-**	3,232.05
Interest income received	**47.85**	213.79
Fixed deposits (placed) / matured	**(629.64)**	(405.21)
Margin money (placed) (net)	**(49.39)**	(1.08)
NET CASH (USED IN) /GENERATED FROM INVESTING ACTIVITIES (B)	**(4,042.57)**	1,313.91

Standalone Statement of Cash Flows (Continued)

for the year ended 31 March 2020

(₹ in million)

	For the year ended 31 March 2020	For the year ended 31 March 2019
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of preference shares	**740.00**	510.00
Issue of equity shares from IPO	**-**	9,500.00
IPO expenses	**-**	(308.76)
Proceeds from long-term borrowings	**6,035.00**	2,400.00
Repayment of long-term borrowings	**(3,973.97)**	(13,742.34)
Repayment of short-term borrowings (net)	**(55.24)**	(892.95)
Interest and finance charges paid	**(1,338.88)**	(2,484.30)
NET CASH GENERATED FROM /(USED IN) FINANCING ACTIVITIES (C)	**1,406.91**	(5,018.35)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(71.83)**	(100.99)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	**(239.91)**	(138.92)
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**(311.74)**	(239.91)

*Amount less than million

Notes:

1 Cash and Cash Equivalents and Bank Balances includes balances in Escrow Account which shall be used only for specified purposes as defined under Real Estate (Regulation and Development) Act, 2016.

2 Reconciliation of cash and cash equivalents with the balance sheet

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents (refer note 14)	**65.46**	398.83
Less: Over draft accounts from banks (refer note 25)*	**(377.20)**	(638.74)
Cash and cash equivalents as per Standalone statement of cash flows	**(311.74)**	(239.91)

3 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	**14,797.78**	26,563.51
Proceeds from long-term borrowings**	**6,775.00**	2,910.00
Repayment of long-term borrowings	**(4,029.21)**	(14,635.29)
Non-cash adjustments	**(80.34)**	(40.44)
	17,463.23	14,797.78

* Cash and cash equivalents includes bank overdrafts that are payable on demand and form an integral part of the Company cash management.

** Includes issue of preference shares

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

As per our audit report of even date attached

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

For and on behalf of the Board of Directors of
Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

Mansi Pardiwalla
Partner
Membership No: 108511

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN. 00468125)

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
8 June 2020

Mumbai
8 June 2020

Standalone Statement of Changes in Equity

as at 31 March 2020

(a) Equity share capital

(₹ in million)

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the reporting year	**2,050.24**	1,710.95
Shares issued during the year	**-**	339.29
Balance at the end of the reporting year	**2,050.24**	2,050.24

(b) Other equity

(₹ in million)

	Attributable to the owners of the Company						
	Equity Component of Compound Instrument	Employee stock option reserve	Capital Reserve	Securities Premium	General reserve	Retained earnings*	Total
Balance at 31 March 2019	167.06	14.64	0.05	10,269.19	1,071.96	895.74	12,418.64
Total comprehensive income for the year							
Adjustments:							
Equity Component of compound Instrument	206.42	-	-	-	-	-	206.42
Employee stock option reserve	-	12.06	-	-	-	-	12.06
Profit for the year	-	-	-	-	-	816.14	816.14
Proposed dividend*	-	-	-	-	-	(0.00)	(0.00)
Tax on dividend*	-	-	-	-	-	(0.00)	(0.00)
Remeasurements of defined benefit plans (net of tax)						(11.28)	(11.28)
Total comprehensive income for the year	206.42	12.06	-	-	-	804.86	1,023.34
Balance at 31 March 2020	373.48	26.70	0.05	10,269.19	1,071.96	1,700.60	13,441.98
Balance at 1 April 2018 as previously reported	-	-	0.05	1,418.13	1,071.96	1,021.91	3,512.05
Impact of adoption of Ind AS 115, net of tax (refer note 54)	-	-	-	-	-	(16.42)	(16.42)
	-	-	0.05	1,418.13	1,071.96	1,005.49	3,495.63
Adjustments:							
Issue of shares	-	-	-	9,160.71	-	-	9,160.71
Share issue expenses	-	-	-	(309.65)	-	-	(309.65)
Equity Component of compound Instrument	167.06	-	-	-	-	-	167.06
Employee stock option reserve	-	14.64	-	-	-	-	14.64
Loss for the year	-	-	-	-	-	(102.07)	(102.07)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	(7.68)	(7.68)
Balance at 31 March 2019	167.06	14.64	0.05	10,269.19	1,071.96	895.74	12,418.64

*Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact) ₹ 3,710.05 million (31 March 2019 ₹ 3,710.05 million).

**Amount less than million

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

As per our audit report of even date attached

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

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

Mansi Pardiwalla
Partner
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(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN. 00468125)

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
8 June 2020

Mumbai
8 June 2020

Notes to the Standalone Financial Statements

as at 31 March 2020

1.1 Company background

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

The Company is engaged in the business of hospitality (hotels), commercial and retail operations and real estate development. At March 31, 2020, the Company has, (a) five hotels (and one service apartment building) operating at Powai and Sahar (Mumbai), Vashi (Navi Mumbai), Bengaluru and Hyderabad, (b) developed residential property at Hyderabad (c) Retail Block at Sahar, Mumbai and at Bengaluru, (d) commercial property at Bengaluru and Sahar, Mumbai and (e) is engaged in construction and development of a residential property at Bengaluru.

1.2 Going Concern

As at 31 March 2020, the Company faces significant economic uncertainties due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards particularly by way of reduction in occupancy of hotels and average realization rate per room and fall in revenue of other assets. In April, May and June 2020, the hotels have been operational though at a significantly reduced occupancy rate. Management has undertaken/is undertaking various cost saving initiatives to maximise operating cash flows in the given situation. Management has assessed the impact of existing and anticipated effects of COVD-19 on the future cash flow projections on the basis of significant assumptions as per the available information. As per the management, the Company has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2020.

1.3 Significant accounting policies

Basis of preparation and presentation

The Standalone Balance Sheet of the Company as at March 31, 2020 and the Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash flows for the year ended March 31, 2020 and Notes to the Standalone Financial Statements (together referred as 'Standalone Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

(i) Basis of measurement

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

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

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

(ii) Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the financial information have been presented in Indian Rupees (INR) and all amounts have been rounded-off to the nearest millions, except for share data and as otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentage may not precisely reflect the absolute figures.

(iii) Use of estimates and judgements

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

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

Notes to the Standalone Financial Statements (Continued)
as at 31 March 2020

judgements, estimates and assumptions are required in particular for:

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

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

- Recognition of deferred tax assets
Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

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

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

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

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

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

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

Note G, H, I & J– impairment test of non-financial assets: key assumptions underlying recoverable amounts; and

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

The Company has an established control framework with respect to the measurement of fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

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

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

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

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

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

- Note 2 – Property, plant and equipment (Freehold land)

- Note 4 – Investment property

- Note 46 – Financial instruments

1.4 Current and non-current classification

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

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

(a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within twelve months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date.

All other assets are classified as non-current.

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

(a) it is expected to be settled in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the balance sheet date; or

(d) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months after the balance sheet date.

All other liabilities are classified as non-current.

Operating cycle

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

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

1.5 Significant accounting policies

A. Business combination

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

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

B. Revenue

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

Revenue from real estate development activity is recognised at a point in time when significant risks and rewards are transferred to the Customer i.e. when the control of the residential flat is transferred to the Customer.

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

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

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

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

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

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

iv. Income from other services
Maintenance income is recognised as and when related expenses are incurred.

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

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

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

C. Foreign currency

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

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Standalone Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

in the Standalone Statement of Profit and Loss on a net basis within other gains / (losses).

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

D. Employee benefits

i. Short-term employee benefits

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

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

ii. Post-employment benefits

Defined contribution plans

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

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

- Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus of the Company's defined benefit plans.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

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

iii. Terminal Benefits:

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

iv. Employee stock option expense

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

E. Income-tax

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

i. Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Standalone Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of

Notes to the Standalone Financial Statements (Continued)

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deferred tax assets and therefore the tax charge in the Statement of Profit and Loss.

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

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

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

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

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

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

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

F. Inventories

Hospitality

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

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

Real Estate Development (Residential Flats)

Property is valued at lower of cost and net realizable value. Cost comprises of land, development rights, materials, services, and other expenses attributable to the projects.

Notes to the Standalone Financial Statements (Continued)

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Costs of construction / development (including cost of land) incurred is charged to the Standalone Statement of Profit and Loss proportionate to area sold and the balance cost is carried over under inventories as part of property under development.

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

G. Property, plant and equipment

i. Recognition and measurement

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset Type	Useful Life		Schedule II
	March 2020	March 2019	
Buildings (Interior and Accessories)	**14 Years**	14 Years	NA
Plant and Machinery			
- Food and beverages and Kitchen equipment	**8 Years**	8 Years	
- Audio video equipment	**5 Years**	5 Years	
- Laundry equipment, DG set, HVAC system, Elevators, Fire fighting system,	**15 Years**	15 Years	15 Years
- Others	**14 Years**	14 Years	
Electrical installations	**14 Years**	14 Years	10 Years
Office Equipments			
- Mobile phones	**2 Years**	2 Years	5 years
- Others	**4 Years**	4 Years	
Vehicles	**5 Years**	5 Years	6 Years
Carpet	**7 years**	7 Years	NA
Furniture and Fixtures	**10 Years**	10 Years	8 Years
Computer software	**4 Years**	4 Years	NA

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

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

Leasehold Improvements are depreciated over the primary period of lease.

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

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

Notes to the Standalone Financial Statements (Continued)

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relevant experience in the valuation of properties at relevant locations. The fair value was determined based on a combination of Discounted Cash Flow method and Residual method.

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

H. Intangible assets

Recognition and measurement

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

Subsequent expenditure

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

Amortisation

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

Intangible assets are amortised on straight-line method over estimated useful life of 4 years, which in management's view represents the economic useful life of these assets.

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

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

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

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

I. Goodwill

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

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

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Standalone Statement of Profit and Loss, to the extent the amount was previously charged to the Standalone Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

J. Investment property and investment property under construction

(a) Recognition and measurement

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

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

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

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

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

(b) Depreciation

Depreciation on investment property has been provided pro rata for the period of use by the Straight Line Method. The useful lives of Investment Property is estimated by management and the same is as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life of these assets differs from Schedule II.

Any gain or loss on disposal of an investment property is recognised in Standalone Statement of Profit and Loss.

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

Asset Type	Useful Life		Schedule II
	March 2020	March 2019	
Buildings (Interior and Accessories)	**14 Years**	14 Years	NA
Plant and Machinery			
- DG set, HVAC system, Elevators and Firefighting system	**15 Years**	15 Years	15 Years
- Other	**14 Years**	14 Years	
Electrical installations	**14 Years**	14 Years	10 Years
Office Equipment's	**4 Years**	4 Years	5 Years
Carpet	**7 Years**	7 Years	NA
Furniture and Fixtures	**10 Years**	10 Years	8 Years
Computer software	**4 Years**	4 Years	NA

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

K. Investments

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

L. Borrowing costs

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

M. Segment reporting

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

N. Financial Instruments

1. Financial assets

(a) Recognition and initial measurement

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

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

Classification and subsequent measurement

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

(i) Financial assets measured at amortised costs

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

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

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

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

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

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

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

(b) Derecognition

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

(c) Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables- The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2. Financial liabilities

(a) Recognition, measurement and classification

Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

(b) Financial guarantee contracts

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

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(c) Derecognition

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

3. Offsetting of financial assets and financial liabilities

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

4. Derivative financial instruments

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

O. Provisions, contingent liabilities and contingent assets

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

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

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

P. Leases

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

Q. Litigation

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

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

a. Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. Payments received under operating leases are recognised in the Standalone Statement of Profit and Loss on a straight- line basis over the lease term. The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application.

b. Company as a lessee

Prior to recent amendment in Ind AS 116, assets held by the Company under leases that transfer to the Company substantially all of the risks and

Notes to the Standalone Financial Statements (Continued)

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rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Standalone statement of assets and liabilities.

Based on recent amendment to Ind AS 116, single accounting model by lessee is introduced. A lease liability will be recognised measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

Based on amendment, recognition of new assets and liabilities for its leases of premises and other assets will be done. The nature of expenses related to old liabilities were recognised as lease rent which will change to a) amortisation charge for the right- to use asset, and b) interest accrued on lease liability.

R. Government Grants

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

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

S. Cash and cash equivalents

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

T. Cash flow statement

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

U. Earnings Per Share ("EPS")

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

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

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

The Company presents adjusted EBITDA in the Standalone Statement of Profit and Loss; this is not specifically required by Ind AS 1. The terms adjusted EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Measurement of adjusted EBITDA

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

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Note 2 Property, plant and equipment

Reconciliation of carrying amount

as at 31 March 2020

(₹ in million)

Particulars	Gross block				Accumulated depreciation/ amortisation				Net block
	Opening balance as at 1 April 2019	Additions	Deductions	**Closing balance as at 31 March 2020**	Opening balance as at 1 April 2019	For the year	Deductions	**Closing balance as at 31 March 2020**	**As at 31 March 2020**
Tangible assets									
Freehold land	7,958.76	1.46	-	**7,960.22**	-	-	-	**-**	**7,960.22**
Buildings	12,584.34	65.01	34.22	**12,615.13**	3,152.47	392.56	31.12	**3,513.91**	**9,101.22**
Leasehold improvements	6.92	-	6.92	**-**	6.92	-	6.92	**-**	**-**
Plant and machinery	4,177.80	74.77	30.93	**4,221.64**	2,403.67	239.62	20.90	**2,622.39**	**1,599.25**
Data processing equipments	215.55	51.82	3.53	**263.84**	186.04	24.19	3.22	**207.01**	**56.83**
Electrical installations	1,598.18	2.61	1.58	**1,599.21**	977.86	72.00	1.38	**1,048.48**	**550.73**
Furniture and fixtures	1,982.19	15.79	15.88	**1,982.10**	1,333.55	143.56	14.78	**1,462.33**	**519.77**
Vehicles	234.52	0.68	76.74	**158.46**	209.28	18.37	75.21	**152.44**	**6.02**
Office equipments	95.91	1.08	0.32	**96.67**	92.23	1.41	0.31	**93.33**	**3.34**
Total	**28,854.17**	**213.22**	**170.12**	**28,897.27**	**8,362.02**	**891.71**	**153.84**	**9,099.89**	**19,797.38**

as at 31 March 2019

(₹ in million)

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
Tangible assets									
Freehold land	7,958.76	-	-	7,958.76	-	-	-	-	7,958.76
Buildings	12,507.94	76.40	-	12,584.34	2,765.43	387.04	-	3,152.47	9,431.87
Leasehold improvements	6.92	-	-	6.92	6.92	-	-	6.92	-
Plant and machinery	4,192.16	76.79	91.15	4,177.80	2,233.49	256.01	85.83	2,403.67	1,774.13
Data processing equipments	201.34	23.27	9.06	215.55	174.23	20.85	9.04	186.04	29.51
Electrical installations	1,591.00	7.42	0.24	1,598.18	904.64	73.41	0.19	977.86	620.32
Furniture and fixtures	2,008.43	34.44	60.68	1,982.19	1,239.82	152.72	58.99	1,333.55	648.64
Vehicles	277.22	3.74	46.44	234.52	214.35	35.74	40.81	209.28	25.24
Office equipments	97.37	1.06	2.52	95.91	91.79	2.96	2.52	92.23	3.68
Total	**28,841.14**	**223.12**	**210.09**	**28,854.17**	**7,630.67**	**928.73**	**197.38**	**8,362.02**	**20,492.15**

Notes:

1) Refer note 20 and 25 for information on Property, plant and equipment pledged as security by the Company.
2) Refer note 42 for contractual commitments with respect to property plant and equipments.
3) In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected in the schedule above). The Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the standalone financial statements. The carrying value of property, plant and equipment in respect of the aforementioned hotel as at 31 March 2020 is ₹ 427.21 million (31 March 2019: ₹ 436.66 million).

Notes to the Standalone Financial Statements (Continued)
as at 31 March 2020

Note 3 Capital work-in-progress
1) Details of capital work-in-progress

(₹ in million)

Particulars	31 March 2020	31 March 2019
Opening balance	**284.76**	219.15
Add: Additions during the year	**836.16**	288.73
Less: Capitalised during the year	**(245.79)**	(223.12)
Closing balance	**875.13**	284.76

2) Expenses (net) capitalised to capital work-in-progress during the year.

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Legal and professional charges	**80.71**	21.12
Employee costs	**74.98**	44.62
Rates, taxes and license fees	**162.27**	8.17
Interest and other finance costs	**35.00**	20.29
Miscellaneous expenses	**20.34**	7.06
Other income/sale of scrap	**(3.30)**	(0.62)
Total	**370.00**	100.64

Note 4 Investment property
A. Reconciliation of carrying amount
as at 31 March 2020

(₹ in million)

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at 1 April 2019	Addition/ Transfers	Deduction/ Transfers	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
Commercial complex, Bengaluru I	893.35	-	-	**893.35**	77.05	27.95	-	**105.00**	**788.35**
Retail block, Sahar, Mumbai	1,191.89	30.46	29.31	**1,193.04**	88.72	38.79	-	**127.51**	**1,065.53**
Commercial block, Sahar, Mumbai	3,141.63	61.23	-	**3,202.86**	85.14	86.17	-	**171.31**	**3,031.55**
Retail block, Bengaluru	1,783.02	24.52	1.24	**1,806.30**	512.31	62.01	1.08	**573.24**	**1,233.06**
Hyderabad flats	15.27	-	15.27	**-**	0.78	0.05	0.83	**-**	**-**
Total (A)	**7,025.16**	**116.21**	**45.82**	**7,095.55**	**764.00**	**214.97**	**1.91**	**977.06**	**6,118.49**
Investment property under construction									
Business centers and offices, Sahar, Mumbai									**9.04**
Commercial complex, Bengaluru II									**1,009.91**
Mall Building under Construction, Bengaluru II									**0.74**
Total (B)									**1,019.69**
Total (A+B)									**7,138.18**

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

as at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2018	Additions	Deductions	Closing balance as at 31 March 2019	Opening balance as at 1 April 2018	For the year	Deductions	Closing balance as at 31 March 2019	As at 31 March 2019
Commercial complex, Bengaluru I	893.35	-	-	893.35	51.16	25.89	-	77.05	816.30
Retail block, Sahar, Mumbai	1,135.22	56.67	-	1,191.89	50.44	38.28	-	88.72	1,103.17
Commercial block, Sahar, Mumbai	-	3,141.63	-	3,141.63	-	85.14	-	85.14	3,056.49
Retail block, Bengaluru	1,779.00	3.99	-	1,782.99	450.02	62.26	-	512.28	1,270.71
Hyderabad flats	15.27	-	-	15.27	0.52	0.26	-	0.78	14.49
Total (A)	**3,822.84**	**3,202.29**	**-**	**7,025.13**	**552.14**	**211.83**	**-**	**763.97**	**6,261.16**
Investment property under construction									
Business centers and offices, Sahar, Mumbai									29.06
Commercial complex, Bengaluru II									519.35
Total (B)									548.41
Total (A+B)									**6,809.57**

Notes:

1. Refer note 20 and 25 for information on investment property pledged as security by the Company.
2. Borrowing cost aggregating to ₹ 66.86 millions (31 March 2019 ₹ 34.99 millions) are capitalised under investment property under contruction.
3. Details of investment property under construction

(₹ in million)

Particulars	31 March 2020	31 March 2019
Opening Balance	**548.41**	3,465.95
Add: Additions during the year	**558.19**	284.75
Less: Capitalised during the year	**(86.91)**	(3,202.29)
Closing Balance	**1,019.69**	548.41

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

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Legal and professional charges	**11.68**	6.82
Employee costs	**28.10**	3.79
Rates, taxes and license fees	**0.04**	9.11
Repairs and maintenance	**0.24**	1.51
Interest and other finance costs	**66.86**	34.99
Miscellaneous expenses	**7.40**	12.88
Other income/sale of scrap	**(1.32)**	(0.42)
Total	**113.00**	68.68

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

B. Fair value measurement

i. Fair value hierarchy

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

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

(₹ in million)

Investment properties	Fair Value as on 31 March 2020	Fair Value as on 31 March 2019
Commercial complex, Bengaluru I	**826.00**	840.00
Retail block, Sahar, Mumbai	**1,339.00**	2,230.40
Commercial block, Sahar, Mumbai	**6,948.00**	6,853.62
Retail block, Bengaluru	**1,344.00**	1,434.19
Hyderabad flats	-	23.00

ii. Valuation technique and significant unobservable inputs

Valuation technique

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

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

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

C. Information regarding income and expenditure of investment property

(₹ in million)

Particulars	31 March 2020	31 March 2019
Rental income derived from investment properties	**802.00**	271.21
Direct operating expenditure (including repairs and maintenance) generating rental income	**140.35**	97.93
Direct operating expenditure that did not generate rental income	-	35.78
Profit arising from investment properties before depreciation and indirect expenses	**661.65**	137.50
Depreciation	**214.97**	211.83
Profit/ (Loss) arising from investment properties before indirect expenses	**446.68**	(74.33)

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

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

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

as at 31 March 2020

(₹ in million)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2019	Additions/ Transfers	Deduction/ Transfers	**Closing balance as at 31 March 2020**	Opening balance as at 1 April 2019	For the year	Deductions	**Closing balance as at 31 March 2020**	**As at 31 March 2020**
Tangible assets									
Freehold land	841.78	1.20	29.31	**813.67**	-	-	-	**-**	**813.67**
Buildings	4,666.86	74.36	15.27	**4,725.95**	392.11	111.24	0.83	**502.52**	**4,223.43**
Plant and machinery	1,052.94	27.25	0.02	**1,080.17**	217.46	70.45	-	**287.91**	**792.26**
Computers	1.85	0.18	-	**2.03**	1.20	0.33	-	**1.53**	**0.50**
Electrical installations	386.13	12.92	-	**399.05**	105.55	24.30	-	**129.85**	**269.20**
Furniture and fixtures	73.84	0.20	1.22	**72.82**	46.55	8.46	1.08	**53.93**	**18.89**
Office equipments	1.22	0.05	-	**1.27**	0.61	0.19	-	**0.80**	**0.47**
	7,024.62	**116.16**	**45.82**	**7,094.96**	**763.48**	**214.97**	**1.91**	**976.54**	**6,118.42**
Intangible assets									
Software	0.54	0.05	-	**0.59**	0.52	-	-	**0.52**	**0.07**
	0.54	0.05	-	**0.59**	0.52	-	-	**0.52**	**0.07**
Total	**7,025.16**	**116.21**	**45.82**	**7,095.55**	**764.00**	**214.97**	**1.91**	**977.06**	**6,118.49**

as at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2018	Additions	Deductions	Closing balance as at 31 March 2019	Opening balance as at 1 April 2018	For the year	Deductions	Closing balance as at 31 March 2019	As at 31 March 2019
Tangible assets									
Freehold land	411.56	430.22	-	841.78	-	-	-	-	841.78
Buildings	2,501.22	2,165.64	-	4,666.86	281.76	110.35	-	392.11	4,274.75
Plant and machinery	590.58	462.36	-	1,052.94	151.98	65.48	-	217.46	835.48
Computers	1.41	0.44	-	1.85	0.89	0.31	-	1.20	0.65
Electrical installations	248.78	137.35	-	386.13	79.94	25.61	-	105.55	280.58
Furniture and fixtures	68.06	5.78	-	73.84	36.58	9.97	-	46.55	27.29
Office equipments	0.72	0.50	-	1.22	0.50	0.11	-	0.61	0.61
	3,822.33	**3,202.29**	**-**	**7,024.62**	**551.65**	**211.83**	**-**	**763.48**	**6,261.14**
Intangible assets									
Software	0.54	-	-	0.54	0.52	-	-	0.52	0.02
	0.54	-	-	0.54	0.52	-	-	0.52	0.02
Total	**3,822.87**	**3,202.29**	**-**	**7,025.16**	**552.17**	**211.83**	**-**	**764.00**	**6,261.16**

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

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

(₹ in million)

Particulars	**31 March 2020**	31 March 2019
Hotel at Bengaluru	**164.04**	164.04
Retail at Bengaluru	**25.49**	25.49
Commercial complex at Bengaluru	**36.58**	36.58
Total	**226.11**	226.11

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit. The calculation of the value in use is in based on the following key assumptions:

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

A. Hotel

Particulars (in %)	31 March 2020	31 March 2019
Discount rate	**9.10%**	9.48%
Terminal value growth rate	**6.67%**	6.67%

B. Retail

Particulars (in %)	31 March 2020	31 March 2019
Discount rate	**9.10%**	9.48%
Terminal value growth rate	**8.47%**	9.09%

C. Commercial complex at Bengaluru

Particulars (in %)	31 March 2020	31 March 2019
Discount rate	**9.10%**	9.48%
Terminal value growth rate	**8.47%**	9.09%

Discount rate

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

Terminal value growth rate

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

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

Based on the above assumptions and analysis, no impairment was identified for any of the CGU as at 31 March 2020 and 31 March 2019 as the recoverable value of the CGU exceeded the carrying value.

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

Note 6 Other intangible assets

as at 31 March 2020

(₹ in million)

Particulars	Gross block				Accumulated 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	Charged for the year	Deductions	Closing balance as at 31 March 2020	As at 31 March 2020
Trade marks	0.04	-	-	**0.04**	0.04	-	-	**0.04**	-
Computer software	68.45	32.57	4.21	**96.81**	62.12	6.98	4.53	**64.57**	**32.24**
Total	**68.49**	**32.57**	**4.21**	**96.85**	**62.16**	**6.98**	**4.53**	**64.61**	**32.24**

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

as at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated amortisation				Net block
	Opening balance as at 1 April 2018	Additions	Deductions	Closing balance as at 31 March 2019	Opening balance as at 1 April 2018	Charged for the year	Deductions	Closing balance as at 31 March 2019	As At 31 March 2019
Trade marks	0.04	-	-	0.04	0.04	-	-	0.04	-
Computer software	67.05	1.40	-	68.45	48.52	13.61	0.01	62.12	6.33
Total	**67.09**	**1.40**	**-**	**68.49**	**48.56**	**13.61**	**0.01**	**62.16**	**6.33**

Note 7 Investment in subsidiaries

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Investments in equity shares (non-trade, unquoted)		
In subsidiary companies (equity shares of ₹ 10/- each fully paid)		
25,009,000 (31 March 2019: 25,009,000) shares of Chalet Hotels and Properties (Kerala) Private Limited	250.09	250.09
Less: Provision for Impairment	(250.09)	-
	-	250.09
140,704,838 (31 March 2019: Nil) shares of Belaire Hotels Private Limited (w.e.f 3 February 2020)	694.73	-
52,66,000 (31 March 2019: Nil) shares of Seapearl Hotels Private Limited (w.e.f 10 February 2020)	58.21	-
Investments in debentures (non-trade, unquoted)		
In subsidiary companies (Debenture of ₹ 100/- each fully paid) (At amortised cost)		
8,450,354 (31 March 2019: Nil) coupon of Belaire Hotels Private Limited (w.e.f 3 February 2020)	511.98	-
(The fully compulsorily convertible debentures ("FCCD") with coupon rate of 0% per annum.)		
	1,264.92	250.09
Aggregate amount of unquoted securities	1,264.92	250.09
Aggregate amount of quoted securities	-	-
Market value of quoted securities	-	-
Aggregate amount of impairment in the value of investments	250.09	-

Note 8 Other Investments

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at fair value through profit and loss		
Unquoted, fully paid up:		
Investments in equity shares (non-trade, unquoted)		
In other companies (equity shares of ₹ 10/- each fully paid)		
1,000 (31 March 2019: 1,000) shares of Stargaze Properties Private Limited	0.01	0.01
Nil (31 March 2019: 423) shares of Intime Properties Limited	-	1.94
10,000 (31 March 2019: 10,000) shares of Renew Wind Power Energy (AP) Limited	1.00	1.00
622,960 (31 March 2019: 622,960) shares of Krishna Valley Power Private Limited	12.54	12.54
1,044,500 (31 March 2019: 1,044,500) shares of Sahyadri Renewable Energy Private Limited	31.46	31.46
Measured at amortised cost		
National Saving Certificates	0.13	0.13
	45.14	47.08
Aggregate amount of unquoted securities	45.14	47.08
Aggregate amount of quoted securities	-	-
Market value of quoted securities	-	-
Aggregate amount of impairment in the value of investments	-	-

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Note 9 Loans

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
Deposits		
Security deposits - related parties	**17.60**	11.73
Security deposits - others	**78.20**	105.02
Option deposits - others	**5.00**	5.00
	100.80	121.75

Note 10 Other non-current financial assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
To other than related parties		
Deposits with banks with more than 12 months maturity	**70.88**	51.08
	70.88	51.08

Note 11 Other non-current assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Secured, unsecured, considered good)		
To other than related parties		
Capital advances	**352.56**	22.42
Prepayments (refer footnote)	**224.97**	233.84
Deferred Finance Expenses	**27.15**	-
	604.68	256.26

In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected under prepayment and others above). The Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the standalone financial statements. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2020 is ₹ 52.13 million (31 March 2019: ₹ 53.32 million).

Note 12 Inventories

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(valued at lower of cost and net realisable value)		
Hospitality :		
Food, beverages and smokes	**93.12**	111.10
Stores and spares	**3.23**	5.55
Property development :		
Developed property	**-**	16.14
Property under development (refer note 52)	**4,172.15**	4,171.91
Less: Provision for impairment	**(442.65)**	(451.74)
Property under development , net	**3,729.50**	3,720.17
Materials at site	**91.66**	94.38
Retail:		
Materials at site.	**3.07**	7.30
	3,920.58	3,954.64

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Note 13 Trade receivables

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good, unless otherwise stated)		
Trade receivables	377.50	491.22
Less: Allowance for doubtful trade receivables	(15.41)	(14.41)
Considered good	362.09	476.81
Trade receivables	44.23	22.92
Less: Allowance for doubtful trade receivables	(12.78)	(22.92)
Trade Receivables which have significant increase in Credit Risk	31.45	-
Trade receivables	74.63	52.32
Less: Allowance for doubtful trade receivables	(74.63)	(52.32)
Credit Impaired	-	-
	393.54	476.81

Above balances of trade receivables include balances with related parties (refer note 49)

Note 14a Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with banks		
- Current accounts	58.93	391.06
Cheques on hand	1.11	0.15
Cash on hand	5.42	7.62
	65.46	398.83

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

Note 14b Other bank balances

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
In term deposit accounts (balances held as margin money)	74.66	25.27
In term deposit accounts (others)	1,011.28	401.44
	1,085.94	426.71

- Includes accrued interest of ₹ 3.22 million (31 March 2019: ₹ 1.95 million)

Note 15 Loans.

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
Deposits		
Security deposits - related parties (refer note 49)	12.32	-
Security deposits - others	17.76	18.05
Loans to related parties (refer footnote and note 49)	661.30	-
	691.38	18.05

Loan to related parties include amounts due from Belaire Hotels Private Limited aggregating to ₹ 661.30 million (31 March 2019: ₹ Nil) in which directors of the Company are directors.

The interest rate applicable to the amounts due from Belaire Hotels Private limited in which directors of the Company are directors is 0.00%. These amounts are unsecured and repayable on demand.

Notes to the Standalone Financial Statements (Continued)
as at 31 March 2020

Note 16 Other current financial assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
To other than related parties		
Export benefits and entitlements	**123.20**	239.07
Mark to market derivative contracts	**28.60**	-
	151.80	239.07

Note 17 Other current assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
To other than related parties		
Advance to suppliers	**45.82**	89.35
Less: Provision for doubtful advances	**(9.07)**	(9.07)
	36.75	80.28
Indirect tax balances/receivable credits	**49.82**	26.44
Unbilled revenue	**546.57**	276.90
Prepayment and others	**98.05**	88.23
Others	**21.10**	6.92
	752.29	478.77

Note 18 Share capital

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
(i) Authorised		
229,100,000 (31 March 2019: 229,100,000) equity shares of the par value of ₹ 10 each	**2,291.00**	2,291.00
(ii) Issued, subscribed and paid-up		
205,023,864 (31 March 2019: 205,023,864) equity shares of the par value of ₹ 10 each (Refer note f)	**2,050.24**	2,050.24
Total	**2,050.24**	2,050.24

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

(₹ in million)

Particulars	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Equity shares				
Number of equity shares outstanding at the beginning of the year	**205,023,864**	**2,050.24**	171,095,293	1,710.95
Add:				
Fresh issue (Refer note f)	-	-	33,928,571	339.29
Number of equity shares outstanding at the end of the year	**205,023,864**	**2,050.24**	205,023,864	2,050.24

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

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

(₹ in million)

Particulars	31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Casa Maria Properties LLP	16,496,280	8.05%	16,496,280	8.05%
Capstan Trading LLP	16,495,680	8.05%	16,495,680	8.05%
Raghukool Estate Development LLP	16,495,680	8.05%	16,495,680	8.05%
Touchstone Properties and Hotels Private Limited	14,500,000	7.07%	14,500,000	7.07%
Anbee Construction LLP	13,116,180	6.40%	13,116,180	6.40%
Cape Trading LLP	13,116,180	6.40%	13,116,180	6.40%
K Raheja Private Limited	12,400,000	6.05%	12,400,000	6.05%
Ivory Properties And Hotels Private Limited*	11,351,833	5.54%	11,351,833	5.54%
Reliance Capital Trustee Co Ltd.A/c Reliance Multicap Fund	-	0.00%	10,693,167	5.22%
Ravi Raheja	10,326,318	5.04%	10,326,318	5.04%
Neel Raheja	10,326,318	5.04%	10,326,318	5.04%
	134,624,469	65.69%	145,317,636	70.88%

*Ivory Properties and Hotels Private Limited (Registered owner) holds 7,780,404 Equity Shares for and on behalf of the beneficiaries of Ivory Property Trust, out of its total shareholding of 11,351,833 Equity Shares.

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

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

(e) Details of shares issued

(₹ in million)

Particulars	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Equity Shares				
Issued during the year (Refer note (f))	-	-	33,928,571	339.29

(f) During the financial year ended 31 March 2019, the Company made an initial public issue of 58,613,571 equity shares with a face value of ₹ 10 each at a price of ₹ 280 per equity share (including a share premium of ₹ 270 per equity share) aggregating ₹ 16,412 million. The said public issue consisted of 33,928,571 equity shares sold by the Company and an offer for sale of 24,685,000 equity shares comprising of 10,784,176 equity shares, 5,550,000 equity shares, 5,550,000 equity shares, 2,000,824 equity shares and 800,000 equity shares by K Raheja Corp Private Limited, Neel Raheja, Ravi Raheja, Ivory Properties & Hotels Private Limited and Palm Shelter Estate Development LLP respectively. Aforementioned 58,613,571 equity shares were allotted on 5 February 2019 and the equity shares of the Company were listed on the National Stock Exchange (NSE) and BSE Limited (BSE) on 7 February 2019.

Note 19 Other equity

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Equity Component of Compound Instruments		
On issue of preference shares balance at the beginning of the year	167.06	-
Add: Additions during the year	206.42	167.06
At the end of the year	373.48	167.06
ESOP reserve		
Balance at the beginning of the year	14.64	-
Add: Additions during the year	12.06	14.64
At the end of the year	26.70	14.64

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Securities premium		
Balance at the beginning of the year	**10,269.19**	1,418.13
Add: Premium on issued equity shares	**-**	9,160.71
Less: Share issue expenses	**-**	(309.65)
At the end of the year	**10,269.19**	10,269.19
General reserve		
Balance at the beginning of the year	**1,071.96**	1,071.96
At the end of the year	**1,071.96**	1,071.96
Capital reserve		
Balance at the beginning of the year	**0.05**	0.05
At the end of the year	**0.05**	0.05
Retained earnings		
Balance at the beginning of the year	**895.74**	1,021.91
Impact of adoption of Ind AS 115, net of tax (refer note 54)	**-**	(16.42)
	895.74	1,005.49
Add: Profit / (Loss) for the year	**804.86**	(109.75)
Proposed dividend*	**(0.00)**	-
Tax on dividend*	**(0.00)**	-
At the end of the year	**1,700.60**	895.74
	13,441.98	12,418.64

*Amount less than million

Nature and purpose of reserves

Equity Component of Compound Instruments

Equity component of Component Instruments comprises of the impact of fair valuation of preference shares issued by the Company.

Securities premium

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

General reserve

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

Capital reserve

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

Employee stock option plan reserve

Represents expense recognised towards employee stock option plans issued by the company. (Refer note no.50).

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders. It includes impact of fair valuation of land on transition to Ind AS and are presently not available for distribution to shareholders (net of related tax impact): ₹ 3,710.05 million (31 March 2019 ₹ 3,710.05 million).

Note 20 Long-term borrowings

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Borrowings		
Secured		
Rupee term loans		
i) From bank (refer note A)	**9,380.11**	7,538.51
ii) From financial institutions (refer note A)	**4,593.18**	3,616.46
Foreign currency term loans		
i) From bank (refer note A)	**691.36**	1,719.30
Preference share liability		
Non-cumulative redeemable preference shares (refer note B)	**1,107.99**	518.18
	15,772.64	13,392.45

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

A) Terms of repayment

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2020/ (31 March 2019)	Carrying rate of Interest as at 31 March 2020	Carrying rate of Interest as at 31 March 2019	Repayment/Modification of terms	Security Details
TERM LOANS **-Rupee Loans**						
From Banks						
The Ratnakar Bank Ltd	1,500	-	-	9.30% to 9.97%	Repayable quarterly instalment starting from August 2015 to May 2020. The loan has been fully repaid in the month of February 2019.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.
Standard Chartered Bank	2,000	1,592.23 (1,748.72)	**9.95% to 9.30%**	9.00% to 9.80%	Repayable monthly instalment over 84 month starting from April 2016 to February 2023 and balance amount is bullet payment on March 2023.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.
Standard Chartered Bank	1,950	-	-	9.20 to 10.00%	Repayable half yearly starting from March 2018 to March 2022 and balance amount is bullet payment on November 2022.The loan has been fully repaid in the month of February 2019.	
HDFC Bank Ltd	2,500	1,354.87	**8.95%**	-	Repayable in quarterly 30 instalments from December 2021 to March 2029.	
HSBC Ltd	1,150	1,144.54	**8.90%**	-	Repayable in monthly installments starting from January 2020 to December 2029.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore
ICICI Bank Ltd	3,080 (Term Loan - ₹ 2,285 million with ₹ 300 million OD as a sub-limit of term loan)	1,075.3 (1,819.84)	**9.60% to 9.25%**	9.25% to 9.60%	Repayable quarterly instalment starting from December 2017 to September 2026.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari-passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
Bank of Baroda	900	(864.70)	**9.20% to 9.85%**	8.85% to 9.60%	Repayable monthly instalment from December 2018 to October 2026 of ₹ 8.30 million and remaining amount bullet payment on November 2026. The loan has been fully repaid in the month of January 2020.	

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2020/ (31 March 2019)	Carrying rate of Interest as at 31 March 2020	Carrying rate of Interest as at 31 March 2019	Repayment/Modification of terms	Security Details
Standard Chartered Bank	2,567	-	-	9.25% to 9.40%	Repayable monthly instalment over 60 month starting from November 2017 to September 2022 and balance amount is bullet payment on October 2022. The loan has been fully repaid in the month of July 2018.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre and office Block Sahar, Mumbai. (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre and office Block, Sahar Mumbai.
Yes Bank Ltd	1,100 (Term Loan - ₹ 900 million and OD sub-limit - ₹ 200 million of sanction)	-	-	9.25% to 11.18%	Repayable in quarterly 28 instalments from March 2020 to December 2026. The loan has been fully repaid in the month of February 2019.	It is secured by exclusive charge on Land for Powai Phase III land.
Other Loans from Banks - Vehicle	45	(2.92)	**11%**	11%	Repayable in monthly instalments till year ending June 2019.	It is secured against hypothecation of vehicles financed by those banks.
Other Loans from Banks - Vehicle			**11%**	11%	Repayable in monthly instalments.	It is secured against hypothecation of vehicles financed by those banks.
Standard Chartered Bank	900 (Term Loan - ₹ 750 million and OD ₹ 150 million)	702.15 (724.95)	**9.55% to 9.30%**	8.85% to 9.55%	Repayable monthly instalment over 144 months starting from July 2017 to July 2029	It is secured by (i) Exclusive charge on immovable property and receivables at Retail Block at Bengaluru (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Retail Block at Bengaluru (iii) Charge over DSRA amounting to ₹ 50 million.
ICICI Bank Ltd	1,900	1,627.98 (1,271.15)	**9.60% to 9.25%**	9.25% to 9.60%	Repayable quarterly instalment from September 2016 to June 2025.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2020/ (31 March 2019)	Carrying rate of Interest as at 31 March 2020	Carrying rate of Interest as at 31 March 2019	Repayment/Modification of terms	Security Details
Citi Bank NA	500	-	-	8.20% to 9.10%	Repayable in Monthly instalments from May 2017 to April 2025. The loan has been fully repaid in the month of February 2019.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja.
Citi Bank NA	443	-	-	8.20% to 9.10%	Repayable in Monthly instalments from November 2016 to March 2024. The loan has been fully repaid in the month of February 2019 and Personal guarantee given by Neel Raheja is cancelled.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja.
DBS Bank Ltd	3,250(Term Loan - ₹ 2,900 million, DSRA OD ₹150 million and OD ₹ 200 million)	2885.83 (1874.57)	**9.45% to 9.00%**	9.45%	Repayable in Monthly instalments from April 2020 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present and future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Bajaj Finance Ltd	5,000	498.66 (500.00)	**9.45% to 9.00%**	9.45%	Repayable in Monthly instalments from April 2020 to Sept 2025.	
From Financial Institutions						
Housing Development Finance Corporation Limited	2,000	-	-	8.70% to 9.70%	Repayable monthly instalment ending on March 2019. The loan has been fully repaid in the month of March 2019.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2020/ (31 March 2019)	Carrying rate of Interest as at 31 March 2020	Carrying rate of Interest as at 31 March 2019	Repayment/Modification of terms	Security Details
Housing Development Finance Corporation Limited	1,350	709.34 (862.22)	**9.35%**	8.70% to 10.05%	Repayable in 120 monthly instalment from loan drawn out date i.e, October 2014.	It is secured by (i) Exclusive charge on immovable property and receivables at Four Points By Sheraton, Vashi (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Four Points By Sheraton, Vashi (iii) Guarantee by related party.
Housing Development Finance Corporation Limited	2,500 (Line of Credit)	1,525	**9.35% to 9.25%**	8.70% to 9.80%	Line of credit to be reduced every year starting from March 2019 to March 2026.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations.
Housing Development Finance Corporation Limited	3,600	2418.89 (2754.88)	**9.35%**	8.70% to 10.05%	Repayable in 120 monthly instalment from loan drawn out date i.e, December 2015.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Westin Hotel (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Westin Hotel.
Foreign Currency Loans						
From Banks						
Standard Chartered Bank, UK	USD 30 million	-	-	3.75% fixed plus 6 month libor	Repayable in half yearly instalments from January 2017 to July 2021. The loan has been fully repaid in the month of February 2019.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield.
Standard Chartered Bank, UK	USD 30 million	-	-	4.25% fixed plus 3 month libor	Repayable in two instalments November 17 and May 18, The loan term subsequently extended for further 6 years in May 2018. The loan has been fully repaid in the month of February 2019.	It is secured by (i) Pari-passu charge on immovable property and receivables at Powai - Phase I and II (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II. Standard Chartered Bank has charge on the ISRA account created in respect of security.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2020/ (31 March 2019)	Carrying rate of Interest as at 31 March 2020	Carrying rate of Interest as at 31 March 2019	Repayment/Modification of terms	Security Details
Standard Chartered Bank, UK	USD 15 million	(998.44)	**3.75% fixed plus 3 month libor**	4.75% fixed plus 3 month libor	Repayable quarterly from April 2018 to January 2027.The loan has been fully repaid in the month of January 2020.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations.
ICICI Bank Ltd - Bahrain	USD 48 million (Drawn down USD 12.2 million)	819.70 (801.97)	**4.00% fixed plus 3 month libor**	4.00% fixed plus 3 month libor	Repayable quarterly from June 2018 to March 2027.	

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

B) Preference Share Capital

(a) Details of the Authorised, Issued, Subscribed and Paid-up Preference Share Capital as below:

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Authorised		
1,600 (31 March 2019: 1600) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each	**160.00**	160.00
10,000 (31 March 2019: 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each- Series A	**1,000.00**	1,000.00
10,000 (31 March 2019: 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each- Series B	**1,000.00**	1,000.00
(ii) Issued, Subscribed and paid-up		
1,600 (31 March 2019: 1600) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each	**160.00**	160.00
20,000 (31 March 2019: 20,000) (Series A 10,000 and Series B 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares. Fully paid up ₹ 100,000 each of Series A (partly paid up ₹ 50,000 each in year ended 31 March 2019) and partly paid up ₹ 25,000 each of Series B (partly paid up ₹ 1,000 each in year ended 31 March 2019).	**947.99**	358.18
Total	**1,107.99**	518.18

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

(₹ in million)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each				
Number of Preference shares outstanding at the beginning of the year	**1,600.00**	**160.00**	1,600.00	160.00
Issued during the year	-	-	-	-
Number of Preference shares outstanding at the end of the year	**1,600.00**	**160.00**	1,600.00	160.00
10,000 (31 March 2019: 10,000) (Series A) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and fully paid up of Series A ₹ 100,000 each.				

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
10,000 (31 March 2019: 10,000) (Series B) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and partly paid up of Series B ₹ 25,000 each.				
Number of Preference shares outstanding at the beginning of the year	**20,000.00**	**358.18**	-	-
Issued during the year	**-**	**589.81**	20,000.00	358.18
Number of Preference shares outstanding at the end of the year	**20,000.00**	**947.99**	20,000.00	358.18
Total	**21,600.00**	**1,107.99**	21,600.00	518.18

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

(₹ in million)

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each				
Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja*	**1600**	**100%**	1600	100%
*Held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust.				
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each subscribed and fully paid up (31 March 2019:Partly paid up ₹ 50,000 each)				
Series A				
Mr Ravi Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
Mr Neel Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
K Raheja Corp Private Limited	**4,500**	**45.00%**	4,500	45.00%
Ivory Properties and Hotels Private Limited	**850**	**8.50%**	850	8.50%
Total	**10,000**	**100%**	10,000	100%
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each subscribed and partly paid up of ₹ 25,000 each.(31 March 2019:Partly paid up ₹ 1000 each)				
Series B				
Mr Ravi Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
Mr Neel Chandru Raheja	**2,325**	**23.25%**	2,325	23.25%
K Raheja Corp Private Limited	**4,500**	**45.00%**	4,500	45.00%
Ivory Properties and Hotels Private Limited	**850**	**8.50%**	850	8.50%
Total	**10,000**	**100%**	10,000	100%

(d) Rights, Preferences and restrictions attached to preference shares.

The Company has two classes of preference shares having a par value of ₹100,000 each per share.

1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each.

Rights, Preferences and restrictions attached to 0.001% Non-cumulative redeemable preference shares The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the Company for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of ₹ 1 per preference share per year.

Preference shares issued by the Company are due for redemption at par. Accordingly, the preference shares are liable to be redeemed at any time at the option of the Company but not later than December 21, 2023.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

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

20,000 0.00%(Series A) Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each.

20,000 0.00%(Series B) Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each.

Rights, Preferences and restrictions attached to 0.00 % (Series A & Series B) Non-cumulative Non convertible redeemable preference shares

The preference shares do not carry any voting rights.

With respect to the Residential project at Bengaluru ("Project"), w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Company either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0% Non- Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Company of ₹ 2,000 million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Company has a paid up preference share capital of ₹ 1,250 million as at 31 March 2020 (31 March 2019: ₹ 510 million)."

The Preference Shares do not carry any voting rights whatsoever in any meetings of the shareholders of the Company or of members of any class of shares of the Company.

Subject to applicable laws, other than the amounts payable for redemption, no amounts shall be payable to the Preference Shareholders, whether by way of dividend or in any other manner whatsoever.

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

Note 21 Other non-current financial liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Security deposits	**198.27**	208.44
	198.27	208.44

Note 22 Provisions

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for gratuity	**74.23**	57.58
	74.23	57.58

Note 23 Tax expense

(a) Amounts recognised in Statement of Profit and Loss

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax		
Current period	**195.00**	10.00
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	**(169.94)**	(55.58)
Utilisation of previously unrecognised tax losses	**(12.79)**	(61.63)
Deferred tax charge/ (credit)	**(182.73)**	(117.21)
Tax charge/ (credit) for the year	**12.27**	(107.21)

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(b) Amounts recognised in other comprehensive income

(₹ in million)

Particulars	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
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**(17.34)**	**6.06**	**(11.28)**	(11.80)	4.12	(7.68)
	(17.34)	**6.06**	**(11.28)**	(11.80)	4.12	(7.68)

(c) Amounts recognised directly in equity

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Deferred income tax asset, net	**-**	8.82

(d) Reconciliation of effective tax rate

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit / (Loss) before tax	**828.41**	(209.28)
Company's domestic tax rate	**34.94%**	34.94%
Tax using the Company's domestic tax rate	**289.48**	(73.13)
Tax effect of:		
Tax losses of earlier years utilised against profit of current year	**(12.79)**	(61.63)
Deferred tax asset recognised on previous year's house property losses	**(252.98)**	-
Deferred tax asset not recognised on current year's losses	**-**	108.53
Addition of 35 AD adjusted against current year loss	**(16.64)**	-
Loss on sale of investments	**16.06**	
Expenses not allowed under tax	**(6.40)**	(78.26)
Income not subject to tax	**-**	(5.35)
Standard deduction	**(43.97)**	(16.51)
Indexation of land and investment property	**(68.43)**	9.14
Provision for Impairment of Investment	**87.39**	-
Others	**20.55**	10.00
	12.27	(107.21)

The Company's weighted average tax rates for years ended 31 March 2020 and 31 March 2019 was 1.48% and 51.21% respectively. The effective tax rate is primarily low in current year and high in previous year on account of indexation benefit recognised on land and unquoted equity shares. Further unabsorbed tax losses have been utilised during some years to reduce the current tax expense.

The Company has recognised deferred tax asset on the brought forward house property losses pertaining to previous years after considering the relevant facts and circumstances to the extent that the Company had convincing evidence based on its business plans and budgets to the extent that the deferred tax asset will be realised. Consequently, the Company has recognised deferred tax asset of ₹ 253 million as at 31 March 2020 (31 March 2019: ₹ Nil).

A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on 20 September 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. The Company has decided to continue with the existing tax structure for the year ended 31 March 2020.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(e) Movement in deferred tax balances

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

(₹ in million)

Particulars	Net Balance as at 1 April 2019	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	**Net Balance as at 31 March 2020**
Deferred tax asset/(liabilities)					
Property, plant and equipment	(3,285.62)	100.20	-	-	**(3,185.42)**
Investment property	180.79	(23.39)	-	-	**157.40**
Assets classified as held for sale	0.05	-	-	-	**0.05**
Real estate inventory	(17.04)	(3.20)	-	-	**(20.24)**
Expenditure on specified business u/s 35 AD	2,172.64	(6.75)	-	-	**2,165.89**
Investments	(0.28)	0.28	-	-	**-**
Provisions	385.08	22.91	6.06	-	**414.05**
Borrowings	(29.82)	8.11	-	-	**(21.71)**
Other current liabilities	145.26	-	-	-	**145.26**
Other current assets	(38.34)	(127.18)	-	-	**(165.52)**
Unabsorbed depreciation/ carry forward tax losses	897.00	(389.18)	-	-	**507.82**
Unabsorbed losses on House property	-	372.14			**372.14**
Employee Stock Option	2.65	(0.61)	-	-	**2.04**
Inventory	-	5.72	-	-	**5.72**
Other items	29.54	28.68	-	-	**58.22**
MAT Credit Entitlement	-	195.00	-	-	**195.00**
Deferred tax assets/(liabilities)	441.91	182.73	6.06	-	**630.70**

(₹ in million)

Particulars	**Net Balance as at 31 March 2020**
Deferred tax assets	**852.81**
Deferred tax liabilities	**222.11**
Net deferred tax assets/(liabilities)	**630.70**

Movement in deferred tax balances for the year ended 31 March 2019

(₹ in million)

Particulars	Net Balance as at 1 April 2018	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net Balance as at 31 March 2019
Deferred tax asset/(liabilities)					
Property, plant and equipment	(3,395.50)	109.88	-	-	(3,285.62)
Investment property	162.61	18.18	-	-	180.79
Assets classified as held for sale	0.05	-	-	-	0.05
Real estate inventory	(43.28)	2.48	-	23.76	(17.04)
Expenditure on specified business u/s 35 AD	2,350.86	(178.22)	-	-	2,172.64
Investments	(0.28)	-	-	-	(0.28)
Provisions	368.93	12.03	4.12	-	385.08
Borrowings	-	(29.82)	-	-	(29.82)
Other current liabilities	(2.01)	147.27	-	-	145.26
Other current assets	-	(38.34)	-	-	(38.34)
Unabsorbed depreciation/ carry forward tax losses	820.95	76.05	-	-	897.00
Employee Stock Option	-	2.65	-	-	2.65
Other items	49.43	(4.95)	-	(14.94)	29.54
Deferred tax assets/(liabilities)	311.76	117.21	4.12	8.82	441.91

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Net Balance as at 31 March 2019
Deferred tax assets	732.40
Deferred tax liabilities	290.49
Net deferred tax assets/(liabilities)	441.91

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

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

Unrecognised deferred tax assets

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

(₹ in million)

	31 March 2020			31 March 2019		
	Gross amount	DTA not recognised	Expiry date	Gross amount	DTA not recognised	Expiry date
House property loss	-	-		585.17	204.48	31 March 2027
House property loss				140.98	49.26	31 March 2026
Total	-	-		726.15	253.75	

Deferred tax assets for the carry forward of unused tax losses on business and house property are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

Further, the Company had incurred losses in relation to the residential project at Bengaluru pursuant to litigation which arose during the financial year ended March 31, 2014. During the financial year ended 31 March 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Company, decided that the Company should proactively consider re-commencement of construction up to the permissible limits and engage with the buyers above the 10th floor for evaluating possible options. Consequently, the Company has made a provision for estimated losses on such cancellations pertaining to all flats above 10 floors and recognised the same during the financial year ended 31 March 2018 (refer note 36). Further, the Company does not expect any further material losses to be incurred in relation to the said project.

Accordingly, the Company, has recognised deferred tax asset on the carried forward business losses after considering the relevant facts and circumstances during each financial year to the extent that the Company had convincing evidence based on its business plans and budgets to the extent that the deferred tax asset will be realised. Consequently, the Company has recognised deferred tax asset of ₹ 880 million as at 31 March 2020 (31 March 2019: ₹ 897.00 million) on the carried forward losses of the Company.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Note 24 Other non-current liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred finance income	132.51	144.35
	132.51	144.35

Note 25 Borrowings

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Over draft accounts from banks	377.20	638.74
Unsecured		
Buyer's credit	-	55.24
	377.20	693.98

A) Terms of repayment

Rate of interest

(₹ in million)

Particulars	Sanction Amount	Carrying rate of Interest As at 31 March 2020	Carrying rate of Interest As at 31 March 2019	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	500	10.70% to 10.05%	9.95% to 10.70%	Renewal every year.	Secured against land parcel admeasuring 6,826 sq. mtrs. at Powai (including future receivables)
Yes Bank Ltd	1,100 (Term Loan - ₹ 900 million and OD sub-limit - ₹ 200 million of sanction)	-	9.60% to 10.75%	'Renewal every year and maturity is in December 2026 in line with the Term loan. The loan has been fully repaid in the month of February 2019.	It is secured by exclusive charge on land for Powai Phase III land
ICICI Bank Ltd	3,080 (Term Loan - ₹ 2,285 million with ₹ 300 million OD as a sub-limit of term loan)	9.35% to 9.25%	9.35% to 9.85%	Renewal every year and maturity is in September 2026 in line with the Term loan.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
DBS Bank Ltd	3250(Term Loan - ₹ 2900 million, DSRA OD ₹150 million and OD ₹ 200 million)	9.60% to 8.70%	9.55% to 9.60%	Renewal every year and maturity is in September 2025 in line with the Term loan.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Indian Overseas Bank	50	12.80%	12.95% to 12.50%	Renewal every year.	Cash Credit is secured by hypothecation of inventories, crockery, cutlery, and linen held by the Company at its property in Powai, both present and future.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Sanction Amount	Carrying rate of Interest As at 31 March 2020	Carrying rate of Interest As at 31 March 2019	Repayment/ Modification of terms	Security Details
ICICI Bank Ltd	1,900 (Term Loan - 1,530 million and OD 150 million)	**9.85% to 9.25%**	9.25% to 9.85%	Renewal every year and maturity in twice mentioned June 2025 in line with the Term loan.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield
Standard Chartered Bank	900 (Term Loan - ₹ 750 million and OD ₹ 150 million)	**10.25% to 9.50%**	8.75% to 9.50%	Overdraft to be reduced on a proportionate basis in line with term loan repayment.	It is secured by (i) Exclusive charge on immovable property and receivables at Retail Block at Bengaluru (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Retail Block at Bengaluru (iii) Charge over DSRA amounting to ₹ 50 million.
From Related Parties					
Newfound Properties Private Limited	NA	**0.00%**	10.50%	Repayable on demand. The loan has been fully repaid in the month of February 2019.	Unsecured
Buyers credit					
Buyers credit	NA	**4% to 6%**	4% to 6%	Repayable within 1 year	Unsecured

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

Note 26 Trade payables

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade payables		
Total outstanding dues of micro enterprises and small enterprises and (refer note 43)	**29.53**	27.54
Total outstanding dues to creditors other than micro enterprises and small enterprises	**988.48**	1,187.79
	1,018.01	1,215.33

Note 27 Current - Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturity of long term debt (refer note 20)	**1,690.59**	1,350.09
Creditors for capital expenditure		
- Total outstanding dues of micro enterprises and small enterprises and (refer note 43)	**19.05**	2.17
- Total outstanding dues to creditors other than micro enterprises and small enterprises	**274.27**	20.45
Retention payable	**24.77**	40.82
Proposed Dividend*	**0.00**	-
Tax on dividend*	**0.00**	-
Security deposits	**66.61**	27.02
Mark to market derivative contracts	**-**	63.15
Other liabilities	**139.72**	154.00
	2,215.01	1,657.70

*Amount less than million

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Note 28 Other current liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances from customers towards sale of residential flats*	**1,872.35**	2,183.72
Advances from customers towards hospitality services	**119.31**	135.88
Statutory dues payable**	**264.62**	372.67
	2,256.28	2,692.27

*Advances from customers towards sale of residential flats includes amount refundable to customers on estimated cancellation of flats for the year ended 31 March 2020 above 10 floors of ₹ 733.01 million (March 2019: ₹ 910.23 (refer note 36)).

**Statutory dues payable includes ESIC, TDS payable , provident fund payable, indirect taxes payable etc.

Note 29 Short-term provisions

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for gratuity	**34.35**	25.39
Provision for compensated absences	**60.69**	70.35
Provision for estimated / actual cancellation and alteration cost (Refer foot note and note 36)	**793.47**	870.95
	888.51	966.69

Bengaluru residential project

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

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

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

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

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

By Judgment dated 29 May, 2020 the Karnataka High Court has allowed the writ petition in part, quashing the cancellation of the NOC and remanding back the matter to HAL for re-survey in a time bound manner and thereafter proceed in accordance with law. Management is of the view that no changes in the are required on this account in the standalone financial statements as at and for the year ended 31 March 2020.

Notes to the Standalone Financial Statements (Continued)

for the year ended 31 March 2020

Movement for provision for estimated / actual cancellation and alteration cost

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for cost of alteration of super structure	**250.00**	250.00
Provision for estimated/actual cancellation		
Opening balance	**620.95**	624.73
Provisions made during the year	**41.90**	53.02
Provisions utilised during the year	**(119.38)**	(56.80)
Closing balance	**543.47**	620.95
Total	**793.47**	870.95

Note 30 Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Sale of services		
Hospitality:		
Room income	**5,189.47**	5,340.51
Food, beverages and smokes	**2,782.27**	3,015.82
Others	**737.32**	780.47
Retail and commercial:		
Lease rent	**802.00**	271.21
(b) Sale of products		
Real estate:		
Sale of residential flats	**52.94**	344.24
Retail and commercial:		
Maintenance and other recoveries	**130.49**	64.86
Revenue from other services	**70.75**	54.62
	9,765.24	9,871.73

Note 31 Other income

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income from instruments measured at amortised cost	**47.85**	213.79
Net mark to market gain on derivative contracts	**41.24**	22.67
Export benefits and entitlements	**132.72**	155.48
Profit on sale of property, plant and equipment (net)	**11.20**	2.39
Dividend received *	**0.00**	-
Interest on income tax refund	**-**	15.32
Miscellaneous income	**39.43**	26.38
	272.44	436.03

*Amount less than million

Notes to the Standalone Financial Statements (Continued)

for the year ended 31 March 2020

Note 32 (a) Real estate development cost

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(i) Real estate development cost	**205.56**	194.08

(ii) Changes in inventories of finished good and work in progress

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening project work in progress	**4,096.82**	3,031.94
Inventory of unsold flats	**16.14**	247.25
Inventory of unsold flats - Transfer from Investment Property	**14.42**	-
Impact of adoption of Ind AS 115	**-**	1,073.47
	4,127.38	4,352.66
Add:		
Incurred during the year	**2.11**	-
Less: Closing stock		
Transferred to Inventory of unsold flats	**-**	16.14
Transferred to property under development project	**4,106.15**	4,096.82
	23.34	239.70

Note 32 (b) Food and beverages consumed*

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Food and beverages materials at the beginning of the year	**111.10**	105.43
Purchases	**805.40**	872.34
Food and beverages materials at the end of the year	**93.12**	111.10
	823.38	866.67

*Includes complimentaries ₹ 90.90 million (31 March 2019: ₹101.53 million)

Note 32 (c) Operating supplies consumed

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchases	**302.31**	262.83
	302.31	262.83

Note 33 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	**1,277.51**	1,206.12
Contributions to provident fund and other funds	**68.89**	70.03
Staff welfare expenses	**149.48**	157.29
Employee stock option expense (refer note 50)	**12.06**	14.64
	1,507.94	1,448.08

Notes to the Standalone Financial Statements (Continued)

for the year ended 31 March 2020

Note 34 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expenses	**1,355.24**	2,320.87
Exchange differences regarded as an adjustment to borrowing cost *	**90.89**	258.64
Other borrowing cost	**-**	72.00
	1,446.13	2,651.51

* Excludes exchange loss on ECB of ₹ 18.39 million (31 March 2019: ₹160.97 million) accounted as operating expenses.

Note 35 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Travelling and conveyance expenses	**32.00**	36.95
Power and fuel *	**657.19**	668.40
Rent	**20.80**	20.84
Repairs and maintenance		
- Buildings	**147.57**	118.46
- Plant and machinery	**190.89**	197.28
- Others	**94.68**	109.48
Insurance	**38.00**	25.58
Rates and taxes	**271.04**	282.87
Business promotion expenses	**390.15**	371.54
Commission	**242.49**	242.14
Royalty and management fees	**417.72**	461.27
Legal and professional charges	**136.49**	154.17
Other hotel operating expenses	**301.03**	310.45
Bad debt written off	**1.27**	0.17
Provision for doubtful debts	**13.16**	84.40
Loss on foreign exchange fluctuation (Net)**	**46.64**	199.32
Donations	**0.06**	0.19
Director sitting fees	**3.12**	3.02
Payment to auditors (refer note 44)	**12.47**	5.81
Buyout labour & manpower contract	**154.61**	144.64
Corporate social responsibility expenses	**1.90**	-
Loss on sale/redemption of investments	**45.95**	-
Provision for impairment of investment	**250.09**	
Provision for doubtful advances	**-**	9.07
Reversal of unbilled revenue	**9.36**	-
Miscellaneous expenses ***	**266.56**	212.99
	3,745.24	3,659.04

*Net of ₹ 46.17 million (31 March 2019 :₹ 47.22 million) on account of recoveries.

** It includes exchange loss on ECB of ₹ 18.39 million and ₹ 160.97 million is considered under finance cost (31 March 2019: Exchange loss on ECB of ₹ 90.89 million and ₹ 258.64 million is considered under finance cost)

***Net of ₹ 10.19 million (31 March 2019 :₹ 6.10 million) on account of recoveries.

Notes to the Standalone Financial Statements (Continued)

for the year ended 31 March 2020

Note 36 Exceptional items

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Exceptional items		
-Provision for estimated cost in relation to potential cancellation	**(41.71)**	(40.96)
Total	**(41.71)**	(40.96)

Notes:

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

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

During the year ended 31 March 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Company, decided that the Company should proactively consider re-commencement of construction up to the miminum permissible limits and engage with the buyers above the 10th floor for evaluating possible options.In accordance thereto, an application has been filed by the Company before the Karnataka High Court in November 2018 with a request to take on record the fact that HAL had no objection to the construction upto 40 meters to enable the Company to apply for a building sanction. HAL has filed its objection inter-alia stating that any alteration or construction of the building would be in violation of the Interim Order. The matter is presently pending.

Accordingly, the Company has reassessed the estimated cost of completion of the project upto 10th floor as per the aforementioned plan and has recognised a provision towards the following:

- cost of alteration of superstructure
- estimated costs in relation to potential cancellations including interest payable on cancellation.

Consequently , interest payable on cancellation for flats above 10th floor is shown as exceptional expenses.

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

With respect to said residential project, w.e.f. 4 June 2018, w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Company either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0% Non- Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Company of ₹ 2,000 million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Company has a paid up preference share capital of ₹ 1,250 million as at 31 March 2020 (31 March 2019: ₹ 510 million).

By Judgment dated 29 May, 2020 the Karnataka High Court has allowed the writ petition in part, quashing the cancellation of the NOC and remanding back the matter to HAL for re-survey in a time bound manner and thereafter proceed in accordance with law. Management is of the view that no changes are required on this account in the standalone financial statements as at and for the year ended 31 March 2020.

Notes to the Standalone Financial Statements (Continued)

for the year ended 31 March 2020

Note 37 Earnings per share

Earnings Per Share (EPS) (IND AS 33)

(₹ in million)

	Particulars	31 March 2020	31 March 2019
1	Profit / (Loss) attributable to equity shareholders	**816.14**	(102.07)
2	**Calculation of weighted average number of equity shares**		
(a)	Number of shares at the beginning of the year	**205,023,864**	171,095,293
(b)	Add: Shares issued during the year	**-**	33,928,571
(c)	Number of equity shares outstanding at the end of the year	**205,023,864**	205,023,864
	Weighted average number of equity shares outstanding during the year	**205,023,864**	176,207,817
3	Earnings per share (₹)		
	Basic	**3.98**	(0.58)
	Diluted	**3.98**	(0.58)
4	Nominal value of shares (₹)	**10**	10

Note:

Weighted average number of shares is the number of equity shares outstanding at the beginning of the year/ year adjusted by the number of equity shares issued during year/ year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. The impact of dilution on account of ESOP will not be considered if they are anti-dilutive.

Note 38 Government grant

Export Promotion Capital Goods (EPCG) scheme

The Company under the EPCG scheme receives a grant from the Government towards import of capital goods without any levy of import duty. The Company has an obligation towards future exports of the Company. The Company has recognised a deferred grant at the point of waiver of import duty in relation to import of capital goods. Given that the grant is conditional on fulfillment of future export obligation, the same is treated as a revenue grant and is accordingly recognised in the Statement of Profit and Loss on fulfilment of such obligation.

(₹ in million)

Particulars	31 March 2020	31 March 2019
Opening balance	**-**	-
Grants received during the year	**13.90**	8.17
Less: Released to Statement of Profit and Loss	**(13.90)**	(8.17)
Closing balance	**-**	-

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

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

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
Opening balance	**239.07**	192.85
Grants received during the year	**118.82**	147.31
Less: Utilisation / written off	**(234.68)**	(101.09)
Closing balance	**123.20**	239.07
Income recognised in Statement of Profit and Loss on account of EPCG (A)	**13.90**	8.17
Income recognised in Statement of Profit and Loss on account of SFIS/SEIS (B)	**118.82**	147.31
Total income recognised in the Statement of Profit and Loss (A+B)	**132.72**	155.48

Notes to the Standalone Financial Statements (Continued)

for the year ended 31 March 2020

Note 39 Employee benefits

a) Defined contribution plan

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

The Company has recognised the following amounts in the Standalone Statement of Profit and Loss for the year.

(₹ in million)

Particulars	31 March 2020	31 March 2019
Employer's contribution to Provident Fund and ESIC	**68.89**	70.03
	68.89	70.03

b) Defined benefit plan

Gratuity

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

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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
Defined benefit obligation	**109.80**	84.28
Less: Fair value of plan assets	**(1.22)**	(1.31)
Net defined benefit obligation	**108.58**	82.97

Fair value of the plan assets and present value of the defined benefit obligations

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
1 Movement in defined benefit obligation:		
At the beginning of the year	**84.28**	66.73
Recognised in profit or loss		
Current service cost	**9.66**	6.88
Interest cost	**5.53**	4.42
Recognised in other comprehensive income		
Actuarial (gains)/losses on obligations -		
Due to change in demographic assumptions	**(0.43)**	1.92
Due to change in financial assumptions	**3.75**	0.38
Due to experience	**13.81**	10.88
Benefits paid	**(6.80)**	(6.93)
At the end of the year	**109.80**	84.28
2 Movement in fair value of plan assets:		
At the beginning of the year	**1.31**	1.41
Recognised in profit or loss		
Interest income	**0.09**	0.09
Expected return on plan assets	**(0.13)**	0.06
Employer contributions	**1.52**	1.00
Benefits paid	**(1.57)**	(1.25)
At the end of the year	**1.22**	1.31

Notes to the Standalone Financial Statements (Continued)

for the year ended 31 March 2020

(₹ in million)

	Particulars	31 March 2020	31 March 2019
3	**Recognised in profit or loss**		
	Current service cost	**9.66**	6.88
	Interest expense	**5.53**	4.42
	Interest income	**0.09**	0.09
	For the year	**15.10**	11.21
4	**Recognised in other comprehensive income**		
	Actuarial (gains)/losses on obligations	**17.34**	11.80
	For the year	**17.34**	11.80

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

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

Employees of Chalet Hotels Limited

Particulars	31 March 2020	31 March 2019
Rate of increase in salaries (%)	**7.00% -9.00%**	6.00% -9.00%
Discount rate (%)	**5.21%**	6.66%
Employee turnover rate	**21.00%-57.00%**	23.00%-55.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)

7 **Sensitivity of the defined benefit obligation**

(₹ in million)

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(1.93)**	**3.48**	(2.00)	2.49
Rate of increase in salaries (1% movement)	**3.37**	**(1.89)**	2.44	(1.99)
Rate of employee turnover (1% movement)	**0.06**	**1.33**	(0.29)	0.64

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

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

8 Expected contributions to gratuity fund for the year ended 31 March 2020 is ₹ 16.48 million (31 March 2019: ₹ 15.10 million).

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

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
31 March 2020	30.46	21.55	35.53	17.58	105.12
Defined benefit obligations (gratuity - non funded)	26.83	19.18	32.52	16.87	95.41
Defined benefit obligations (gratuity)	3.63	2.37	3.01	0.71	9.71
31 March 2019	19.14	16.83	28.35	14.44	78.76
Defined benefit obligations (gratuity - non funded)	16.45	14.86	25.25	13.41	69.97
Defined benefit obligations (gratuity)	2.69	1.97	3.10	1.03	8.79

Notes to the Standalone Financial Statements (Continued)

for the year ended 31 March 2020

(c) Short-term compensated absences:

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
Expenses for the year	6.74	27.73
Closing balance	60.69	70.35

Note 40 Operating leases

Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 and year ended 31 March 2020 have not been retrospectively restated. Based on the assessment done by the management, there is no material impact on the Statement of Profit and Loss for the year ended 31 March 2020.

A. Leases as lessor

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

i) Amount recognised in the Standalone Statement of Profit and Loss:

(₹ in million)

Description	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from lease of shops in hotels included in revenue from operations	19.25	18.58
Income from lease of office premises included in revenue from operations	672.45	90.73
Income from lease of investment properties included in revenue from operations	129.64	180.48
Total	821.34	289.79

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

(₹ in million)

Future minimum lease receivables	31 March 2020	31 March 2019
Less than one year	14.28	15.36
Between one and five years	36.82	32.05
More than five years	9.72	16.80
	60.82	64.21

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

(₹ in million)

Future minimum lease receivables	31 March 2020	31 March 2019
Less than one year	824.04	490.23
Between one and five years	3,319.84	3,326.26
More than five years	4,208.91	5,117.64
Total	8,352.79	8,934.13

B. Leases as lessee

The Company has taken office premises and the land on which Four Points by Sheraton Vashi Hotel is situated on lease. is situated. The Company also leases IT and other equipments. All leases are either short term and/or leases of low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

i) Amount recognised in profit or loss:

(₹ in million)

	For the year ended 31 March 2020*
Low value lease expenses	1.60
Short-term lease expenses	24.34
Total lease expense	25.94

* Out of total lease expenses, ₹ 6.09 million have been capitalised

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

ii) Amount recognised in statement of cash flows:

(₹ in million)

	For the year ended 31 March 2020
Low value lease expenses	**1.41**
Short-term lease expenses	**22.29**
Total cah outflow on leases	**23.70**

iii) Maturity Analysis:

(₹ in million)

Future minimum lease payables	31 March 2020
Less than one year	**25.61**
Between one and five years	**-**
More than five years	**-**
	25.61

Note 41 Acquisition of Belaire Hotels Private Limited and Seapearl Hotels Private Limited

A. The Company acquired 100% of equity shares of Belaire Hotels Private limited (BHPL) and 100% of zero coupon fully compulsory convertible debentures for a cash consideration of ₹ 1,193.32 million on 3 February 2020.

Also, the Company acquired 100% of the equity shares of Seapearl Hotels Private Limited (SHPL) and 100% of zero coupon fully compulsory convertible debentures for a cash consideration of ₹ 574.68 million on 10 February 2020. Consequent to the above BHPL and SHPL have become wholly owned subsidiaries of the Company.

B. Fair value of consideration transferred

Belaire Hotels Private Limited

Against the total enterprise value of ₹ 2,900 million, the Company had taken over borrowings of ₹ 1,745.86 million, net non-current assets of ₹ 39.76 million, contingent liabilities of ₹ 12.90 million and working capital of ₹ 12.32 million. After taking these liabilities into account, effective purchase consideration of ₹ 1,193.32 million had been discharged as under:

(₹ in million)

Particulars	Amount
Equity shares	687.02
Zero coupon fully Compulsory Convertible Debentures	506.30
Total consideration transferred for Business combination	1,193.32

Seapearl Hotels Private Limited

Against the total asset value of ₹ 575.78 million, the Company had taken over negative working capital of ₹ 1.09 million. After taking these liabilities into account, effective purchase consideration of ₹ 574.69 million had been discharged as under:

(₹ in million)

Particulars	Amount
Equity shares	57.56
Zero coupon fully Compulsory Convertible Debenture	517.13
Total consideration transferred for Business combination	574.69

C. The Fair Value of identifiable assets acquired and liabilities assumed as on the acquisition date

Belaire Hotels Private Limited

(₹ in million)

Particulars	Amount
Non-current assets	
Property, plant and equipment	2,955.43
Other Financial assets	29.75
Other non-current assets	1.59
Non-current tax assets (net)	22.89
Total non-current assets	3,009.66
Current assets	
Inventories	4.78
Financial assets	

Notes to the Standalone Financial Statements (Continued)

for the year ended 31 March 2020

(₹ in million)

Particulars	Amount
(i) Trade receivables	27.48
(ii) Cash and cash equivalents	32.17
Other current assets	20.04
Total current assets	84.47
TOTAL ASSETS	**3,094.13**
EQUITY AND LIABILITIES	
Total equity	1,283.54
Non current liabilities	
Financial liabilities	
(i) Borrowings	1,149.13
Provisions	2.91
Total non current liabilities	**1,152.04**
Current liabilities	
Financial liabilities	
(i) Borrowing	575.50
(i) Trade payables	52.46
(ii) Other financial liabilities	5.63
Other current liabilities	24.66
Provisions	0.30
Total current liabilities	658.55
TOTAL EQUITY AND LIABILITIES	3,094.13
Total Fair Value of Net Assets	20.26

Seapearl Hotels Private Limited

(₹ in million)

Particulars	Amount
Current assets	
Financial assets	
(i) Cash and cash equivalents	0.25
(ii) Loans	575.50
TOTAL ASSETS	575.75
EQUITY AND LIABILITIES	
Total equity	574.69
Current liabilities	
Financial liabilities	
(i) Trade payables	1.05
Other current liabilities*	0.00
Provisions*	0.00
Total Liabilities	575.75

*Amount less than million

D. Amounts recognised as Capital Reserve for:

Belaire Hotels Private Limited

(₹ in million)

Particulars	Amount
Fair Value of the consideration transferred	1,768.02
Fair Value of the net assets acquired	1,858.24
Capital Reserve	(90.22)

Seapearl Hotels Private Limited:

(₹ in million)

Particulars	Amount
Fair Value of the consideration transferred	574.69
Fair Value of the net assets acquired	574.69
Capital Reserve	-

Notes to the Standalone Financial Statements (Continued)

for the year ended 31 March 2020

E. Acquisition related costs

During the year, acquisition related costs of ₹ 15.00 million and stamp duty of ₹ 4.84 million have been added to cost of investment.

Note 42 Contingent liabilities and commitments (to the extent not provided for)

(₹ in million)

Particulars	31 March 2020	31 March 2019
Contingent liabilities		
Claims against the Company not acknowledged as debts		
Disputed service tax demands	**69.37**	92.08
Service tax receivables	**25.10**	-
Disputed income tax demands	**237.65**	10.27
Disputed VAT demands	**12.70**	12.70
Disputed provident funds demands	**5.80**	5.80
Property tax	**-**	0.30
SFIS/SEIS Scheme	**224.07**	224.07

a. The Company is a party to various other proceedings in the normal course of business and does not expect the outcome of these proceedings to have an adverse effect on its financial conditions, results of operations or cash flows.

b. Further, claims by parties in respect of which the Management has been legally advised that the same are frivolous and not tenable, have not been considered as contingent liabilities as the possibility of an outflow of resources embodying economic benefits is highly remote.

c. In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. The Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Standalone financial information. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2020 is ₹ 52.13 million (31 March 2019: ₹ 53.32 million) and carrying value of property, plant and equipment as at 31 March 2020 is ₹ 427.21 million (31 March 2019: ₹ 436.66 million).

d. The Directorate of Revenue Intelligence ("DRI") has issued a show-cause notice dated 29 November 2018 to the Company in respect of import of goods against SFIS Scrip/License under Foreign Trade Policy 2004-09 and 2009-14 and the post-export service benefits availed, under the provisions of the Customs Act, 1962 directing the Company to show cause as to why duty amounting to ₹ 195.18 million and ₹ 23.14 million respectively, plus interest and penalty as may be levied under the Customs Act, should not be recovered.

e. The Company has considered ₹ 25.1 Million towards service tax refund receivable against cancellations of flats. One of the company's claim was rejected by the Customs, Excise & Service Tax Appellate Tribunal , South Bench on grounds of time limitations. The Company had filed appeal to the Karnataka High Court in this regard. The matter is pending before the High court.

Commitments

(₹ in million)

	31 March 2020	31 March 2019
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**4,058.47**	729.41

b. The Company has issued a letter of undertaking to provide need based financial support to Belaire Hotels Private Limited, its wholly owned subsidiary.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Note 43 Total outstanding dues of micro enterprises and small enterprises

During the year, Micro small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same.

(₹ in million)

Particulars	31 March 2020	31 March 2019
The amounts remaining unpaid to micro and small enterprises as at the end of the year.		
Principal	**48.58**	29.71
Interest	**0.25**	0.47
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	**0.25**	1.22
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Note 44 Payment to auditors

(₹ in million)

Particulars	31 March 2020	31 March 2019
Audit fees	**8.50**	4.00
Tax audit fees	**0.80**	0.40
Other services	**2.18**	0.75
Out of pocket expenses	**0.99**	0.66
Amount debited to Standalone Statement of Profit and Loss	**12.47**	5.81
Other services in connection with filing of Draft Red Herring prospectus and Red Herring prospectus with SEBI (refer note no. 51)	-	12.11
Total	**12.47**	17.92

Note 45 Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

(₹ in million)

	31 March 2020		31 March 2019	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
A. Gross amount required to be spent by the Company during the year 2019-20	**1.69**	-	-	-
B. Amount spent during the year on				
i. Construction/Acquisition of any assets	-	-	-	-
ii. On purposes other than (i) above	**1.90**		-	-
C. Related party transactions in relation to Corporate Social Responsibility	-	-	-	-
D. Provision movement during the year 2019-20				
Opening provision	-	-	-	-
Addition during the year	-	-	-	-
Utilized during the year	-	-	-	-
Closing provision	-	-	-	-

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Note 46 Financial instruments - Fair values and risk management

(A) Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in million)

31 March 2020	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in subsidiaries	-	1,264.92	1,264.92	-	-	-	-
Investment in equity shares	45.01	-	45.01	-	-	45.01	45.01
Other investments	-	0.13	0.13	-	0.13	-	0.13
Loans	-	100.80	100.80	-	100.80	-	100.80
Other non-current financial assets	-	70.88	70.88	-	70.88	-	70.88
Current financial assets							
Trade receivables	-	393.54	393.54	-	-	-	-
Cash and cash equivalents	-	65.46	65.46	-	-	-	-
Other bank balances	-	1,085.94	1,085.94	-	-	-	-
Loans	-	691.38	691.38	-	-	-	-
Other current financial assets	-	123.20	123.20	-	-	-	-
Derivative asset	28.60	-	28.60	-	28.60	-	28.60
	73.61	3,796.25	3,869.86	-	200.41	45.01	245.42
Non-current financial liabilities							
Borrowings	-	15,772.64	15,772.64	-	15,772.64	-	15,772.64
Other non-current financial liabilities	-	198.27	198.27	-	198.27	-	198.27
Current financial liabilities							
Borrowings	-	377.20	377.20	-	-	-	-
Trade payables	-	1,018.01	1,018.01	-	-	-	-
Other financial liabilities	-	2,215.01	2,215.01	-	-	-	-
	-	19,581.13	19,581.13	-	15,970.91	-	15,970.91

(₹ in million)

31 March 2019	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in subsidiaries	-	250.09	250.09	-	-	-	-
Investment in equity shares	46.95	-	46.95	-	-	46.95	46.95
Other investments	-	0.13	0.13	-	0.13	-	0.13
Loans	-	121.75	121.75	-	121.75	-	121.75
Others	-	51.08	51.08	-	51.08	-	51.08
Current financial assets							
Trade receivables	-	476.81	476.81	-	-	-	-
Cash and cash equivalents	-	398.83	398.83	-	-	-	-
Other bank balances	-	426.71	426.71	-	-	-	-
Loans	-	18.05	18.05	-	-	-	-
Other current financial assets	-	239.07	239.07	-	-	-	-
	46.95	1,982.52	2,029.47	-	172.96	46.95	219.91
Non-current financial liabilities							
Borrowings	-	13,392.45	13,392.45	-	13,392.45	-	13,392.45
Other non-current financial liabilities	-	208.44	208.44	-	208.44	-	208.44
Current financial liabilities							
Borrowings	-	693.98	693.98	-	-	-	-
Trade payables	-	1,215.33	1,215.33	-	-	-	-
Other financial liabilities	-	1,594.55	1,594.55	-	-	-	-
Derivative liability	63.15	-	63.15	-	63.15	-	63.15
	63.15	17,104.75	17,167.90	-	13,664.04	-	13,664.04

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach, and for certain equity shares equals to the cost.
- the fair value for the currency swap is determined using forward exchange rate for balance maturity.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. 'The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

The investments included in level 3 of the fair value hierarchy have been valued using the discounted cash flow technique to arrive at the fair value.

(ii) Fair value measurements using significant unobservable inputs (level 3)

Reconciliation of level 3 fair values

(₹ in million)

Particulars	FVTPL Equity shares
Balance at 1 April 2019	46.95
Additions / Deletions during the year	(1.94)
Balance at 31 March 2020	45.01

(iii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation techniques adopted.

Particulars	**Significant unobservable inputs 31 March 2020**	Significant unobservable inputs 31 March 2019
Discount rate	-	21.00%
Capitalisation rate	-	11.00%

(iv) Sensitivity analysis

For the fair values of FVTPL equity shares, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Particulars	**Profit or loss 31 March 2020**		Profit or loss 31 March 2019	
	Increase by 100 bps	**Decrease by 100 bps**	Increase by 100 bps	Decrease by 100 bps
Discount rate	**(0.05)**	**0.05**	(0.05)	0.05
Capitalisation rate	**(0.05)**	**0.06**	(0.05)	0.06

Financial risk management

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

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

Risk management framework

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

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

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

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, cash and cash equivalents and other bank balances, derivatives and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

(a) Trade receivables from customers

The Company does not have any significant credit exposure in relation to revenue generated from hospitality business. For other segments the Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

(₹ in million)

Particulars	31 March 2020	31 March 2019
(a) Trade Receivables considered good - Secured;		
(b) Trade Receivables considered good - Unsecured;		
Neither past due not impaired		
Past due not impaired		
1-90 days	**317.04**	432.93
90-180 days	**40.06**	39.92
180-365 days	**17.36**	11.71
More than 365 days	**3.03**	6.66
Total	**377.49**	491.22
(c) Trade Receivables which have significant increase in Credit Risk; and	**44.23**	22.92
(d) Trade Receivables - credit impaired	**74.63**	52.32

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

(₹ in million)

Particulars	31 March 2020	31 March 2019
Balance as at 1 April	**89.65**	3.82
Impairment loss recognised / (reversed)	**13.17**	85.84
Balance as at 31 March	**102.82**	89.65

(b) Cash and cash equivalents and other bank balances

The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit rating.

(c) Derivatives

The derivatives are entered into with banks, financial institutions and other counterparties with good credit ratings. Further exposures to counter-parties are closely monitored and kept within the approved limits.

(d) Other financial assets

Other financial assets are neither past due nor impaired.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(C) Liquidity risk

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

Exposure to liquidity risk

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

(₹ in million)

31 March 2020	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings (including current maturity of long term debt)	**17,463.23**	**22,282.85**	**3,116.60**	**3,164.42**	**10,105.99**	**5,895.84**
Security deposits	**198.27**	**198.27**	-	**198.27**	-	-
Current, non derivative financial liabilities						
Borrowings	**377.20**	**377.20**	**377.20**	-	-	-
Trade payables	**1,018.01**	**1,018.01**	**1,018.01**	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	**524.42**	**524.42**	**524.42**	-	-	-
Derivative financial liabilities						
Forward exchange contract (gross settled)						
- Outflow	**728.35**	**728.35**	**728.35**	-	-	-
- Inflow	**(753.86)**	**(753.86)**	**(753.86)**	-	-	-
Total	**19,555.62**	**24,375.25**	**5,010.73**	**3,362.69**	**10,105.99**	**5,895.84**

(₹ in million)

31 March 2019	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings (including current maturity of long term debt)	14,742.54	19,745.63	2,647.24	3,005.32	9,135.32	4,957.75
Security deposits	208.44	208.44	-	208.44	-	-
Current, non derivative financial liabilities						
Borrowings	693.98	693.98	693.98	-	-	-
Trade payables	1,215.33	1,215.33	1,215.33	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	307.61	307.61	307.61	-	-	-
Derivative financial liabilities						
Forward exchange contract (gross settled)						
- Outflow	1,484.50	1,484.50	1,484.50	-	-	-
- Inflow	(1,383.43)	(1,383.43)	(1,383.43)	-	-	-
Total	17,268.97	22,272.06	4,965.23	3,213.76	9,135.32	4,957.75

The gross outflows / (inflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(D) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivative to manage market risk.

(E) Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may continue to fluctuate substantially in the future. Consequently, the Company uses derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recogised liabilities. The Company enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

Particulars	Buy / Sell	Currency	Cross Currency	31 March 2020	31 March 2019
Forward contract	Buy	USD	INR	**USD 10 Million**	USD 20 Million

Exposure to currency 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.

The amounts reflected in the table below represent the amounts reflected in the table below represent the exposure to respective currency in Indian Rupees:

(₹ in million)

	31 March 2020			31 March 2019		
	USD	EUR	GBP	USD	EUR	GBP
Financial liabilities						
Foreign currency loans (including interest accrued)	**827.86**	-	-	1,819.00	-	-
Trade payables	**366.56**	**0.16**	-	333.30	0.47	-
Buyers' credit	-	-	-	55.24	-	-
	1,194.42	**0.16**	-	2,207.54	0.47	-
Derivatives						
Foreign currency forward exchange contract	**(753.86)**	-	-	(1,383.43)	-	-
Currency swap	-	-	-	-	-	-
	(753.86)	-	-	(1,383.43)	-	-
Net exposure	**440.56**	**0.16**	-	824.11	0.47	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Notes to the Standalone Financial Statements (Continued)
as at 31 March 2020

(₹ in million)

	Profit or loss before tax			
	31 March 2020		31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
Effect in INR (before tax)				
USD (1% movement)	**4.41**	**(4.41)**	8.24	(8.24)
EUR (1% movement)	**-**	**-**	-	-
GBP (1% movement)	**-**	**-**	-	-
	4.41	**(4.41)**	8.24	(8.24)

(F) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The Company adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Particulars of outstanding interest rate swaps as at

31 March 2020 NIL
31 March 2019 NIL

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows.

(₹ in million)

Particulars	Carrying amount	
	31 March 2020	31 March 2019
Fixed-rate instruments		
Loans given		
Loans to related parties	**(661.30)**	-
Non current borrowings		
Non-cumulative redeemable preference shares	**1,107.99**	518.18
Current borrowings		
Buyer's credit	**-**	55.24
Total	**446.69**	573.42
Variable-rate instruments		
Non current borrowings		
Rupee term loans from banks	**9,380.11**	7,538.51
Rupee term loans from financial institutions	**4,593.18**	3,616.46
Foreign currency term loans from banks	**691.36**	1,719.30
Current maturity of long term debt	**1,690.59**	1,350.09
Current borrowings		
Cash credit/overdraft accounts from banks	**377.20**	638.74
Total	**16,732.44**	14,863.10
TOTAL	**17,179.13**	15,436.52

Fair value sensitivity analysis for fixed-rate instruments

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107 Financial Instruments: Disclosures, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets.

(₹ in million)

Particulars	Profit or loss before tax	
	100 bps increase	100 bps decrease
31 March 2020	(167.32)	167.32
31 March 2019	(148.63)	148.63

Note 47 Capital management

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

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

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
Total borrowings	**17,840.43**	15,436.52
Less: Cash and cash equivalents	**65.46**	398.83
Less: Bank deposits	**1,085.94**	426.71
Adjusted net debt	**16,689.03**	14,610.98
Total equity	**15,492.22**	14,468.88
Adjusted net debt to adjusted equity ratio	**1.08**	1.01

Note 48 Segment reporting

As per the exemption under Ind AS 108 "Operating Segments", the disclosure for the segment reporting has been presented as part of the consolidated financial statements.

Note 49 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

List of related parties

Relationship	Name of party	
	31 March 2020	31 March 2019
Subsidiary	Chalet Hotels & Properties (Kerala) Private Limited	Chalet Hotels & Properties (Kerala) Private Limited
	Belaire Hotels Private Limited (w.e.f. February 3, 2020)	
	Seapearl Hotels Private Limited (w.e.f. February 10, 2020)	
Key Managerial Personnel / Relative (KMP)	Sanjay Sethi -Managing Director & CEO	Sanjay Sethi -Managing Director & CEO
	Rajeev Newar, CFO & Executive Director	Rajeev Newar, CFO & Executive Director
Non- Executive directors/ Relative	Ravi C Raheja	Chandru L Raheja (Resigned w.e.f. April 26, 2018)
	Neel C Raheja	Ravi C Raheja
		Neel C Raheja
		Ramesh M. Valecha (Resigned w.e.f. May 2, 2018)
		Rajeev Chopra (Resigned w.e.f. May 2, 2018)
		Roshan M. Chopra, relative of director (Upto May 2, 2018)
Independent directors	Arthur De Haast	Arthur De Haast
	Joseph Conrad D'Souza	Joseph Conrad D'Souza
	Hetal Gandhi	Hetal Gandhi
	Radhika Piramal	Radhika Piramal (Appointed w.e.f. June 12, 2018)
Other KMP as per Companies Act, 2013	Christabelle Baptista, Company Secrectary	Christabelle Baptista, Company Secrectary

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Relationship	Name of party	
	31 March 2020	31 March 2019
Enterprises Controlled / Jointly controlled by Non-executive directors	Brookfields Agro & Development Private Limited	Brookfields Agro & Development Private Limited
	Cavalcade Properties Private Limited	Cavalcade Properties Private Limited
	Convex Properties Private Limited	Convex Properties Private Limited
	Grange Hotels And Properties Private Limited	Grange Hotels And Properties Private Limited
	Immense Properties Private Limited	Immense Properties Private Limited
	Novel Properties Private Limited	Novel Properties Private Limited
	Pact Real Estate Private Limited	Pact Real Estate Private Limited
	Paradigm Logistics & Distribution Private Limited	Paradigm Logistics & Distribution Private Limited
	Sustain Properties Private Limited	Sustain Properties Private Limited
		Sycamore Properties Private Limited
	Aqualine Real Estate Private Limited	Aqualine Real Estate Private Limited
	Feat Properties Private Limited	Feat Properties Private Limited
	Carin Properties Private Limited	Carin Properties Private Limited
	Asterope Properties Private Limited (erstwhile Flabbergast Properties Private Limited)	Flabbergast Properties Private Limited
	Sundew Real Estate Private Limited	The Residency Hotels Private Limited
	K Raheja Corp Advisory Services (Cyprus) Private Limited	Sundew Real Estate Private Limited
	Content Properties Private Limited	K Raheja Corp Advisory Services (Cyprus) Private Limited
	Grandwell Properties And Leasing Private Limited	
	K Raheja Corp Investment Managers LLP	
Shareholders of the Company	Anbee Constructions LLP	Anbee Constructions LLP
	Cape Trading LLP	Cape Trading LLP
	Capstan Trading LLP	Capstan Trading LLP
	Casa Maria Properties LLP	Casa Maria Properties LLP
	Ivory Properties And Hotels Private Limited	Ivory Properties And Hotels Private Limited
	K. Raheja Corp Private Limited	K. Raheja Corp Private Limited
	K. Raheja Private Limited	K. Raheja Private Limited
	Palm Shelter Estate Development LLP	Palm Shelter Estate Development LLP
	Raghukool Estate Development LLP	Raghukool Estate Development LLP
	Touchstone Properties And Hotels Private Limited	Touchstone Properties And Hotels Private Limited
	Ivory Property Trust	Ivory Property Trust
	Genext Hardware & Parks Private Limited	Genext Hardware & Parks Private Limited
Other Related parties #	Intime Properties Limited	
	Eternus Real Estate Private Limited	
	Shoppers Stop Limited	
	Inorbit Malls (India) Private Limited	
	K Raheja IT Park (Hyderabad) Limited	
	Mindspace Business Parks Private Limited	
	Paradigm Logistics & Distribution Private Limited	
	Sundew Properties Limited	
	Trion Properties Private Limited	
	Newfound Properties & Leasing Private Limited	

The above mentioned parties are not related to the Company, viz. Chalet Hotels Limited as per the definition under IND AS 24. These parties have been reported on the basis of their classification as Related Party under the Companies Act 2013.

Member of K. Raheja Corp Group	K Raheja Corporate Services Private Limited	

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Related party disclosures for Year ended 31 March 2020

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	Sale of Investment	-	-	5.88
2	Sale of Materials	-	-	1.56
3	Sale of Asset	-	-	0.02
4	Sale of services - Lease rent	-	-	39.25
5	Sales of services - Rooms income, Food, beverages and smokes	-	-	5.48
6	Dividend*	-	-	0.00
7	Other Income	-	-	24.48
8	Other expenses	-	2.03	62.26
9	Director sitting fees	-	3.12	-
10	Salaries, wages and bonus	-	101.71	-
11	Loan Given	661.30	-	-
12	Deposit paid	-	-	44.92
13	Reimbursement of capital work in progress	-	-	31.31
14	Preference shares	-	344.10	395.90
15	Investment in equity shares	752.95	-	-
16	Investments in Debenture	1,034.91	-	-
17	Redemption of debentures	473.04	-	-
	Balances outstanding as at the year-end	-	-	-
18	Trade Receivables	-	-	3.61
19	Trade payables	-	-	14.03
20	Loan Receivables	661.30	-	-
21	Deposit receivable	-	-	61.65
22	Deposit payable	-	-	20.28
23	Capital Creditors		-	31.31
24	Preference shares outstanding	-	581.25	668.75
25	Investment in equity shares outstanding	1,003.04	-	-
26	Investments in Debenture Outstanding	511.98	-	-
27	Guarantee Outstanding	50.00	-	-

Significant transactions with material related parties for year ended 31 March 2020

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	**Sale of Investment**			
	Ivory Property Trust	-	-	5.88
2	**Sale of material**			
	Inorbit Malls (India) Private Limited	-	-	0.72
	Sundew Properties Limited	-	-	0.85
3	**Sale of Asset**			
	K Raheja Corp Private Limited	-	-	0.02
4	**Sale of services - Lease rent**			
	K.Raheja Corporate Services Private Limited	-	-	0.08
	Shoppers Stop Limited	-	-	39.17

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
5	Sales of services - Rooms income, Food, beverages and smokes			
	Eternus Real Estate Private Limited	-	-	0.23
	Inorbit Malls (India) Private Limited	-	-	0.06
	Intime Properties Limited	-	-	0.11
	K Raheja Corp Investment Managers LLP	-	-	0.02
	K Raheja Corp Private Limited	-	-	0.61
	K Raheja IT Park (Hyderabad) Limited	-	-	0.20
	K Raheja Private Limited	-	-	0.29
	K.Raheja Corporate Services Private Limited	-	-	2.09
	Mindspace Business Parks Private Limited	-	-	0.06
	Newfound Properties & Leasing Private Limited	-	-	0.04
	Paradigm Logistics & Distribution Private Limited	-	-	0.69
	Sundew Properties Limited	-	-	0.12
	Trion Properties Private Limited	-	-	0.06
	Shoppers Stop Limited	-	-	0.34
	Genext Hardware & Parks Private Limited	-	-	0.54
6	Dividend			
	Intime Properties Limited*	-	-	0.00
7	Other Income			
	K Raheja Corp Private Limited	-	-	1.40
	K.Raheja Corporate Services Private Limited	-	-	1.18
	Shoppers Stop Limited	-	-	21.90
8	Other expenses			
	Arthur De Haast	-	2.03	-
	Inorbit Malls (India) Private Limited	-	-	22.89
	K.Raheja Corporate Services Private Limited	-	-	37.97
	Newfound Properties & Leasing Private Limited	-	-	1.40
9	Director sitting fees			
	Arthur De Haast	-	0.45	-
	Hetal Gandhi	-	0.64	-
	Joseph Conrad D' Souza	-	0.67	-
	Neel C.Raheja	-	0.44	-
	Radhika Dilip Piramal	-	0.30	-
	Ravi C.Raheja	-	0.63	-
10	Salaries, wages, bonus and stock option related expenses			
	Rajeev Newar	-	23.06	-
	Sanjay Sethi	-	75.17	-
	Christabelle Baptista	-	3.49	-
11	Loans given			
	Belaire Hotels Private Limited	661.30	-	-
12	Deposit paid			
	Sundew Properties Limited	-	-	44.33
	K.Raheja Corporate Services Private Limited	-	-	0.59
13	Reimbursement of capital work in progress			
	Sundew Properties Limited	-	-	31.31
14	Preference shares			
	Ivory Properties and Hotels Private Limited	-	-	62.90
	K Raheja Corp Private Limited	-	-	333.00
	Neel C.Raheja	-	172.05	-
	Ravi C.Raheja	-	172.05	-

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
15	**Investment in Equity Shares**			
	Belaire Hotels Private Limited	694.73	-	-
	Seapearl Hotels Private Limited	58.21	-	-
16	**Investments in Debenture**			
	Belaire Hotels Private Limited	511.98	-	-
	Seapearl Hotels Private Limited	522.93	-	-
17	**Redemption of debentures**			
	Seapearl Hotels Private Limited	473.04	-	-
18	**Trade Receivables**			
	K Raheja Corp Private Limited	-	-	0.83
	K.Raheja Corporate Services Private Limited	-	-	0.30
	Mindspace Business Parks Private Limited	-	-	0.03
	Sundew Properties Limited	-	-	1.00
	Trion Properties Private Limited	-	-	0.02
	Shoppers Stop Limited	-	-	0.90
	Genext Hardware & Parks Private Limited	-	-	0.53
19	**Trade payables**			
	Inorbit Malls (India) Private Limited	-	-	9.87
	K.Raheja Corporate Services Private Limited	-	-	3.93
	Newfound Properties & Leasing Private Limited	-	-	0.23
20	**Loan Receivables**			
	Belaire Hotels Private Limited	661.30	-	-
21	**Deposit receivable**			
	Sundew Properties Limited	-	-	44.33
	K.Raheja Corporate Services Private Limited	-	-	12.32
	Mindspace Business Parks Private Limited	-	-	5.00
22	**Deposit payable**			
	Shoppers Stop Limited	-	-	20.28
23	**Capital Creditors**			
	Sundew Properties Limited	-	-	31.31
24	**Preference shares outstanding**			
	Ivory Properties and Hotels Private Limited	-	-	106.25
	K Raheja Corp Private Limited	-	-	562.50
	Neel C.Raheja	-	290.63	-
	Ravi C.Raheja	-	290.63	-
25	**Investment in equity shares outstanding**			
	Belaire Hotels Private Limited	694.73	-	-
	Seapearl Hotels Private Limited	58.21	-	-
	Chalet Hotels & Properties (Kerala) Private Limited	250.09	-	-
26	**Investments in Debenture Outstanding**			
	Belaire Hotels Private Limited	511.98	-	-
27	**Guarantee outstanding**			
	Chalet Hotels & Properties (Kerala) Private Limited	50.00	-	-

* Amount less than million

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Related party disclosures for Year ended 31 March 2019

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	Interest income from instruments measured at amortised cost	17.63	-	149.50
2	Sale of material	-	-	3.14
3	Sales of services - Rooms income, Food, beverages and smokes	-	-	1.45
4	Other expense	-	1.90	0.01
5	Director sitting fees	-	3.02	-
6	Salaries, wages, bonus and stock option related expenses	-	66.58	-
7	Loans given	221.60	1.00	180.79
8	Loans repaid	228.10	2.42	2,334.12
9	Preference shares	-	237.15	272.85
10	Investment in equity shares	250.00	-	-
	Balances outstanding as at the year-end			
11	Trade receivables	-	-	0.28
12	Preference shares outstanding	-	237.15	272.85
13	Investment in equity shares outstanding	250.00	-	

Significant transactions with material related parties for year ended 31 March 2019

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	Interest income from instruments measured at amortised cost			
	Chalet Hotels & Properties (Kerala) Private Limited	17.63	-	-
	K. Raheja Private Limited	-	-	149.44
2	Sale of material			
	K. Raheja Private Limited	-	-	2.47
	Pact Real Estate Private Limited	-	-	0.67
3	Sales of services - Rooms income, Food, beverages and smokes			
	Paradigm Logistics & Distribution Private Limited	-	-	0.49
	K. Raheja Private Limited	-	-	0.27
	K Raheja Corp Private Limited	-	-	0.64
4	Other expenses			
	Arthur De Haast	-	1.71	-
	K Raheja Corp Private Limited	-	-	0.01
	Roshan M. Chopra	-	0.19	-
5	Director sitting fees			
	Hetal Gandhi	-	0.71	-
	Joseph Conrad D' Souza	-	0.73	-
	Arthur De Haast	-	0.15	-
	Chandru L. Raheja	-	0.01	-
	Radhika Piramal	-	0.20	-
	Rajeev Chopra	-	0.02	-
	Neel C.Raheja	-	0.50	-
	Ravi C.Raheja	-	0.71	-

Notes to the Standalone Financial Statements (Continued)
as at 31 March 2020

(₹ in million)

Sr. no	Particulars	Subsidiaries	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
6	**Salaries, wages, bonus and stock option related expenses***			
	Rajeev Newar	-	19.10	-
	Sanjay Sethi	-	47.48	-
	* During the year ended 31 March 2019, the managerial remuneration paid by the Company to its Managing Director & CEO and its Executive Director & CFO is in excess of limits laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act by ₹ 52.41 million The Company is in the process of obtaining approval from its shareholders.			
7	**Loans given**			
	Chalet Hotels & Properties (Kerala) Private Limited	221.60	-	-
	Sanjay Sethi	-	1.00	-
	K. Raheja Private Limited	-	-	180.79
8	**Loans repaid**			
	Chalet Hotels & Properties (Kerala) Private Limited	228.10	-	-
	Rajeev Newar	-	1.42	-
	Sanjay Sethi	-	1.00	-
	K. Raheja Private Limited	-	-	2,332.79
9	**Preference shares**			
	Ivory Properties and Hotels Private Limited	-	-	43.35
	K Raheja Corp Private Limited	-	-	229.50
	Neel C.Raheja	-	118.58	-
	Ravi C.Raheja	-	118.58	-
10	**Investment in Equity Shares**			
	Chalet Hotels & Prop (Kerala) Private Limited	250.00	-	-
11	**Trade Receivables**			
	K Raheja Corp Private Limited	-	-	0.28
12	**Preference shares outstanding**			
	Ivory Properties and Hotels Private Limited	-	-	43.35
	K Raheja Corp Private Limited	-	-	229.50
	Neel C.Raheja	-	118.58	-
	Ravi C.Raheja	-	118.58	-
13	**Investment in equity shares outstanding**			
	Chalet Hotels & Prop (Kerala) Private Limited	250.00	-	-

Note 50 Employee Stock Option Schemes

Description of share-based payment arrangements:

At 31 March 2020, Company had following share-based payment arrangements:

Employee Stock Option Plan 2018:

The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company.The plan is established is with efffect from 12 June 2018 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised , whichever is earlier.

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (₹) per share
Chalet Hotels Limited'-'Employee Stock Option Plan'-2018	200,000	For the Options to vest, the Grantee has to be in employment of the Company on the date of the vesting.	The exercise year for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise.	3 years	26-Jun-18	One year from vesting year	320.00

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Reconciliation of Outstanding share options

The number and weighted-average exercise price of share options under the share option plans are as follows:

(₹ in million)

Particulars	31 March 2020		31 March 2019	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	320.00	200,000	-	-
Granted during the year			320	200,000
Exercised during the year	-	-	-	-
Lapsed/ forfeited /surrendered	-	-	-	-
Outstanding at the end of the year	320.00	200,000	320	200,000
Exercisable at the end of the year	320.00	66,000	-	-

Measurement of Fair value

The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the statement of Profit and Loss over the vesting year.

The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	Unit	Chalet Hotels Limited'-'Employee Stock Option Plan'-2018	Description of inputs used
Fair value of the option at grant date	₹/share	143 - 189	As per Black Scholes Model
Exercise price	₹/share	320	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	31.91% - 32.77%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	1.99 - 3.99	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	7.4% - 7.85%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at 31 March 2020 have an exercise price of ₹ 320 and a weighted average remaining contractual life of 1.37* year.

** calculated considering simple average method*

The expense recognised for the year ended 31 March 2020 is ₹ 12.06 millions (31 March 2019 is ₹ 14.64 million).

Note 51 Share issue expenses

During the financial year ended 31 March 2019 the Company has made Initial Public Offering: ("IPO") of 58,613,571 equity shares with face value of ₹ 10 each for cash at a price of ₹ 280 per equity share (including a share premium of ₹ 270 per equity share) aggregating to ₹ 16,411.80 million comprising a fresh issue of 33,928,571 equity shares aggregating to ₹ 9,500 million and an offer for sale of 24,685,000 equity shares aggregating to ₹ 6,911.80 million.

The proceeds from IPO aggregated to ₹ 9,500 million. (Gross of issue related expenses of ₹ 309.65 million).

The equity shares of the company were listed on National Stock Exchange of India Limited (NSE) via ID CHALET and BSE Limited (BSE) via ID 542399 on 7 February 2019.

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Details of utilisation of net IPO proceeds are as follows:

(₹ in million)

Particulars	Object of the issue as per the prospectus	Utilisation upto 31 March 2019	Unutilised amounts as at 31 March 2019
Repayment/Pre-payment in full or in part of certain loans availed	7,200.00	7,200.00	NIL
General Corporate purpose	1,961.25	1,990.35	NIL

The Company has incurred ₹ 526.18 millions (excluding GST) of IPO expenses. Of the above IPO expenses, certain expenses (such as listing fees and stamp duty expenses) aggregating to ₹ 11.96 millions are directly attributable to the Company and have been adjusted towards the securities premium account. The remaining expenses aggregating to ₹ 514.22 millions, have been allocated between the Company ₹ 297.69 millions and selling shareholders ₹ 216.53 millions in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the selling shareholders. The amount of ₹ 297.69 millions allocated to the Company has also been adjusted towards the securities premium account. The gross share issues expenses include a sum of ₹ 12.11 millions (excluding GST) paid to the statutory auditors, which is included in the amount adjusted towards the securities premium account.

Note 52 Bengaluru residential project

(₹ in million)

Particulars	31 March 2020	31 March 2019
Inventories	**4,172.15**	4,171.91
Less: Provisions for impairment	**(442.65)**	(451.74)
Inventories, net	**3,729.50**	3,720.17
Advances from customers towards sale of residential flats	**1,868.68**	2,169.20

Note 53 Disclosure under Ind AS 115, Revenue from Contracts with Customers

Details of contract balances

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Details of Contract Balances:		
Balance as at beginning of the year	**(2,169.20)**	(1,242.51)
Trade receivables as on April 1	**-**	9.01
Less: Repayment to the customer on cancellation	**300.52**	180.23
Significant change due to other reasons	**-**	(1,115.93)
Balance as on 31 March 2020	**(1,868.68)**	(2,169.20)
Total	**(1,868.68)**	(2,169.20)

As on 31 March 2020, revenue recognised in the current year from performance obligations satisfied/ partially satisfied.

Information on performance obligations in contracts with Customers:

Real Estate Development Project:

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects as at 31 March 2020.

(₹ in million)

Particulars	2020	2021	2022-2025	Beyond 2025	Total
Contract Revenue	-	-	1,525.28	-	1,525.28
Contract Expense	-	-	1,503.45	-	1,503.45
Total	-	-	21.83	-	21.83

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects as at 31 March 2019.

(₹ in million)

Particulars	2019	2020	2021-2025	Beyond 2025	Total
Contract Revenue	-	-	1,687.87	-	1,687.87
Contract Expense	-	-	1,673.51	-	1,673.51
Total	-	-	14.36	-	14.36

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Hospitality and Commercial & Retail

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Note 54 Disclosure on transition to Ind AS 115

Changes in accounting policies:

Except for the changes below, the Company has consistently applied the accounting policies to all years presented in these Standalone financial statements.

The Company has adopted Ind AS 115 Revenue from Contracts with Customers ("" Ind AS 115"") with a date of initial application of 1 April 2018. As a result, the Company has changed its accounting policy for revenue recognition as detailed below.

A. Real Estate development

The Company accounted for its sale of residential flats in their real estate projects on a percentage completion basis as prescribed under the Guidance note for Accounting for Real Estate Transactions. Under Ind AS 115, the Company recognises the revenue from sale of residential projects at a point in time, i.e. when all the risks and rewards associated are transferred to the customer. Accordingly the Company has reversed the cumulative revenue recognised on sale of residential flats in the opening reserve as on April 1, 2018.

A. Reconciliation between balances without adoption of Ind AS 115 and as reported

Ind AS 8 requires an entity to reconcile equity and total comprehensive income for the reported year.

(I) Reconciliation of equity as at 31 March 2019

(₹ in million)

Particulars	Impact of changes in accounting policies		
	As reported	Adjustments	Balances without adoption of Ind AS 115
ASSETS			
Non-current assets			
Property, plant and equipment	20,492.15	-	20,492.15
Capital work-in-progress	284.76	-	284.76
Investment property	6,809.57	-	6,809.57
Goodwill	226.11	-	226.11
Other intangible assets	6.33	-	6.33
Financial assets			
(i) Investments	297.17	-	297.17
(ii) Loans	121.75	-	121.75
(iii) Others	51.08	-	51.08
Deferred tax assets (net)	732.40	-	732.40
Other non-current assets	256.26	(17.23)	239.03
Non-current tax assets (net)	517.70	-	517.70
Total non current assets	29,795.28	(17.23)	29,778.05
Current assets			
Inventories	3,954.64	(1,073.46)	2,881.18
Financial assets			-
(i) Trade receivables	476.81	-	476.81
(ii) Cash and cash equivalents	398.83	-	398.83
(iii) Bank balances other than (ii) above	426.71	-	426.71
(iv) Loans	18.05	-	18.05
(v) Others	239.07	-	239.07
Other current assets	478.77	-	478.77
Total current assets	5,992.88	(1,073.46)	4,919.42
TOTAL ASSETS	35,788.16	(1,090.69)	34,697.47
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2,050.24	-	2,050.24
Other equity	12,418.64	16.42	12,435.06
Total Equity	14,468.88	16.42	14,485.30

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Impact of changes in accounting policies		
	As reported	Adjustments	Balances without adoption of Ind AS 115
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	13,392.45	-	13,392.45
(ii) Others	208.44	-	208.44
Provisions	57.58	-	57.58
Deferred tax liabilities (net)	290.49	8.82	299.31
Other non-current liabilities	144.35	-	144.35
Total non current liabilities	14,093.31	8.82	14,102.13
Current liabilities			
Financial liabilities			
(i) Borrowings	693.98	-	693.98
(ii) Trade payables	1,215.33	-	1,215.33
(iii) Other financial Liabilities	1,657.70	-	1,657.70
Other current liabilities	2,692.27	(1,115.93)	1,576.34
Provisions	966.69	-	966.69
Total current liabilities	7,225.97	(1,115.93)	6,110.04
Total liabilities	21,319.28	(1,107.11)	20,212.17
Total Equity and Liabilities	35,788.16	(1,090.69)	34,697.47

(II) Reconciliation of total comprehensive income for the year ended 31 March 2019

(₹ in million)

Particulars	As reported	Adjustments	Balances without adoption of Ind AS 115
Revenue			
Revenue from operations	9,871.73	-	9,871.73
Other income	436.03	-	436.03
Total Revenue	10,307.76	-	10,307.76
Expenses			
Real estate development cost	194.08	-	194.08
Changes in inventories of finished good and construction work in progress	239.70		239.70
Food and beverages consumed	866.67	-	866.67
Operating supplies consumed	262.83	-	262.83
Employee benefits expense	1,448.08	-	1,448.08
Other expenses	3,659.04	-	3,659.04
Total expenses	6,670.40	-	6,670.40
Earnings before interest, depreciation, amortisation, exceptional items and tax (EBITDA)	3,637.36	-	3,637.36
Depreciation and amortisation expenses	1,154.17	-	1,154.17
Finance costs	2,651.51	-	2,651.51
Loss before exceptional items and tax	(168.32)	-	(168.32)
Exceptional items	(40.96)	-	(40.96)
Loss before income tax	(209.28)	-	(209.28)
Tax expense:	(107.21)	-	(107.21)
Current Tax	10.00	-	10.00
Deferred Tax	(117.21)	-	(117.21)
Loss for the year after Tax	(102.07)	-	(102.07)
Other comprehensive (expense)			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(11.80)	-	(11.80)
Income tax on above	4.12	-	4.12
Other comprehensive (expense) for the year, net of tax	(7.68)	-	(7.68)
Total comprehensive income/(expense) for the year	(109.75)	-	(109.75)

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

Note 55 Disclosure under Section 186 of the Companies Act 2013

The operations of the Company are classified as 'infrastructure facilities' as defined under Schedule VI to the Act. Accordingly, the disclosure requirements specified in sub-section 4 of Section 186 of the Act in respect of loans given, guarantee given or security provided and the related disclosures on purposes/ utilisation by recipient companies, are not applicable to the Company.

Details of investments made during the year ended 31 March 2020 as per section 186(4) of the Companies Act, 2013:

(₹ in million)

Name of entity	31 March 2019	Investments made	Investments redeemed / sold	31 March 2020
Chalet Hotels and Properties (Kerala) Private Limited	250.09	-	-	**250.09**
Belaire Hotels Private Limited	-	1,206.71	-	**1,206.71**
Seapearl Hotels Private Limited	-	581.14	522.93	**58.21**
Stargaze Properties Private Limited	0.01	-	-	**0.01**
Intime Properties Limited	0.72	-	0.72	**-**
Krishna Valley Power Private Limited	12.54	-	-	**12.54**
Sahyadri Renewable Energy Private Limited	31.46	-	-	**31.46**
Renew Wind Power Energy (AP) Limited	1.00	-	-	**1.00**
National saving certificates	0.13	-	-	**0.13**

Details of investments made during the year ended 31 March 2019 as per section 186(4) of the Companies Act, 2013:

(₹ in million)

Name of entity	31 March 2018	Investments made	Investments redeemed / sold	31 March 2019
Chalet Hotels and Properties (Kerala) Private Limited	0.09	250.00	-	250.09
Stargaze Properties Private Limited	0.01	-	-	0.01
Intime Properties Limited	0.72	-	-	0.72
Krishna Valley Power Private Limited	8.64	3.90	-	12.54
Sahyadri Renewable Energy Private Limited	31.46	-	-	31.46
Renew Wind Power Energy (AP) Limited	1.00	-	-	1.00
National saving certificates	0.13	-	-	0.13

Note 56: Disclosure of Loans and Advances given to subsidiaries as per Regulation 34 (3) and 53 (f) of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015

Name of the subsidiary Companies	Amount Outstanding		Maximum Balance Outstanding during the year ended		Investment by Subsidiary in Shares of the Company (No. of Shares)	
	31-Mar-20	31-Mar-19	**31-Mar-20**	31-Mar-19	**31-Mar-20**	31-Mar-19
Belaire Hotels Private Limited	**661,300,000**	-	**661,300,000**	-	**-**	-
Chalet Hotels & Properties (Kerala) Pvt. Ltd.	**-**	-	**-**	228,100,000	**-**	-

Note 57:

The novel coronavirus (COVID-19) pandemic is spreading around the globe rapidly. The virus has taken its toll on not just human life, but businesses and financial markets too, the extent of which is currently indeterminate.

While the outbreak has had an impact on almost all entities either directly or indirectly, the tourism and hospitality industry has been adversely impacted with the spread of COVID-19, with widespread lockdowns being enforced across the world. The Indian Government had recently announced Unlock 1.0 for lifting the lockdown imposed to control the spread of the COVID-19 pandemic in phased manner. The near-term impact of COVID-19 is contingent on various external factors such as lifting of the travel restrictions and revival of the economy.

The Company has adjusted the measurement of certain financial assets as of and for the year ended 31 March 2020 to reflect the impact due to COVID-19. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. Management has made the best estimate in relation to the duration

Notes to the Standalone Financial Statements (Continued)

as at 31 March 2020

and severity of these consequences, as well as their impact on the financial position and results of the Company for the current year including assessment for future periods in respect of certain significant estimates and judgements in respect of certain financial and non-financial assets including on going concern assumption.

The Company has assessed the possible effects that may result from COVID-19 on the carrying amounts of Property, plant and equipment, Investment properties, Trade Receivables, Inventories, Investments and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. Management has considered the possible effects on the various financial statement captions as below:

Financial statement caption	Impact
Inventories	Additional provision in respect of expired or near expiry inventory of ₹ 4 million has been recorded in the standalone financial statements.
Trade receivables	Considering the expected delays in collection of receivables from customers, expected credit loss provision of ₹ 2.82 million is recorded in the standalone financial statements.
Financial instrument risk and disclosures	Due to the rapidly changing economic environment, the Company is subject to new or increasing risk (e.g. credit, liquidity, or market risk) or concentrations of risk. Consequently, additional risk disclosures have been included in Note 46 of the standalone financial statements including a sensitivity analysis pertaining to changes in the relevant risk variable that are "reasonably possible" at 31 March 2020.
Fair value measurement	Due to the rapidly changing economic environment, the Company is subject to new or increasing risk (e.g. credit, liquidity, or market risk) or concentrations of risk. Consequently, additional risk disclosures have been included in Note 46 of the standalone financial statements including a sensitivity analysis pertaining to changes in the relevant risk variable that are "reasonably possible" at 31 March 2020.
Deferred tax assets, net	Deferred tax asset (DTA) includes DTA recorded on carry forward losses as per Income-tax Act, 1961, which is based on reasonable certainty with convincing evidence of availability of taxable profits in subsequent years for utilization thereof. Management has re-assessed the availability of taxable profits in the subsequent years and based on evidence of the same and the expected timing of utilization of such losses, recorded DTA on the same.

As per our audit report of even date attached

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

Mansi Pardiwalla
Partner
Membership No: 108511

Mumbai
8 June 2020

For and on behalf of the Board of Directors of
Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN. 00468125)

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
8 June 2020

Independent Auditors' Report

To the Members of **Chalet Hotels Limited**

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the consolidated financial statements of Chalet Hotels Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 41(c) of the consolidated financial statements, in respect of the entire building comprising of the hotel and apartments therein, purchased together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai), from K. Raheja Corp Private Limited, on which the Company's Four Points by Sheraton Hotel has been built. The allotment of land by City & Industrial Development Corporation of Maharashtra Limited ('CIDCO') to K. Raheja Corp Private Limited has been challenged by two public interest litigations and the matter is currently pending with the Honorable Supreme Court of India. Pending the outcome of proceedings and a final closure of the matter, no adjustments have been made in the consolidated financial statements as at and for the year ended 31 March 2020 to the carrying value of the leasehold rights (reflected as prepayments) and the hotel assets thereon aggregating to ₹ 479.33 million and ₹ 489.98 million as at 31 March 2020 and 31 March 2019 respectively.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impact of COVID 19 on Going concern (refer note 57 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. The Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from 22 March 2020 onwards. The lockdowns and restrictions imposed on various activities due to COVID–19 pandemic have posed challenges to the businesses of the Group. The impact of the COVID-19 pandemic and the measures put in place to control the spreading of the virus, have created a number of events and conditions which may have indicated uncertainties related to going concern for the Group.	Our audit procedures included: • Obtained understanding of the key controls relating to the Group's forecasting process. • Obtained an understanding of key assumptions adopted by the Group in preparing the cash flow forecast, including revenue, fixed and operating costs, capital expenditure including commitments to subsidiaries. Assessed the key assumptions based on our understanding of the Group's business. • Compared the future expected cash flows in the cash flow forecast with the Group's business plan approved by the Board of Directors.

The Key Audit Matter	How the matter was addressed in our audit
The Group has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections and has prepared a range of scenarios to estimate cash flows from operating activities and the financing requirements. Based on the above, the financial statements of the Group for the year ended March 31, 2020 have been prepared on a going concern basis. In view of uncertainties identified outlined above, we identified a key audit matter related to going concern due to the significant judgement required to conclude on the going concern assumption.	• Performed sensitivity analysis to the cash flow forecast by considering plausible changes to the key assumptions adopted by the Group and its impact on the going concern assumption • Obtained details of borrowing disbursed subsequent to the year end and tested with underlying documentation • Assessed compliance with the loan covenants during the year, and subsequent to the year end • Considered the adequacy of the Group's disclosure in respect of management's assessment of going concern assumption.

Deferred Tax Assets (refer note 22 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
The carrying amount of the Deferred Tax Assets represents 2.13 % of the Group's total assets. **Recognition and measurement of deferred tax assets** Under Ind AS, the Company is required to reassess recognition of deferred tax asset at each reporting date. The Group has deferred tax assets in respect of expenditure on specified business under Section 35AD of the Income-tax Act, 1961, brought forward losses and other temporary differences, as set out in note 22 to the consolidated financial statements. The Group's deferred tax assets in respect of brought forward deduction of expenditure on specified business under Section 35AD, brought forward house property loss and brought forward business losses are based on the projected profitability, determined based on approved business plans, to demonstrate availability of sufficient taxable income to utilise such Section 35AD deduction, house property loss and brought forward tax loss. We focused on this area as recognition of deferred tax requires significant judgement in estimating future taxable income and accordingly recognition of deferred tax.	Our audit procedures included: • Obtained the approved business plans, projected profitability statements. • Evaluated the design and testing the operating effectiveness of controls over quarterly assessment of deferred tax balances and underlying data. • Evaluated the projections of future taxable profits. Testing the underlying data and assumptions used in the profitability projections and performing sensitivity analysis. • Assessed the recoverability of deferred tax assets by evaluating profitability, Group's forecasts and fiscal developments. • Considered the adequacy of the Group's disclosures on deferred tax and assumptions used. The Group's disclosures concerning income taxes are included in note 22 to the consolidated financial statements.

Litigations and Claims (refer note 35 and 41(c) to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2020, the Group has two key litigations pertaining to Bengaluru Residential project carried under inventories and leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. We focused on this area as a key audit matter due to the amounts involved as well as the inherent uncertainty in the application of the measurement aspects of accounting standards to determine the amount to be provided for and the disclosures to be made in respect of this matter.	Our procedures included, amongst others: • Evaluated the design and implementation of the Group's controls over the assessment of litigations and completeness of disclosures and tested operating effectiveness of these controls. • Read correspondence from the Group's external lawyers in response to our requests of significant litigations and assessed the competence and objectivity of the external lawyers; and • Additionally, considered effect of new information in respect of litigation and claims post 1 April 2020 till the date of signing of the report to evaluate any change required in the Group's position on the litigation and claims as at 31 March 2020. • Assessed the Group's disclosures adequately reflect the quantitative and qualitative considerations in relation to the matters in accordance with auditing standards.

Business combination (refer note 40 to the Consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
Acquisition of subsidiaries	Our audit procedures included:
During the year ended 31 March 2020, the Holding Company has made two acquisitions and accounted for these acquisitions as business combination as per Ind AS 103 Business combination recognizing identifiable assets and liabilities acquired at fair value. The measurement of the identifiable assets and liabilities acquired at fair value is inherently judgemental. The fair value was determined by the Holding Company with the assistance of an external valuation experts using various valuation models, which were applied according to the assets and liabilities being measured. Given the complexity and judgement involved in fair value measurements and magnitude of the acquisition made by the Group, this is a key audit matter.	• Obtained and checked the key documentation such as purchases agreements. • For each transaction, understood the nature of the transaction and assessed the proposed accounting treatment in relation to the Company's accounting policies and relevant Ind AS. • Assessed the competence, capabilities and objectivity of the experts engaged by the Company and gained an understanding of the work of the experts by reading the valuation reports. • Used internal valuation experts to challenge the methodology and key assumptions used in allocation of the purchase price to various assets and liabilities acquired and the resultant fair values arrived at. • Assessed the adequacy of the Company's disclosures in respect of the acquisition in accordance with the accounting standards.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors;

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 3,122.99 million as at 31 March 2020, total revenues of ₹ 45.95 million and net cash flows amounting to ₹ (12.80) million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 39.38 million for the two months ended on that date, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

(A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

(a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) the consolidated balance sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of Act; and

(f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer note 35 and 41 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer note 11 and 28 to the consolidated financial statements in respect of such items as it relates to the Group;

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2020; and

iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we report that:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies to its directors is in accordance with the provisions of Section 197 read with Schedule V to the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies is as per the limit laid down under Section 197 read with Schedule V to the Act and as approved by the shareholder's through special resolution in the Annual General Meeting held on 13 August 2019. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 20108511AAAADN8652

Mumbai
8 June 2020

Annexure A to the Independent Auditors' Report – 31 March 2020

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of Chalet Hotels Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Mansi Pardiwalla
Partner
Membership No: 108511
UDIN: 20108511AAAADN8652

Mumbai
8 June 2020

Consolidated Balance Sheet

as at 31 March 2020

(₹ in million)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	**22,791.79**	20,492.15
Capital work-in-progress	3	**875.13**	342.47
Investment property	4	**7,138.18**	6,809.57
Goodwill	5	**226.11**	226.11
Other intangible assets	6	**33.69**	6.33
Financial assets			
(i) Other Investments	7	**45.14**	47.08
(ii) Loans	8	**113.38**	121.75
(iii) Others	9	**70.88**	51.08
Other non-current assets	10	**605.63**	258.06
Deferred tax assets (net)	22	**852.81**	732.40
Non-current tax assets (net)		**797.01**	517.70
Total non-current assets		**33,549.75**	29,604.70
Current assets			
Inventories	11	**3,924.09**	3,954.64
Financial assets			
(i) Trade receivables	12	**416.78**	476.81
(ii) Cash and cash equivalents	13a	**76.42**	400.04
(iii) Bank balances other than (ii) above	13b	**1,202.40**	426.71
(iv) Loans	14	**30.80**	18.05
(v) Others	15	**151.80**	239.07
Other current assets	16	**775.54**	478.77
Total current assets		**6,577.83**	5,994.09
TOTAL ASSETS		**40,127.58**	35,598.79
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	**2,050.24**	2,050.24
Other equity	18	**13,495.27**	12,176.48
Non controlling interests		**(2.70)**	27.79
Total equity		**15,542.81**	14,254.51
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	19	**16,643.84**	13,392.45
(ii) Others	20	**198.27**	208.44
Provisions	21	**76.33**	57.58
Deferred tax liabilities (net)	22	**222.11**	290.87
Other non-current liabilities	23	**132.51**	144.35
Total non current liabilities		**17,273.06**	14,093.69
Current liabilities			
Financial liabilities			
(i) Borrowings	24	**404.77**	717.78
(ii) Trade payables	25		
(a) Total outstanding dues of micro enterprises and small enterprises and		**30.09**	27.54
(b) Total outstanding dues to creditors other than micro enterprises and small enterprises		**1,031.94**	1,189.46
(iii) Other financial liabilities	26	**2,501.28**	1,656.81
Other current liabilities	27	**2,259.32**	2,692.31
Provisions	28	**889.29**	966.69
Current tax liabilities		**195.02**	-
Total current liabilities		**7,311.71**	7,250.59
TOTAL EQUITY AND LIABILITIES		**40,127.58**	35,598.79
Significant Accounting Policies	1		
Notes to the Consolidated Financial Statements	2 - 57		

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

As per our audit report of even date attached

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

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

Mansi Pardiwalla
Partner
Membership No: 108511

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN. 00468125)

Mumbai
8 June 2020

Mumbai
8 June 2020

Christabelle Baptista
Company Secretary
Membership No: A17817

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(₹ in million)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	29	**9,811.28**	9,871.73
Other income	30	**278.97**	476.08
Total income (A)		**10,090.25**	10,347.81
Expenses			
Real estate development cost	31(a)	**205.56**	194.08
Changes in inventories of finished good and construction work in progress	31(a)	**23.34**	239.70
Food and beverages consumed	31(b)	**828.39**	866.67
Operating supplies consumed	31(c)	**306.71**	262.83
Employee benefits expense	32	**1,522.81**	1,448.08
Other expenses	34	**3,558.32**	3,668.11
Total expenses (B)		**6,445.13**	6,679.47
Earnings before interest, depreciation, amortisation and tax (EBITDA) before exceptional items (C) (A-B)		**3,645.12**	3,668.34
Depreciation and amortisation expenses	2,4,6	**1,133.17**	1,154.17
Finance costs	33	**1,461.76**	2,656.69
Profit/(loss) before exceptional items and tax (D)		**1,050.19**	(142.52)
Exceptional items (E)	35	**(41.71)**	(40.96)
Profit/(loss) before income tax (F) (D+E)		**1,008.48**	(183.48)
Tax expense (G)		**12.22**	(107.21)
Current tax	22	**195.33**	10.00
Deferred tax credit	22	**(183.11)**	(117.21)
Profit/(loss) for the year (H) (F-G)		**996.26**	(76.27)
Other comprehensive (expense)			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**(17.33)**	(11.80)
Income tax credit on above		**6.06**	4.12
Other comprehensive (expense) for the year, net of tax (I)		**(11.27)**	(7.68)
Total comprehensive Income / (expense) for the year (J) (H+I)		**984.99**	(83.95)
Profit / (Loss) attributable to :			
Owners of the company		**1,026.75**	(76.27)
Non-controlling interests		**(30.49)**	-
Other comprehensive (expense)/attributable to :			
Owners of the company		**(11.27)**	(7.68)
Non-controlling interests		**-**	-
Total comprehensive Income/(expense) attributable to :			
Owners of the company		**1,015.48**	(83.95)
Non-controlling interests		**(30.49)**	-
Earnings per equity share (Face value of ₹ 10 each)			
Basic	36	**5.01**	(0.43)
Diluted	36	**5.01**	(0.43)
Significant Accounting Policies	1		
Notes to the Consolidated Financial Statements	2 - 57		

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

As per our audit report of even date attached

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

For and on behalf of the Board of Directors of
Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

Mansi Pardiwalla
Partner
Membership No: 108511

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN. 00468125)

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
8 June 2020

Mumbai
8 June 2020

Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(₹ in million)

	For the ended 31 March 2020	For the year ended 31 March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/ (Loss) before tax	**1,008.48**	(183.48)
Adjustments for :		
Interest income from instruments measured at amortised cost	**(49.47)**	(196.16)
Depreciation and amortisation expenses	**1,133.17**	1,154.17
Finance costs	**1,461.62**	2,656.69
Impairment of Capital Work in Progress and capital advances	**59.51**	0.00
Unrealised exchange loss	**46.64**	22.57
Dividend received*	**0.00**	0.00
Provision for estimated cost	**41.71**	40.96
Profit on sale of property, plant and equipment (net)	**(11.20)**	(2.39)
Property, plants and equipment written off	**6.31**	3.17
Profit on sale of investment	**(3.94)**	-
Provision for doubtful debts, Advances and Bad debt written off	**14.43**	93.64
Employee stock option expense	**12.06**	14.64
Export benefits and entitlements	**(132.72)**	(155.48)
Provision for mark to market on derivative contract	**(28.60)**	-
Provision for stock obsolescence	**6.78**	-
Proposed dividend*	**-**	-
Tax on dividend*	**-**	-
Others	**-**	3.54
Total	**2,556.31**	3,635.35
Operating Profit before working capital changes	**3,564.79**	3,451.87
Adjustments		
Decrease / (Increase) in trade receivables and current assets	**23.61**	(60.18)
Decrease / (Increase) in inventories	**35.33**	(838.84)
(Increase) /Decrease in trade payables & current liabilities	**(842.58)**	1,167.08
Total	**(783.64)**	268.06
Direct taxes paid	**(256.73)**	(64.72)
NET CASH GENERATED FROM OPERATING ACTIVITIES (A)	**2,524.41**	3,655.21
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, plant and equipment (including capital work in progress, capital creditors and capital advances)	**(960.91)**	(367.59)
Proceeds from sale of property, plants and equipments and investment property	**65.08**	12.23
Purchase of investments (including investment property and investment property under construction)	**(2,316.43)**	(288.66)
Sale of Investments	**5.88**	-
Loans given	**-**	(889.89)
Loans repaid	**-**	3,216.44
Interest income received	**48.90**	196.16
Fixed deposits (placed) / matured	**(731.24)**	(405.21)
Margin money (placed) (net)	**(48.52)**	(1.08)
NET CASH GENERATED (USED IN) / FROM INVESTING ACTIVITIES (B)	**(3,937.24)**	1,472.40

Consolidated Statement of Cash Flows (Continued)

for the year ended 31 March 2020

(₹ in million)

	For the ended 31 March 2020	For the year ended 31 March 2019
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Fresh issue of equity shares	-	9,527.79
IPO expenses	-	(308.76)
Issue of preference shares	**740.00**	510.00
Proceeds from long-term borrowings	**6,035.00**	2,400.00
Repayment of long-term borrowings	**(4,042.14)**	(13,742.34)
Proceeds from short-term borrowings	**2.00**	27.25
Repayment of short-term borrowings	**(55.24)**	(1,152.79)
Interest and finance charges paid	**(1,351.76)**	(2,489.48)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES (C)	**1,327.86**	(5,228.33)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(84.97)**	(100.72)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	**(238.70)**	(137.98)
Acquired in Business Combination (refer note 40)	**22.89**	-
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**(300.78)**	(238.70)

*Amount less than million

Notes:

1 Cash And Cash Equivalents And Bank Balances Includes Balances In Escrow Account Which Shall Be Used Only For Specified Purposes As Defined Under Real Estate (Regulation And Development) Act, 2016.

2 Reconciliation of cash and cash equivalents with the balance sheet

(₹ in million)

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents (refer note 13a)	**76.42**	400.04
Less: Over draft accounts from banks (refer note 24)*	**(377.20)**	(638.74)
Cash and cash equivalents as per consolidated statement of cash flow	**(300.78)**	(238.70)

3 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	**14,821.58**	26,819.90
Acquired in Business Combination (refer note 40)	**1,149.13**	-
Proceeds from long-term borrowings**	**6,777.00**	2,937.25
Repayment of long-term borrowings	**(4,097.38)**	(14,895.13)
Non-cash adjustments	**(12.05)**	(40.44)
	18,638.28	14,821.58

* Cash and cash equivalents includes bank overdrafts that are payable on demand and form an integral part of the company cash management.

** Includes Issue of preference shares

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

As per our audit report of even date attached

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

Mansi Pardiwalla
Partner
Membership No: 108511

Mumbai
8 June 2020

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Mumbai
8 June 2020

Rajeev Newar
Executive Director & CFO
(DIN. 00468125)

Christabelle Baptista
Company Secretary
Membership No: A17817

Consolidated Statement of Changes in Equity

as at 31 March 2020

(a) Equity share capital

(₹ in million)

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the reporting year	**2,050.24**	1,710.95
Shares issued during the year	-	339.29
Balance at the end of the reporting year	**2,050.24**	2,050.24

(b) Other equity

(₹ in million)

	Attributable to the owners of the Company						
	Equity Component of Compound Instrument	ESOP reserve	Capital Reserve	Securities Premium	General reserve	Retained earnings*	Total
Balance at 31 March 2019	**167.06**	**14.64**	**0.16**	**10,269.19**	**1,071.96**	**653.47**	**12,176.48**
Adjustments:							
Equity Component of Compound Instrument	206.42	-	-	-	-	-	206.42
Employee stock option reserve	-	12.06	-	-	-	-	12.06
Capital Reserve	-	-	84.83	-	-	-	84.83
Profit for the year	-	-	-	-	-	1,026.75	1,026.75
Proposed dividend*	-	-	-	-	-	(0.00)	(0.00)
Tax on dividend*	-	-	-	-	-	(0.00)	(0.00)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	(11.27)	(11.27)
Total comprehensive income for the year	206.42	12.06	84.83	-	-	1,015.48	1,318.79
Balance at 31 March 2020	**373.48**	**26.70**	**84.99**	**10,269.19**	**1,071.96**	**1,668.95**	**13,495.27**
Balance at 1 April 2018	**-**	**-**	**0.16**	**1,418.13**	**1,071.96**	**753.86**	**3,244.11**
Impact of adoption of Ind AS 115, net of tax (refer note 54)	-	-	-	-	-	(16.44)	(16.44)
	-	-	0.16	1,418.13	1,071.96	737.42	3,227.67
Adjustments:							
Issue of shares	-	-	-	9,160.71	-	-	9,160.71
Share issue expenses	-	-	-	(309.65)	-	-	(309.65)
Equity Component of Compound Instrument	167.06	-	-	-	-	-	167.06
Employee stock option reserve	-	14.64	-	-	-	-	14.64
Loss for the year	-	-	-	-	-	(76.27)	(76.27)
Remeasurements of defined benefit plans (net of tax)	-	-	-	-	-	(7.68)	(7.68)
Total comprehensive (expense)/income for the year	**167.06**	**14.64**	**-**	**8,851.06**	**-**	**(83.95)**	**8,948.81**
Balance at 31 March 2019	**167.06**	**14.64**	**0.16**	**10,269.19**	**1,071.96**	**653.47**	**12,176.48**

*Includes impact of fair valuation of land on transition to Ind AS (net of related tax impact) ₹ 3,710.05 million (31 March 2019 ₹ 3,710.05 million).

**Amount less than million

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

As per our audit report of even date attached

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

Mansi Pardiwalla
Partner
Membership No: 108511

Mumbai
8 June 2020

For and on behalf of the Board of Directors of Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

Sanjay Sethi
Managing Director & CEO
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Mumbai
8 June 2020

Rajeev Newar
Executive Director & CFO
(DIN. 00468125)

Christabelle Baptista
Company Secretary
Membership No: A17817

Notes to the Consolidated Financial Statements

as at 31 March 2020

1.1 Company Background

The Consolidated Financial Statement comprises of consolidated financial statements of Chalet Hotels Limited ('the Company' or 'the Holding Company'), its subsidiary companies (collectively, 'the Group'). The Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra East, Mumbai 400 051. The Company was incorporated under the Companies Act, 1956 on 6 January 1986 and has been converted into a public company with effect from 6 June 2018.

During the year, the Company had acquired Belaire Hotels Private Limited and Seapearl Hotels Private Limited. The entire shareholding of the Belaire Hotels Private Limited was taken over by Chalet Hotels Limited on 3 February 2020 and accordingly, the Company has become wholly owned subsidiary of Chalet Hotels Limited w.e.f. 3 February 2020. Belaire Hotels Private Limited has however taken the transfer of shareholding to Chalet Hotels Limited on record on 5 February 2020, after the receipt of the SMF Acknowledgment from RBI and the secretarial records of the Company reflect so. Seapearl Hotels Private Limited was acquired on 7 February 2020.

The Group is engaged in the business of hospitality (hotels), commercial and retail operations and real estate development. At 31 March 2020, the Group has, (a) six hotels (and one service apartment building) operating at Powai and Sahar (Mumbai), Vashi (Navi Mumbai), Pune, Bengaluru and Hyderabad, (b) developed residential property at Hyderabad (c) Retail Block at Sahar, Mumbai and at Bengaluru, (d) commercial property at Bengaluru and Sahar, Mumbai and (e) is engaged in construction and development of a residential property at Bengaluru.

1.2 Going Concern

As at 31 March 2020, the Group faces significant economic uncertainties due to COVID-19 which have impacted the operations of the Group adversely starting from the month of March 2020 onwards particularly by way of reduction in occupancy of hotels and average realization rate per room and fall in revenue of other assets. In April, May and June 2020, the hotels have been operational though at a significantly reduced occupancy rate. Management has undertaken/is undertaking various cost saving initiatives to maximise operating cash flows in the given situation. Management has assessed the impact of existing and anticipated effects of COVD-19 on the future cash flow projections on the basis of significant assumptions as per the available information. As per the management, the Group has sufficient financing arrangements to fulfil its working capital requirements and necessary capital expenditure, in addition to the funds expected to be generated from the operating activities. Based on aforesaid assessment, management believes that as per estimates made conservatively, the Group will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on 31 March 2020 .

1.3 Significant accounting policies

Basis of preparation and presentation

The Consolidated Balance Sheet of the Group as at 31 March 2020 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended 31 March 2020 and Notes to the Consolidated Financial Statements (together referred as 'Consolidated Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

(i) Basis of measurement

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

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

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

(ii) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All the financial information have been presented in Indian Rupees (₹) and all amounts have been rounded-off to the nearest millions, except for share data and as otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentage may not precisely reflect the absolute figures.

(iii) Use of estimates and judgements

While preparing the Consolidated Financial Statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgements. These judgements affect the application of accounting policies and the reported amount of assets, liabilities, income

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

and expenses, disclosure of contingent liabilities at the consolidated Balance Sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

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

judgements, estimates and assumptions are required in particular for:

- Determination of the estimated useful lives

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

- Recognition and measurement of defined benefit obligations

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

- Recognition of deferred tax assets

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

- Recognition and measurement of other provisions

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

- Discounting of long-term financial assets / liabilities

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

- Determining whether an arrangement contains a lease

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

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

- Fair value of financial instruments

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

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

Note G, J & K – impairment test of non-financial assets: key assumptions underlying recoverable amounts; and

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(iv) Measurement of fair values

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

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

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

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

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

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

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

- Note 2 – Property, plant and equipment (Freehold land) Note 4 – Investment property
- Note 45 – Financial instruments

1.4 Basis of consolidation

Subsidiary:

The Consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Company. Subsidiary is an entity over which the holding company has control.

The Company controls an investee when the Company has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power to direct the relevant activities of the investee. Subsidiary is fully consolidated from the date when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiary are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Balance Sheet respectively.

In the Consolidated Financial Statements, 'Goodwill' represents the excess of the cost to the Holding company of its investment in the subsidiary over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the Consolidated financial statements.

1.5 Current and non-current classification

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

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

(a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(c) it is expected to be realised within twelve months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date.

All other assets are classified as non-current.

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

(a) it is expected to be settled in the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the balance sheet date; or

(d) the Group does not have an unconditional right to defer settlement of the liability for atleast twelve months after the balance sheet date.

All other liabilities are classified as non-current.

Operating cycle

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

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

1.6 Significant accounting policies

A. Business combination

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

Common control

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

No common control

The Group uses the "acquisition method" of accounting to account for its business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition-related costs are recognised in the Statement of Profit and Loss as incurred, except to the extent related to the issue of debt or equity securities.

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

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

In case of a bargain purchase, before recognizing a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase thereafter, the Company reassesses whether it has correctly identified all the assets acquired and liabilities assumed and recognises any additional assets or liabilities that are so identified, any gain thereafter is recognised in OCI and accumulated in equity as Capital Reserve. If there does not exist clear evidence of the underlying reasons for classifying the Business combination as a bargain purchase, the Company recognises the gain, after reassessing and reviewing, directly in equity as Capital Reserve.

B. Revenue

i. Real estate development and sale

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

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Revenue from real estate development activity is recognised at a point in time when significant risks and rewards are transferred to the Customer i.e. when the control of the residential flat is transferred to the Customer.

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

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

ii. **Hospitality business**

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

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

iii. **Rental income**

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

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

iv. **Income from other services**

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

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

v. **Dividend income**

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

vi. **Interest income**

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

C. Foreign currency

Transactions and balances

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

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

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

D. Employee benefits

i. **Short-term employee benefits**

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

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

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

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

ii. **Post-employment benefits**

Defined contribution plans

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

Employee benefits

Defined benefit plans

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

- Gratuity Fund

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus of the Group's defined benefit plans.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

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

iii. **Terminal Benefits:**

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

iv. **Employee stock option expense**

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

E. Income-tax

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

i. **Current tax**

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit / (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets and therefore the tax charge in the Statement of Profit and Loss.

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

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

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. **Deferred tax**

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not

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a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

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

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

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

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

F. Inventories

Hospitality

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

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

Real Estate Development (Residential Flats)

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

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

G. Property, plant and equipment

i. Recognition and measurement

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

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset Type	Useful Life		Schedule II
	March 2020	March 2019	
Buildings (Interior and Accessories)	**14 Years**	14 Years	NA
Plant and Machinery			
- Food and beverages and Kitchen equipment	**8 Years**	8 Years	
- Audio video equipment	**5 Years**	5 Years	
- Laundry equipment, DG set, HVAC system, Elevators, Fire fighting system	**15 Years**	15 Years	15 Years
- Others	**14 Years**	14 Years	
Electrical installations	**14 Years**	14 Years	10 Years
Office Equipments			
- Mobile phones	**2 Years**	2 Years	5 Years
- Others	**4 Years**	4 Years	
Vehicles	**5 Years**	5 Years	6 Years
Carpet	**7 years**	7 Years	NA
Computer software	**4 Years**	4 Years	NA
Furniture and Fixtures	**10 Years**	10 Years	8 Years

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

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

Leasehold Improvements are depreciated over the primary period of lease.

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

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

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

H. Intangible assets

Recognition and measurement

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

Subsequent expenditure

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

Amortisation

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

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Intangible assets are amortised on straight-line method over estimated useful life of 4 years, which in management's view represents the economic useful life of these assets.

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

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

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

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

I. Goodwill

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

In case of acquisition, Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

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

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

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

J. Investment property and investment property under construction

(a) Recognition and measurement

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

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

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

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

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

(a) Depreciation

Depreciation on investment property has been provided pro rata for the period of use by the Straight Line Method. The useful lives of Investment Property is estimated by management and the same is as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life of these assets differs from Schedule II.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Any gain or loss on disposal of an investment property is recognised in Consolidated Statement of Profit and Loss.

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

Asset Type	Useful Life		Schedule II
	March 2020	March 2019	
Buildings (Interior and Accessories)	**14 Years**	14 Years	NA
Plant and Machinery - DG set, HVAC system, Elevators and Firefighting system.	**15 Years**	15 Years	15 Years
- Others	**14 Years**	14 Years	
Electrical installations	**14 Years**	14 Years	10 Years
Office Equipments	**4 Years**	4 Years	5 Years
Carpet	**7 Years**	7 Years	NA
Computer software	**4 Years**	4 Years	NA
Furniture and Fixtures	**10 Years**	10 Years	8 Years

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

K. Investments

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

L. Borrowing costs

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

M. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The management committee assesses the financial performance and position of the group, and makes strategic decisions. It is identified as being the chief operating decision maker for the Group. Refer note 47 for segment information presented.

N. Financial Instruments

1. Financial assets

(a) Recognition and initial measurement

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

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

Classification and subsequent measurement

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

(i) Financial assets measured at amortised costs

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

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

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

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

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

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

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

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, Deposits, and bank balance.

b) Trade receivables- The Group follows simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

2. Financial liabilities

(a) **Recognition, measurement and classification**
Financial liabilities are classified as either held at a) fair value through profit or loss, or b) at amortised cost. Management determines the classification of its financial liabilities at the time of initial recognition or, where applicable, at the time of reclassification. The classification is done in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instruments. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

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

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

(c) **Derecognition**
The Group derecognises financial liabilities when its contractual obligations are discharged or cancelled or have expired.

3. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the Consolidated statement of

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

financial position when, and only when, the Group has legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. **Derivative financial instruments**

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

O. Provisions, contingent liabilities and contingent assets

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

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

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

P. Leases

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

Q. Litigation

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

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

a. **Company as a lessor**

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. Payments received under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight- line basis over the lease term. The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application.

b. **Company as a lessee**

Prior to recent amendment in Ind AS 116, assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Consolidated statement of assets and liabilities.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Based on recent amendment to Ind AS 116, single accounting model by lessee is introduced. A lease liability will be recognised measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

Based on amendment, recognition of new assets and liabilities for its leases of premises and other assets will be done. The nature of expenses related to old liabilities were recognised as lease rent which will change to a) amortisation charge for the right- to use asset, and b) interest accrued on lease liability.

R. Cash and cash equivalents

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

S. Cash flow statement

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

T. Government Grants

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

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

U. Earnings Per Share ("EPS")

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

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

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

The Group presents adjusted EBITDA in the consolidated Statement of Profit and Loss; this is not specifically required by Ind AS 1. The terms adjusted EBITDA are not defined in Ind AS. Ind AS complaint Schedule III allows companies to present Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Group's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Measurement of adjusted EBITDA

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

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as at 31 March 2020

Note 2 Property, plant and equipment

Reconciliation of carrying amount

as at 31 March 2020

(₹ in million)

Particulars	Gross block					Accumulated depreciation/ amortisation					Net block
	Opening balance as at 1 April 2019	Acquired in Business Combination (refer note 40)	Additions	Deductions	Closing balance as at 31 March 2020	Opening balance as at 1 April 2019	Acquired in Business Combination (refer note 40)	For the year	Deductions	Closing balance as at 31 March 2020	As at 31 March 2020
Tangible assets											
Freehold land	7,960.94	880.97	20.49	-	**8,862.40**	-	-	-	-	**-**	**8,862.40**
Buildings	12,582.31	1,675.65	196.06	34.22	**14,419.80**	3,152.31	107.19	398.36	31.12	**3,626.74**	**10,793.06**
Leasehold improvements	6.92	0.31	-	6.92	**0.31**	6.92	0.21	0.01	6.92	**0.22**	**0.09**
Plant and machinery	4,177.79	478.01	75.24	30.93	**4,700.11**	2,403.68	136.11	247.35	20.90	**2,766.24**	**1,933.87**
Data processing equipments	215.55	7.45	51.90	3.53	**271.37**	186.07	6.07	24.32	3.22	**213.24**	**58.13**
Electrical installations	1,598.17	60.20	1.31	1.58	**1,658.10**	977.88	28.76	73.68	1.38	**1,078.94**	**579.16**
Furniture and fixtures	1,982.18	97.65	18.93	15.88	**2,082.88**	1,333.49	60.98	147.61	14.78	**1,527.30**	**555.58**
Vehicles	233.95	-	0.68	76.74	**157.89**	208.69	-	18.37	75.21	**151.85**	**6.04**
Office equipments	95.91	0.77	1.08	0.32	**97.44**	92.53	0.35	1.41	0.31	**93.98**	**3.46**
Total	**28,853.72**	**3,201.01**	**365.69**	**170.12**	**32,250.30**	**8,361.57**	**339.67**	**911.11**	**153.84**	**9,458.51**	**22,791.79**

as at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated depreciation/ amortisation				Net block
	Opening balance as at 1 April 2018	Additions	Deductions	Closing balance as at 31 March 2019	Opening balance as at 1 April 2018	For the year	Deductions	Closing balance as at 31 March 2019	As at 31 March 2019
Tangible assets									
Freehold land	7,960.94	-	-	7,960.94	-	-	-	-	7,960.94
Buildings	12,505.91	76.40	-	12,582.31	2,765.27	387.04	-	3,152.31	9,430.00
Leasehold improvements	6.92	-	-	6.92	6.92	-	-	6.92	-
Plant and machinery	4,192.15	76.79	91.15	4,177.79	2,233.50	256.01	85.83	2,403.68	1,774.11
Data processing equipments	201.34	23.27	9.06	215.55	174.26	20.85	9.04	186.07	29.48
Electrical installations	1,590.99	7.42	0.24	1,598.17	904.66	73.41	0.19	977.88	620.29
Furniture and fixtures	2,008.42	34.44	60.68	1,982.18	1,239.76	152.72	58.99	1,333.49	648.69
Vehicles	276.65	3.74	46.44	233.95	213.76	35.74	40.81	208.69	25.26
Office equipments	97.37	1.06	2.52	95.91	91.79	2.96	2.22	92.53	3.38
Total	28,840.69	223.12	210.09	28,853.72	7,629.92	928.73	197.08	8,361.57	20,492.15

Notes:

1) Refer note 19 and 24 for information on property, plant and equipment pledged as security by the Group.
2) Refer note 41 for contractual commitments with respect to property plant and equipments.
3) In December 2005, the Group had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected in the schedule above). The Group has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the Consolidated financial information. The carrying value of property, plant and equipment in respect of the aforementioned hotel as at 31 March 2020 is ₹ 427.21 million (31 March 2019: ₹ 436.66 million).

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Note 3 Capital work-in-progress

1) Details of capital work-in-progress

(₹ in million)

Particulars	31 March 2020	31 March 2019
Opening balance	**342.47**	384.54
Add: Additions during the year	**988.69**	291.50
Less: Capitalised during the year	**(398.32)**	(223.12)
Closing balance	**932.84**	452.92
Less: Provision for impairment	**(57.71)**	(110.45)
Net balance	**875.13**	342.47

Notes:

1) Capital Work in Progress includes expenditure incurred by a subsidiary, "Chalet Hotels & Properties (Kerala) Private Limited." aggregating to ₹ 57.71 million (31 March 2019: ₹ 110.45 million) in accordance with the agreement entered into with the Department of Tourism, Government of Kerala with regard to the International Convention Centre Complex (ICCC) Project. The Department of Tourism (DOT) is required to contribute the land for the project as its equity in kind and the Group and K Raheja Corp Private Limited, the joint bidders for the project are required to bring equity for the project in cash. Pending execution of the lease deed on the requisite project land and due to abnormal delays in the execution of the project the subsidiary has stopped capitalisation of borrowing costs. The management believes that project is viable, however due to the prevailing conditions, the management has decided to take a conservative call to write off the CWIP notwithstanding the economic value thereof.

2) Expenses (net) capitalised to capital work-in-progress during the year.

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Legal and professional charges	**80.71**	21.12
Employee costs	**74.98**	44.62
Rates, taxes and license fees	**162.27**	8.17
Miscellaneous expenses	**20.34**	7.06
Interest and other finance costs	**35.00**	20.29
Other income/sale of scrap	**(3.30)**	(0.62)
Total	**370.00**	100.64

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Note 4 Investment property

A. Reconciliation of carrying amount

as at 31 March 2020

(₹ in million)

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at April 1, 2019	Addition/ Transfers	Deduction/ Transfers	**Closing balance as at 31 March 2020**	Opening balance as at April 1, 2019	For the year	Deductions	**Closing balance as at 31 March 2020**	**As at 31 March 2020**
Commercial complex, Bengaluru I	893.37	-	-	**893.37**	77.05	27.95	-	**105.00**	**788.37**
Retail block, Sahar, Mumbai	1,191.90	30.46	29.31	**1,193.05**	88.75	38.79	-	**127.54**	**1,065.51**
Commercial block, Sahar, Mumbai	3,141.63	61.23	-	**3,202.86**	85.14	86.17	-	**171.31**	**3,031.55**
Retail block, Bengaluru	1,782.99	24.52	1.24	**1,806.27**	512.28	62.01	1.08	**573.21**	**1,233.06**
Hyderabad flats	15.27	-	15.27	**-**	0.78	0.05	0.83	**-**	**-**
Total (A)	7,025.16	116.21	45.82	**7,095.55**	764.00	214.97	1.91	**977.06**	**6,118.49**
Investment property under construction									
Business centers and offices, Sahar, Mumbai									**9.04**
Commercial complex, Bengaluru II									**1,009.91**
Mall Building under Construction, Bengaluru II									**0.74**
Total (B)									**1,019.69**
Total (A+B)									**7,138.18**

Year ended 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated depreciation / amortisation				Net block
	Opening balance as at April 1, 2018	Additions	Deductions/ Transfer out	Closing balance as at 31 March 2019	Opening balance as at April 1, 2018	For the year	Deductions/ Transfer out	Closing balance as at 31 March 2019	As at 31 March 2019
Commercial complex, Bengaluru I	893.37	-	-	893.37	51.16	25.89	-	77.05	816.32
Retail block, Sahar, Mumbai	1,135.23	56.67	-	1,191.90	50.47	38.28	-	88.75	1,103.15
Commercial block, Sahar, Mumbai	-	3,141.63	-	3,141.63	-	85.14	-	85.14	3,056.49
Retail block, Bengaluru	1,779.00	3.99	-	1,782.99	450.02	62.26	-	512.28	1,270.71
Hyderabad flats	15.27	-	-	15.27	0.52	0.26	-	0.78	14.49
Total (A)	**3,822.87**	**3,202.29**	**-**	**7,025.16**	**552.17**	**211.83**	**-**	**764.00**	**6,261.16**
Investment property under construction									
Commercial complex, Bengaluru II									519.35
Retail block, Sahar, Mumbai									29.06
Total (B)									548.41
Total (A+B)									**6,809.57**

Notes:

1. Refer note 19 and 24 for information on investment property pledged as security by the Group.
2. Borrowing cost aggregating to ₹ 66.86 millions (31 March 2019 ₹ 34.99 millions) are capitalised under investment property under construction.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

3. Details of investment property under construction

(₹ in million)

Particulars	31 March 2020	31 March 2019
Opening Balance	**548.41**	3,465.95
Add: Additions during the year	**558.19**	284.75
Less: Capitalised during the year	**(86.91)**	(3,202.29)
Closing Balance	**1,019.69**	548.41

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

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Legal and professional charges	**11.68**	6.82
Employee costs	**28.10**	3.79
Rates, taxes and license fees	**0.04**	9.11
Repairs and maintenance	**0.24**	1.51
Interest and other finance costs	**66.86**	34.99
Miscellaneous expenses	**7.40**	12.88
Other income/sale of scrap	**(1.32)**	(0.42)
Total	**113.00**	68.68

B. Fair value measurement

i. Fair value hierarchy

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

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

(₹ in million)

Investment properties	Fair Value as on 31 March 2020	Fair Value as on 31 March 2019
Commercial complex, Bengaluru I	**826.00**	840.00
Retail block, Sahar, Mumbai	**1,339.00**	2,230.40
Commercial block, Sahar, Mumbai	**6,948.00**	6,853.62
Retail block, Bengaluru	**1,344.00**	1,434.19
Hyderabad flats	**-**	23.00

ii. Valuation technique and significant unobservable inputs

Valuation technique

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

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

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

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

C. Information regarding income and expenditure of investment property

(₹ in million)

Particulars	31 March 2020	31 March 2019
Rental income derived from investment properties	**802.09**	271.21
Direct operating expenditure (including repairs and maintenance) generating rental income	**140.35**	97.93
Direct operating expenditure that did not generate rental income	-	35.78
Profit / (Loss) arising from investment properties before depreciation and indirect expenses	**661.74**	137.50
Depreciation	**214.97**	211.83
Profit / (Loss) arising from investment properties before indirect expenses	**446.77**	(74.33)

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

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

as at 31 March 2020

(₹ in million)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2019	Additions/ Transfers	Deductions/ Transfers	Closing balance as at 31 March 2020	Opening balance as at 1 April 2019	For the year	Deductions	Closing balance as at 31 March 2020	As at 31 March 2020
Tangible assets									
Freehold land	841.78	1.20	29.31	**813.67**	-	-	-	-	**813.67**
Buildings	4,666.86	74.36	15.27	**4,725.95**	392.11	111.24	0.83	**502.52**	**4,223.43**
Plant and machinery	1,052.94	27.25	0.02	**1,080.17**	217.46	70.45	-	**287.91**	**792.26**
Computers	1.85	0.18	-	**2.03**	1.20	0.33	-	**1.53**	**0.50**
Electrical installations	386.13	12.92	-	**399.05**	105.55	24.30	-	**129.85**	**269.20**
Furniture and fixtures	73.84	0.20	1.22	**72.82**	46.55	8.46	1.08	**53.93**	**18.89**
Office equipments	1.22	0.05	-	**1.27**	0.61	0.19	-	**0.80**	**0.47**
	7,024.62	116.16	45.82	**7,094.96**	763.48	214.97	1.91	**976.54**	**6,118.42**
Intangible assets									
Software	0.54	0.05	-	**0.59**	0.52	-	-	**0.52**	**0.07**
	0.54	0.05	-	**0.59**	0.52	-	-	**0.52**	**0.07**
Total	**7,025.16**	**116.21**	**45.82**	**7,095.55**	**764.00**	**214.97**	**1.91**	**977.06**	**6,118.49**

as at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated depreciation/amortisation				Net block
	Opening balance as at 1 April 2018	Additions	Deductions	Closing balance as at 31 March 2019	Opening balance as at 1 April 2018	For the year	Deductions	Closing balance as at 31 March 2019	As at 31 March 2019
Tangible assets									
Freehold land	411.56	430.22	-	841.78	-	-	-	-	841.78
Buildings	2,501.22	2,165.64	-	4,666.86	281.76	110.35	-	392.11	4,274.75
Plant and machinery	590.58	462.36	-	1,052.94	151.98	65.48	-	217.46	835.48
Computers	1.41	0.44	-	1.85	0.89	0.31	-	1.20	0.65
Electrical installations	248.78	137.35	-	386.13	79.94	25.61	-	105.55	280.58
Furniture and fixtures	68.06	5.78	-	73.84	36.58	9.97	-	46.55	27.29
Office equipments	0.72	0.50	-	1.22	0.50	0.11	-	0.61	0.61
	3,822.33	3,202.29	-	7,024.62	551.65	211.83	-	763.48	6,261.14
Intangible assets									
Software	0.54	-	-	0.54	0.52	-	-	0.52	0.02
	0.54	-	-	0.54	0.52	-	-	0.52	0.02
Total	3,822.87	3,202.29	-	7,025.16	552.17	211.83	-	764.00	6,261.16

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

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

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
Hotel at Bengaluru	164.04	164.04
Retail at Bengaluru	25.49	25.49
Commercial complex at Bengaluru	36.58	36.58
Total	226.11	226.11

The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit.

The calculation of the value in use is based on the following key assumptions:

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

A. Hotel

Particulars (in %)	31 March 2020	31 March 2019
Discount rate	9.10%	9.48%
Terminal value growth rate	6.67%	6.67%

B. Retail

Particulars (in %)	31 March 2020	31 March 2019
Discount rate	9.10%	9.48%
Terminal value growth rate	8.47%	9.09%

C. Commercial complex at Bengaluru

Particulars (in %)	31 March 2020	31 March 2019
Discount rate	9.10%	9.48%
Terminal value growth rate	8.47%	9.09%

Discount rate

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

Terminal value growth rate

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

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

Based on the above assumptions and analysis, no impairment was identified for any of the CGU as at 31 March 2020 and 31 March 2019 as the recoverable value of the CGU exceeded the carrying value.

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

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Note 6 Other intangible assets

as at 31 March 2020

(₹ in million)

Particulars	Gross block					Accumulated amortisation					Net Block
	Opening balance as at 1 April 2019	Acquired in Business Combination (refer note 40)	Additions	Deductions	**Closing balance as at 31 March 2020**	Opening balance as at 1 April 2019	Acquired in Business Combination (refer note 40)	Charged for the year	Deductions	**Closing balance as at 31 March 2020**	**As at 31 March 2020**
Trade marks	0.04	-	-	-	**0.04**	0.04	-	-	-	**0.04**	**-**
Computer software	68.46	5.46	32.63	4.21	**102.34**	62.13	3.96	7.09	4.53	**68.65**	**33.69**
Total	**68.50**	**5.46**	**32.63**	**4.21**	**102.38**	**62.17**	**3.96**	**7.09**	**4.53**	**68.69**	**33.69**

as at 31 March 2019

(₹ in million)

Particulars	Gross block				Accumulated amortisation				Net Block
	Opening balance as at 1 April 2018	Additions	Deductions	Closing balance as at 31 March 2019	Opening balance as at 1 April 2018	Charged for the year	Deductions	Upto 31 March 2019	As At 31 March 2019
Trade marks	0.04	-	-	0.04	0.04	-	-	0.04	-
Computer software	67.06	1.40	-	68.46	48.53	13.61	0.01	62.13	6.33
Total	**67.10**	**1.40**	**-**	**68.50**	**48.57**	**13.61**	**0.01**	**62.17**	**6.33**

Note 7 Other Investments

(₹ in million)

Particulars	**As at 31 March 2020**	As at 31 March 2019
Measured at fair value through profit and loss		
Unquoted, fully paid up:		
Investments in equity shares (non-trade, unquoted)		
In other companies (equity shares of ₹10/- each fully paid)		
1,000 (31 March 2019: 1,000) shares of Stargaze Properties Private Limited	**0.01**	0.01
Nil (31 March 2019: 423) shares of Intime Properties Limited	**-**	1.94
10,000 (31 March 2019: 10,000) shares of Renew Wind Power Energy (AP) Limited	**1.00**	1.00
622,960 (31 March 2019: 622,960) shares of Krishna Valley Power Private Limited	**12.54**	12.54
1,044,500 (31 March 2019: 1,044,500) shares of Sahyadri Renewable Energy Private Limited	**31.46**	31.46
Measured at amortised cost		
National Saving Certificates	**0.13**	0.13
	45.14	47.08
Aggregate amount of unquoted securities	**45.14**	47.08
Aggregate amount of quoted securities	**-**	-
Market value of quoted securities	**-**	-
Aggregate amount of impairment in the value of investments	**-**	-

Note 8 Loans

(₹ in million)

Particulars	**As at 31 March 2020**	As at 31 March 2019
Unsecured, considered good		
Deposits		
Security deposits - related parties	**17.60**	11.73
Security deposits - others	**90.78**	105.02
Option deposits - others	**5.00**	5.00
	113.38	121.75

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Note 9 Other non-current financial assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
To other than related parties		
Deposits with banks with more than 12 months maturity	70.88	51.08
	70.88	51.08

Note 10 Other non-current assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Secured, Unsecured, considered good)		
To other than related parties		
(Unsecured, considered good)		
Capital advances	355.53	24.22
Less: Provision for doubtful advances	(2.47)	-
Prepayments (refer footnote)	225.42	233.84
Deferred Finance Expenses	27.15	-
	605.63	258.06

In December 2005, the Company had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited (reflected under prepayment and others above). The Company has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the consolidated financial statements. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2020 is ₹ 52.13 million (31 March 2019: ₹ 53.32 million).

Note 11 Inventories

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(valued at lower of cost and net realisable value)		
Hospitality :		
Food, beverages and smokes	95.21	111.10
Stores and spares	4.65	5.55
Property development :		
Developed property	-	16.14
Property under development (refer note 52)	4,172.15	4,171.91
Less: Provision for impairment	(442.65)	(451.74)
Property under development	3,729.50	3,720.17
Materials at site	91.66	94.38
Retail:		
Materials at site.	3.07	7.30
	3,924.09	3,954.64

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

Note 12 Trade receivables

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good, unless otherwise stated)		
Trade receivables	**393.27**	491.22
Less: Allowance for doubtful trade receivables	**(15.41)**	(14.41)
Considered good	**377.86**	476.81
Trade receivables	**54.24**	22.92
Less: Allowance for doubtful trade receivables	**(15.32)**	(22.92)
Trade Receivables which have significant increase in Credit Risk	**38.92**	-
Trade receivables	**74.63**	52.32
Less: Allowance for doubtful trade receivables	**(74.63)**	(52.32)
Credit Impaired	**-**	-
	416.78	476.81

Above balances of trade receivables include balances with related parties (refer note 49)

Note 13a Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with banks		
- Current accounts	**69.71**	392.26
Cheques on hand	**1.11**	0.15
Cash on hand	**5.60**	7.63
	76.42	400.04

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

Note 13b Other bank balances

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
In term deposit accounts (balances held as margin money)	**88.74**	25.27
In term deposit accounts (others)	**1,113.66**	401.44
	1,202.40	426.71

-Includes accrued interest of ₹ 9.49 million (31 March 2019: ₹ 1.95 million)

Note 14 Loans.

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
Deposits		
Security deposits - related parties (refer note 49)	**12.32**	-
Security deposits - others	**18.48**	18.05
	30.80	18.05

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Note 15 Other current financial assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
To other than related parties		
Export benefits and entitlements	**123.20**	239.07
Mark to market derivative contracts	**28.60**	-
	151.80	239.07

Note 16 Other current assets

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
To other than related parties		
Advance to suppliers	**46.32**	89.35
Less: Provision for doubtful advances	**(9.07)**	(9.07)
	37.25	80.28
Indirect tax balances/receivable credits	**50.85**	26.44
Unbilled revenue	**552.50**	276.90
Prepayment and others	**103.46**	88.23
Others	**31.48**	6.92
	775.54	478.77

Note 17 Share Capital

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
(i) Authorised		
229,100,000 (31 March 2019: 229,100,000) equity shares of the par value of ₹ 10 each	**2,291.00**	2,291.00
(ii) Issued, subscribed and paid-up		
205,023,864 (31 March 2019: 205,023,864) equity shares of the par value of ₹ 10 each (Refer note f)	**2,050.24**	2,050.24
Total	**2,050.24**	2,050.24

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

(₹ in million)

Particulars	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Equity Shares				
Number of equity shares outstanding at the beginning of the year	**205,023,864**	**2,050.24**	171,095,293	1,710.95
Add:				
Fresh issue (Refer note f)	-	-	33,928,571	339.29
Number of equity shares outstanding at the end of the year	**205,023,864**	**2,050.24**	205,023,864	2,050.24

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

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

(₹ in million)

Particulars	31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Casa Maria Properties LLP	**16,496,280**	**8.05%**	16,496,280	8.05%
Capstan Trading LLP	**16,495,680**	**8.05%**	16,495,680	8.05%
Raghukool Estate Development LLP	**16,495,680**	**8.05%**	16,495,680	8.05%
Touchstone Properties and Hotels Private Limited.	**14,500,000**	**7.07%**	14,500,000	7.07%
Anbee Construction LLP	**13,116,180**	**6.40%**	13,116,180	6.40%
Cape Trading LLP	**13,116,180**	**6.40%**	13,116,180	6.40%
K Raheja Private Limited.	**12,400,000**	**6.05%**	12,400,000	6.05%
Ivory Properties And Hotels Private Limited *	**11,351,833**	**5.54%**	11,351,833	5.54%
Reliance Capital Trustee Co Ltd.A/c Reliance Multicap Fund	**-**	**0.00%**	10,693,167	5.22%
Ravi Raheja	**10,326,318**	**5.04%**	10,326,318	5.04%
Neel Raheja	**10,326,318**	**5.04%**	10,326,318	5.04%
	134,624,469	**65.69%**	145,317,636	70.88%

* Ivory Properties and Hotels Private Limited (Registered owner) holds 7,780,404 Equity Shares for and on behalf of the beneficiaries of Ivory Property Trust, out of its total shareholding of 11,351,833 Equity Shares.

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

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

(e) Details of shares issued

(₹ in million)

Particulars	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Equity Shares				
Issued during the year (Refer note f)	**-**	**-**	33,928,571	339.29

(f) During the financial year ended 31 March 2019, the Company made an initial public issue of 58,613,571 equity shares with a face value of ₹ 10 each at a price of ₹ 280 per equity share (including a share premium of ₹ 270 per equity share) aggregating ₹ 16,412 million. The said public issue consisted of 33,928,571 equity shares sold by the Company and an offer for sale of 24,685,000 equity shares comprising of 10,784,176 equity shares, 5,550,000 equity shares, 5,550,000 equity shares, 2,000,824 equity shares and 800,000 equity shares by K Raheja Corp Private Limited, Neel Raheja, Ravi Raheja, Ivory Properties & Hotels Private Limited and Palm Shelter Estate Development LLP respectively. Aforementioned 58,613,571 equity shares were allotted on 5 February 2019 and the equity shares of the Company were listed on the National Stock Exchange (NSE) and BSE Limited (BSE) on 7 February 2019.

Note 18 Other equity

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Equity Component of Compound Instruments		
Balance at the beginning of the year	**167.06**	-
Add: Additions during the year	**206.42**	167.06
At the end of the year	**373.48**	167.06
ESOP reserve		
Balance at the beginning of the year	**14.64**	-
Add: Additions during the year	**12.06**	14.64
At the end of the year	**26.70**	14.64

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Securities premium		
Balance at the beginning of the year	10,269.19	1,418.13
Add: Premium on issued equity shares	-	9,160.71
Less: Utilisation towards share issue expenses (Refer note 51)	-	(309.65)
At the end of the year	10,269.19	10,269.19
General reserve		
Balance at the beginning of the year	1,071.96	1,071.96
At the end of the year	1,071.96	1,071.96
Capital reserve		
Balance at the beginning of the year	0.16	0.16
Add: Additions during the year	84.83	-
At the end of the year	84.99	0.16
Retained earnings		
Retained earnings balance at the beginning of the year	653.47	753.86
Impact of adoption of Ind AS 115, net of tax (refer note 54)	-	(16.44)
Add: Acquired in Business Combination (refer note 40)	653.47	737.42
Add: Profit/(Loss) for the year	1,015.48	(83.95)
Proposed Dividend*	(0.00)	-
Tax on dividend*	(0.00)	-
At the end of the year	1,668.95	653.47
	13,495.27	12,176.48

*Amount less than million

Nature and purpose of reserves

Equity Component of Compound Instruments

Equity component of Component Instruments comprises of the impact of fair valuation of preference shares issued by the Company.

Securities premium account

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

General reserve

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

Capital reserve

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

Employee stock option plan reserve

Represents expense recognised towards employee stock option plans issued by the company. (Refer note no. 50).

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders. It includes impact of fair valuation of land on transition to Ind AS and are presently not available for distribution to shareholders (net of related tax impact): ₹ 3,710.05 million (31 March 2019 ₹ 3,710.05 million).

Note 19 Long-term borrowings

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Borrowings		
Secured		
Rupee term loans		
i) From bank (refer note A)	9,389.25	7,538.51
ii) From financial institutions (refer note A)	4,593.18	3,616.46
Foreign currency term loans		
i) From bank (refer note A)	1,553.42	1,719.30
Preference share liability		
Non-cumulative redeemable preference shares (refer note B)	1,107.99	518.18
	16,643.84	13,392.45

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

A) Terms of repayment

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2020/ (31 March 2019)	Carrying rate of Interest as at 31 March 2020	Carrying rate of Interest as at 31 March 2019	Repayment/ Modification of terms	Security Details
TERM LOANS- Rupee Loans						
From Banks						
The Ratnakar Bank Ltd	1,500	-	-	9.30% to 9.97%	Repayable quarterly instalment starting from August 2015 to May 2020.The loan has been fully repaid in the month of February 2019.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) Pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.
Standard Chartered Bank	2,000	1,592.23 (1,748.72)	**9.95% to 9.30%**	9.00% to 9.80%	Repayable monthly instalment over 84 month starting from April 2016 to February 2023 and balance amount is bullet payment on March 2023.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.
Standard Chartered Bank	1,950	-	-	9.20 to 10.00%	Repayable half yearly starting from March 2018 to March 2022 and balance amount is bullet payment on November 2022. The loan has been fully repaid in the month of February 2019.	
HDFC Bank Ltd	2,500	1,354.88	**8.95%**	-	Repayable in quarterly 30 instalments from December 2021 to March 2029.	
HSBC Ltd	1,150	1,144.54	**8.90%**	-	Repayable in monthly installments starting from January 2020 to December 2029	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore
ICICI Bank Ltd	3,080 (Term Loan - ₹ 2,285 million with ₹ 300 million OD as a sub-limit of term loan)	1,075.3 (1,819.84)	**9.60% to 9.25%**	9.25% to 9.60%	Repayable quarterly instalment starting from December 2017 to September 2026.	It is secured by (i) Pari-passu charge on immovable and moveable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari-passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
Bank of Baroda	900	(864.70)	**9.20% to 9.85%**	8.85% to 9.60%	Repayable monthly instalment from December 2018 to October 2026 of ₹ 8.30 million and remaining amount bullet payment on November 2026. The loan has been fully repaid in the month of January 2020.	

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2020/ (31 March 2019)	**Carrying rate of Interest as at 31 March 2020**	Carrying rate of Interest as at 31 March 2019	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	2,567	-	-	9.25% to 9.40%	Repayable monthly instalment over 60 month starting from November 2017 to September 2022 and balance amount is bullet payment on October 2022. The loan has been fully repaid in the month of July 2018.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre and office Block Sahar, Mumbai. (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre and office Block, Sahar Mumbai.
Yes Bank Ltd	1,100 (Term Loan - ₹ 900 million and OD sub-limit - ₹ 200 million of sanction)	-	-	9.25% to 11.18%	Repayable in quarterly 28 instalments from March 2020 to December 2026. The loan has been fully repaid in the month of February 2019.	It is secured by exclusive charge on Land for Powai Phase III land.
Other Loans from Banks - Vehicle	45	- (2.92)	**11%**	11%	Repayable in monthly instalments till year ending June 2019.	It is secured against hypothecation of vehicles financed by those banks.
Other Loans from Banks - Vehicle			**11%**	11%	Repayable in monthly instalments.	It is secured against hypothecation of vehicles financed by those banks.
Standard Chartered Bank	900 (Term Loan - ₹ 750 million and OD ₹ 150 million)	702.16 (724.95)	**9.55% to 9.30%**	8.85% to 9.55%	Repayable monthly instalment over 144 months starting from July 2017 to July 2029	It is secured by (i) Exclusive charge on immovable property and receivables at Retail Block at Bengaluru (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Retail Block at Bengaluru (iii) Charge over DSRA amounting to ₹ 50 million.
ICICI Bank Ltd	1,900	1627.98 (1271.15)	**9.60% to 9.25%**	9.25% to 9.60%	Repayable quarterly instalment from September 2016 to June 2025.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) pari-passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2020/ (31 March 2019)	**Carrying rate of Interest as at 31 March 2020**	Carrying rate of Interest as at 31 March 2019	Repayment/ Modification of terms	Security Details
Citi Bank NA	500	-	-	8.20% to 9.10%	Repayable in Monthly instalments from May 2017 to April 2025. The loan has been fully repaid in the month of February 2019 and Personal guarantee given by Neel Raheja is cancelled.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja.
Citi Bank NA	443	-	-	8.20% to 9.10%	Repayable in Monthly instalments from November 2016 to March 2024. The loan has been fully repaid in the month of February 2019 and Personal guarantee given by Neel Raheja is cancelled.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Commercial Complex at Bangalore (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Commercial Complex at Bangalore (iii) Personal guarantee of Neel Raheja.
Axis Bank Ltd	120	11.89	**12.65%**	-	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company. iii. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and iv. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2020/ (31 March 2019)	**Carrying rate of Interest as at 31 March 2020**	Carrying rate of Interest as at 31 March 2019	Repayment/ Modification of terms	Security Details
DBS Bank Ltd	3,250(Term Loan - ₹ 2,900 million, DSRA OD ₹150 million and OD ₹ 200 million)	2,885.83 (1,874.57)	**9.45% to 9.00%**	9.45%	Repayable in Monthly instalments from April 2020 to Sept 2025.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present and future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Bajaj Finance Ltd	5,000	498.67 (500.00)	**9.45% to 9.00%**	9.45%	Repayable in Monthly instalments from April 2020 to Sept 2025.	
From Financial Institutions						
Housing Development Finance Corporation Limited	2,000	-	**-**	8.70% to 9.70%	Repayable monthly instalment ending on March 2019.The loan has been fully repaid in the month of March 2019.	It is secured by (i) Pari-passu charge on immovable and movable property and receivables at Powai - Phase I and II (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.
Housing Development Finance Corporation Limited	1,350	709.34 (862.22)	**9.35%**	8.70% to 10.05%	Repayable in 120 monthly instalment from loan drawn out date i.e, October 2014.	It is secured by (i) Exclusive charge on immovable property and receivables at Four Points By Sheraton, Vashi (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Four Points By Sheraton, Vashi (iii) Guarantee by related party.
Housing Development Finance Corporation Limited	2,500 (Line of Credit)	1,525.32	**9.35% to 9.25%**	8.70% to 9.80%	Line of credit to be reduced every year starting from March 2019 to March 2026.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations.
Housing Development Finance Corporation Limited	3,600	2,418.89 (2,754.88)	**9.35%**	8.70% to 10.05%	Repayable in 120 monthly instalment from loan drawn out date i.e, December 2015.	It is secured by (i) Exclusive charge on immovable and movable property and receivables at Westin Hotel (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Westin Hotel.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2020/ (31 March 2019)	Carrying rate of Interest as at 31 March 2020	Carrying rate of Interest as at 31 March 2019	Repayment/ Modification of terms	Security Details
Foreign Currency Loans						
From Banks						
Standard Chartered Bank, UK	USD 30 million	-	-	3.75% fixed plus 6 month libor	Repayable in half yearly instalments from January 2017 to July 2021. The loan has been fully repaid in the month of February 2019.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield.
Standard Chartered Bank, UK	USD 30 million	-	-	4.25% fixed plus 3 month LIBOR	Repayable in two instalments November 17 and May 18, The loan term subsequently extended for further 6 years in May 2018. The loan has been fully repaid in the month of February 2019.	It is secured by (i) Pari-passu charge on immovable property and receivables at Powai - Phase I and II (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Powai Phase I and II.Standard Chartered Bank has charge on the ISRA account created in respect of security.
Standard Chartered Bank, UK	USD 15 million	(998.44)	**3.75% fixed plus 3 month libor**	4.75% fixed plus 3 month libor	Repayable quarterly from April 2018 to January 2027.The loan has been fully repaid in the month of January 2020.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Sahar Hotel and retails operations (ii) pari- passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Sahar Hotel and retails operations.
ICICI Bank, Bahrain	USD 48 millions (drawn only USD 12.2 million)	819.7 (801.97)	**4.00% fixed plus 3 month libor**	4.00% fixed plus 3 month libor	Repayable quarterly from June 2018 to March 2027.	

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Sanction Amount	Loan Oustanding as at 31 March 2020/ (31 March 2019)	Carrying rate of Interest as at 31 March 2020	Carrying rate of Interest as at 31 March 2019	Repayment/ Modification of terms	Security Details
Axis Bank Ltd	USD 35 million	1,135.99	**4.5% spread+6 months Libor**	-	Repayable in 38 unequal quarterly instalments, from November 2014 to February 2024.	i. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and ii. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company. iii. Secured by way of exclusive charge on the land and hotel building of the Company by way of mortgage and hypothecation of the entire moveable fixed assets and current assets of the hotel (Both present and future); and iv. Pledge of Promoters' shares to the extent of 29.99% of the total paid up capital of the company in proportion to their total shareholding in the company.

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

B) Preference Share Capital

(a) Details of the Authorised, Issued, Subscribed and Paid-up Preference Share Capital as below:

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Authorised		
1,600 (31 March 2019: 1600) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each	**160.00**	160.00
10,000 (31 March 2019: 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each- Series A	**1,000.00**	1,000.00
10,000 (31 March 2019: 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each- Series B	**1,000.00**	1,000.00
(ii) Issued, Subscribed and paid-up		
1,600 (31 March 2019: 1600) 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each	**160.00**	160.00
20,000 (31 March 2019: 20,000) (Series A 10,000 and Series B 10,000) 0.00% Non-cumulative, Non-convertible redeemable preference shares. Fully paid up ₹ 100,000 each of Series A (partly paid up ₹ 50,000 each in year ended 31 March 2019) and partly paid up ₹ 25,000 each of Series B (partly paid up ₹ 1,000 each in year ended 31 March 2019).	**947.99**	358.18
Total	**1,107.99**	518.18

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

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

(₹ in million)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each				
Number of Preference shares outstanding at the beginning of the year	1,600	160.00	1,600	160.00
Issued during the year	-	-	-	-
Number of Preference shares outstanding at the end of the year	1,600	160.00	1,600	160.00
10,000 (31 March 2019: 10,000) (Series A) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and fully paid up of Series A ₹ 100,000 each				
10,000 (31 March 2019: 10,000) (Series B) 0.00% Non-cumulative, Non-convertible redeemable preference shares subscribed and partly paid up of Series B ₹ 25,000 each.				
Number of Preference shares outstanding at the beginning of the year	20,000	358.18	-	-
Issued during the year	-	589.80	20,000	358.18
Number of Preference shares outstanding at the end of the year	20,000	947.99	20,000	358.18
Total	21,600	1,107.99	21,600	518.18

(c) Shareholder holding more than 5% Preference shares in the Group is set out below:

(₹ in million)

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each				
Chandru Lachmandas Raheja jointly with Jyoti Chandru Raheja*	1,600	100%	1600	100%
*Held by the said registered owners for and on behalf of the beneficiaries of Ivory Property Trust.				
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each subscribed and fully paid up (31 March 2019:partly paid up ₹ 50,000 each)				
Series A				
Mr Ravi Chandru Raheja	2,325	23.25%	2,325	23.25%
Mr Neel Chandru Raheja	2,325	23.25%	2,325	23.25%
K Raheja Corp Private Limited	4,500	45.00%	4,500	45.00%
Ivory Properties and Hotels Private Limited	850	8.50%	850	8.50%
Total	10,000	100%	10,000	100%
10,000 0.00% Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each subscribed and partly paid up of ₹ 25,000 each. (31 March 2019:partly paid up ₹1000 each)				
Series B				
Mr Ravi Chandru Raheja	2,325	23.25%	2,325	23.25%
Mr Neel Chandru Raheja	2,325	23.25%	2,325	23.25%
K Raheja Corp Private Limited	4,500	45.00%	4,500	45.00%
Ivory Properties and Hotels Private Limited	850	8.50%	850	8.50%
Total	10,000	100%	10,000	100%

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(d) Rights, Preferences and restrictions attached to preference shares.

The Company has two classes of preference shares having a par value of ₹ 100,000 each per share.

1,600 0.001% Non-cumulative redeemable preference shares of ₹ 100,000 each.

Rights, Preferences and restrictions attached to 0.001% Non-cumulative redeemable preference shares
The preference shares do not carry any voting rights, even if dividend has remained unpaid for any year or dividend has not been declared by the Company for any year. Preference shares shall, subject to availability of profits during any financial year, be entitled to nominal dividend of ₹ 1 per preference share per year.

Preference shares issued by the Company are due for redemption at par. Accordingly, the preference shares are liable to be redeemed at any time at the option of the Company but not later than December 21, 2023.

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

20,000 0.00 %(Series A & Series B) Non-cumulative, Non-convertible redeemable preference shares of ₹ 100,000 each.

Rights, Preferences and restrictions attached to 0(Zero) % (Series A & Series B) Non-cumulative Non convertible redeemable preference shares

The preference shares do not carry any voting rights.

With respect to the Residential project at Bengaluru ("Project"), w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Company either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0% Non- Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Company of ₹ 2,000 million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Company has a paid up preference share capital of ₹ 1,250 million as at 31 March 2020 (31 March 2019: ₹ 510 million).

The Preference Shares do not carry any voting rights whatsoever in any meetings of the shareholders of the Company or of members of any class of shares of the Company.

Subject to applicable laws, other than the amounts payable for redemption, no amounts shall be payable to the Preference Shareholders, whether by way of dividend or in any other manner whatsoever.

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

Note 20 Other non-current financial liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Security deposits	**198.27**	208.44
	198.27	208.44

Note 21 Provisions

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for gratuity	**76.33**	57.58
	76.33	57.58

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

Note 22 Tax expense
(a) Amounts recognised in Statement of Profit and Loss

(₹ in million)

Current income tax expense	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax		
Current period		
	195.33	10.00
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	**(170.32)**	(55.60)
Utilisation of previously unrecognised tax losses	**-**	(61.61)
Change in tax rate		-
Deferred tax charge/ (credit)	**(183.11)**	(117.21)
Tax charge/ (credit) for the year	**12.22**	(107.21)

(b) Amounts recognised in other comprehensive income

(₹ in million)

Particulars	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
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**(17.33)**	**6.06**	**(11.27)**	(11.80)	4.12	(7.68)
	(17.33)	**6.06**	**(11.27)**	(11.80)	4.12	(7.68)

(c) Amounts recognised directly in equity

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Deferred income tax asset, net	**-**	8.82

(d) Reconciliation of effective tax rate

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit / (Loss) before tax	**1,008.48**	(183.48)
Group's domestic tax rate	**34.61%**	34.61%
Tax using the Group's domestic tax rate	**349.03**	(63.50)
Tax effect of:		
Tax losses of earlier years utilised against profit of current year	**(12.79)**	(94.77)
Deferred tax asset recognised on previous year's house property losses	**(252.98)**	-
Income not subject to tax	**-**	125.04
Profit of 35 AD adjusted against current year loss	**(16.64)**	-
Loss on sale of investments	**16.06**	-
Indexation of land and investment property	**-**	(5.35)
Expenses not allowed under tax	**(6.40)**	(71.26)
Standard deduction	**(43.97)**	(16.51)
Indexation of land and investment property	**(68.42)**	9.14
Provision for Impairment of Investment	**87.39**	-
Consolidation Adjustments	**(59.38)**	-
Others	**20.32**	10.00
	12.22	(107.21)

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

The Group's weighted average tax rates for years ended 31 March 2020 and 31 March 2019 was 1.21% and 58.43% respectively. The effective tax rate is primarily lower on account of indexation benefit recognised on land and unquoted equity shares. Further unabsorbed tax losses have been utilised during some years to reduce the current tax expense.

The Company has recognised deferred tax asset on the brought forward house property losses pertaining to previous years after considering the relevant facts and circumstances to the extent that the Company had convincing evidence based on its business plans and budgets to the extent that the deferred tax asset will be realised. Consequently, the Company has recognised deferred tax asset of ₹ 253 million as at 31 March 2020 (31 March 2019: ₹ Nil).

A new Section 115BAA was inserted in the Income Tax Act, 1961, by The Government of India on 20 September 2019 vide the Taxation Laws (Amendment) Ordinance 2019 which provides an option to companies for paying income tax at reduced rates in accordance with the provisions/conditions defined in the said section. The holding company and its subsidiaries has decided to continue with the existing tax structure for the year ended 31 March 2020.

(e) Movement in deferred tax balances

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

(₹ in million)

Particulars	Net Balance as at 1 April 2019	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	**Net balance as at 31 March 2020**
Deferred tax asset/(liabilities)					
Property, plant and equipment	(3,285.62)	100.20	-	-	**(3,185.42)**
Investment property	180.79	(23.39)	-	-	**157.40**
Assets classified as held for sale	0.05	-	-	-	**0.05**
Real estate inventory	(17.04)	(3.20)	-	-	**(20.24)**
Expenditure on specified business u/s 35 AD	2,172.64	(6.75)	-	-	**2,165.89**
Investments	(0.28)	0.28	-	-	**-**
Provisions	385.08	22.91	6.06	-	**414.05**
Borrowings	(29.82)	8.11	-	-	**(21.71)**
Other current liabilities	145.26	-	-	-	**145.26**
Other current assets	(38.34)	(127.18)	-	-	**(165.52)**
Other items	125.48	29.06	-	-	**154.54**
Unabsorbed depreciation/ carry forward tax losses	800.68	(389.18)	-	-	**411.50**
Unabsorbed losses on House property	-	372.14	-	-	**372.14**
Inventory	-	5.72	-	-	**5.72**
MAT Credit Entitlement	-	195.00	-	-	**195.00**
Employee Stock Option	2.65	(0.61)	-	-	**2.04**
Deferred tax assets/(liabilities)	441.53	183.11	6.06	-	**630.70**

(₹ in million)

Particulars	**Net balance as at 31 March 2020**
Deferred tax assets	**852.81**
Deferred tax liabilities	**222.11**
Net deferred tax assets/(liabilities)	**630.70**

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Movement in deferred tax balances for the year ended 31 March 2019

(₹ in million)

Particulars	Net balance as at 1 April 2018	Recognised in profit or loss credit/(charge)	Recognised in OCI	Recognised in equity	Net balance as at 31 March 2019
Deferred tax assets/(liabilities)					
Property, plant and equipment	(3,395.50)	109.88	-	-	(3,285.62)
Investment property	162.61	18.18	-	-	180.79
Assets classified as held for sale	0.05	-	-	-	0.05
Real estate inventory	(43.28)	2.48	-	23.76	(17.04)
Expenditure on specified business u/s 35 AD	2,350.86	(178.22)	-	-	2,172.64
Investments	(0.28)	-	-	-	(0.28)
Provisions	368.93	12.03	4.12	-	385.08
Borrowings	-	(29.82)	-	-	(29.82)
Other current liabilities	(2.01)	147.27	-	-	145.26
Other current assets	-	(38.34)	-	-	(38.34)
Other items	49.43	76.05	-	-	125.48
Unabsorbed depreciation/ carry forward tax losses	820.95	(4.95)	-	(15.32)	800.68
Employee Stock Option	-	2.65	-	-	2.65
Deferred tax assets/(liabilities)	311.76	117.21	4.12	8.44	441.53

(₹ in million)

Particulars	Net balance as at 31 March 2019
Deferred tax assets	732.40
Deferred tax liabilities	290.87
Net deferred tax assets/(liabilities)	441.53

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

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

Unrecognised deferred tax assets

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

(₹ in million)

	31 March 2020			31 March 2019		
	Gross amount	**DTA not recognised**	**Expiry date**	Gross amount	DTA not recognised	Expiry date
House property loss	-	-	-	585.17	204.48	31 March 2027
House property loss	-	-	-	140.98	49.26	31 March 2026
Business Loss	**0.31**	**0.11**	**31 March 2020**	0.26	0.09	31 March 2019
Business Loss	**0.59**	**0.21**	**31 March 2021**	0.31	0.11	31 March 2020
Business Loss	**0.64**	**0.22**	**31 March 2022**	0.59	0.21	31 March 2021
Business Loss	**0.08**	**0.03**	**31 March 2023**	0.64	0.22	31 March 2022
Business Loss	**0.06**	**0.02**	**31 March 2025**	0.08	0.03	31 March 2023
Unabsorbed depreciation	**1,055.85**	**368.96**	**NA**	0.06	0.02	31 March 2025
Unabsorbed depreciation	**0.93**	**0.32**	**NA**	0.93	0.32	NA
Total	**1,058.46**	**369.87**		729.02	254.75	

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

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

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

Further, the Group had incurred losses in relation to the residential project at Bengaluru pursuant to litigation which arose during the financial year ended March 31, 2014. During the financial year ended 31 March 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Group, decided that the Group should proactively consider re-commencement of construction up to the permisible limits and engage with the buyers above the 10th floor for evaluating possible options.Consequently, the Group has made a provision for estimated losses on such cancellations pertaining to all flats above 10 floors and recognised the same during the financial year ended 31 March 2018 (refer note 35). Further, the Group does not expect any further material losses to be incurred in relation to the said project.

Accordingly, the Group, has recognised deferred tax asset on the carried forward business losses after considering the relevant facts and circumstances during each financial year to the extent that the Group had convincing evidence based on its business plans and budgets to the extent that the deferred tax asset will be realised. Consequently, the Group has recognised deferred tax asset of ₹ 784 million as at 31 March 2020 (31 March 2019: ₹ 897.00 million) on the carried forward losses of the Group.

Note 23 Other non-current liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred finance income	**132.51**	144.35
	132.51	144.35

Note 24 Borrowings

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Secured		
Over draft accounts from banks	**377.20**	638.74
Unsecured		
From related parties	**27.57**	23.80
Buyer's credit	**-**	55.24
	404.77	717.78

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

A) Terms of repayment

Rate of interest

(₹ in million)

Particulars	Sanction Amount	Carrying rate of Interest As at 31 March 2020	Carrying rate of Interest As at 31 March 2019	Repayment/ Modification of terms	Security Details
Standard Chartered Bank	500	**10.70% to 10.05%**	9.95% to 10.70%	Renewal every year.	Secured against land parcel admeasuring 6,826 sq. mtrs. at Powai (including future receivables)
Yes Bank Ltd	1,100 (Term Loan - ₹ 900 million and OD sub-limit - ₹ 200 million of sanction)	-	9.60% to 10.75%	Renewal every year and maturity is in December 2026 in line with the Term loan The loan has been fully repaid in the month of February 2019.	It is secured by exclusive charge on land for Powai Phase III land
ICICI Bank Ltd	3,080 (Term Loan - ₹ 2,285 million with ₹ 300 million OD as a sub-limit of term loan)	**9.35% to 9.25%**	9.35% to 9.85%	Renewal every year and maturity is in September 2026 in line with the Term loan	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Hotel and Retail Block, Sahar (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Hotel and Retail Block, Sahar.
DBS Bank Ltd	3,250 (Term Loan - ₹ 2,900 million, DSRA OD ₹150 million and OD ₹ 200 million)	**9.60% to 8.70%**	9.55% to 9.60%	Renewal every year and maturity in in September 2025 in line with the Term loan.	It is secured by (i) Exclusive charge on immovable and movable property and receivables (both present future) at Business Centre at Sahar, Mumbai. (ii) Exclusive charge on Current Accounts, DSRA Account and assignment or creation of charge in favor of the lender of all Insurance contracts and Insurance proceeds pertaining to Business Centre at, Sahar Mumbai.
Indian Overseas Bank	50	**12.80%**	12.95% to 12.50%	Renewal every year.	Cash Credit is secured by hypothecation of inventories, crockery, cutlery, and linen held by the Company at its property in Powai, both present and future.
ICICI Bank Ltd	1,900 (Term Loan - 1,530 million and OD 150 million)	**9.85% to 9.25%**	10.05% to 9.25%	Repayable quarterly instalment from September 2016 to June 2025 in line with the Term loan.	It is secured by (i) Pari-passu charge on immovable property and receivables (both present and future) from Marriott Hotel Bangalore, Whitefield (ii) Pari Passu charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Marriott Hotel Bangalore, Whitefield
Standard Chartered Bank	900 (Term Loan - ₹ 750 million and OD ₹ 150 million)	**10.25% to 9.50%**	11.95% to 8.85%	'Overdraft to be reduced on a proportionate basis in line with term loan repayment.	It is secured by (i) Exclusive charge on immovable property and receivables at Retail Block at Bengaluru (ii) Exclusive charge by way of assignment or creation of charge in favour of the lender of all Insurance contracts and Insurance proceeds pertaining to Retail Block at Bengaluru (iii) Charge over DSRA amounting to ₹ 50 million.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Sanction Amount	Carrying rate of Interest As at 31 March 2020	Carrying rate of Interest As at 31 March 2019	Repayment/ Modification of terms	Security Details
From Related Parties					
K Raheja Corp Private Limited	NA	**10%**	11%	Repayable on demand	Unsecured
New Found Properties Private Limited	NA	**0.00%**	10.50%	Repayable on demand. The loan has been fully repaid in the month of February 2019.	Unsecured
Buyers credit					
Buyers credit	NA	**4% to 6%**	4% to 6%	Repayable within 1 year	Unsecured

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

Note 25 Trade payables

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro enterprises and small enterprises and (refer note 42)	**30.09**	27.54
Total outstanding dues to creditors other than micro enterprises and small enterprises	**1,031.94**	1,189.46
	1,062.03	1,217.00

Note 26 Current - Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturity of long term debt (refer note 19)	**1,966.87**	1,350.09
Creditors for capital expenditure		
- Total outstanding dues of micro enterprises and small enterprises and (refer note 42)	**19.05**	2.17
- Total outstanding dues to creditors other than micro enterprises and small enterprises	**274.27**	20.45
Retention payable	**24.77**	40.82
Proposed Dividend*	**0.00**	-
Tax on dividend*	**0.00**	-
Security deposits	**67.11**	27.02
Mark to market derivative contracts	**-**	63.15
Lease Liabilities	**-**	-
Other liabilities	**149.21**	153.11
	2,501.28	1,656.81

*Amount less than million

Note 27 Other current liabilities

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances from customers towards sale of residential flats*	**1,872.35**	2,183.72
Advances from customers towards hospitality services	**119.31**	135.88
Statutory dues payable**	**267.66**	372.71
	2,259.32	2,692.31

*Advances from customers towards sale of residential flats includes amount refundable to customers on estimated cancellation of flats for the year ended 31 March 2020 above 10 floors of ₹ 733.01 million (31 March 2019 ₹ 910.23 million).(refer note 35).

**Statutory dues payable includes ESIC, TDS payable , provident fund payable, indirect taxes payable etc.

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

Note 28 Short-term provisions

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for gratuity	**34.38**	25.39
Provision for compensated absences	**61.44**	70.35
Provision for estimated / actual cancellation and alteration cost (Refer foot note and note 35)	**793.47**	870.95
	889.29	966.69

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

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

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

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

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

By Judgment dated 29 May, 2020 the Karnataka High Court has allowed the writ petition in part, quashing the cancellation of the NOC and remanding back the matter to HAL for re-survey in a time bound manner and thereafter proceed in accordance with law. Management is of the view that no changes in the are required on this account in the consolidated financial statements as at and for the year ended 31 March 2020.

Movement for provision for estimated / actual cancellation and alteration cost

(₹ in million)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for cost of alteration of super structure	**250.00**	250.00
Provision for estimated/actual cancellation		
Opening balance	**620.95**	624.73
Provisions made during the year	**41.90**	53.02
Provisions utilised during the year	**(119.38)**	(56.80)
Closing balance	**543.47**	620.95
Total	**793.47**	870.95

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

Note 29 Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Sale of services		
Hospitality:		
Room income	**5,218.77**	5,340.51
Food, beverages and smokes	**2,798.21**	3,015.82
Others	**738.03**	780.47
Retail and commercial:		
Lease rent	**802.09**	271.21
(b) Sale of products		
Real estate:		
Sale of residential flats	**52.94**	344.24
Retail and commercial:		
Maintenance and other recoveries	**130.49**	64.86
Revenue from other services	**70.75**	54.62
	9,811.28	9,871.73

Note 30 Other income

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Reversal of provision for impairment on CWIP	**-**	57.71
Interest income from instruments measured at amortised cost	**49.48**	196.16
Net mark to market gain on derivative contracts	**41.24**	22.67
Export benefits and entitlements	**132.72**	155.48
Profit on sale of investments.	**3.94**	-
Profit on sale of property, plant and equipment (net)	**11.20**	2.39
Interest on income tax refund	**-**	15.32
Dividend received*	**0.00**	-
Miscellaneous income	**40.39**	26.35
	278.97	476.08

*Amount less than million

Note 31 (a) Real estate development cost

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(i) Real estate development cost	**205.56**	194.08

(ii) Changes in inventories of finished good and work in progress

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening project work in progress	**4,096.82**	3,031.94
Inventory of unsold flats	**16.14**	247.25
Inventory of unsold flats - Transfer from Investment Property	**14.42**	-
Impact of adoption of Ind AS 115	**-**	1,073.47
	4,127.38	4,352.66
Add:		
Incurred during the year	**2.11**	-
Less: Closing stock		
Transferred to Inventory of unsold flats	**-**	16.14
Transferred to property under development project	**4,106.15**	4,096.82
	23.34	239.70

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

Note 31 (b) Food and beverages consumed*

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Food and beverages materials at the beginning of the year	**111.10**	105.43
Purchases	**812.50**	872.34
Food and beverages materials at the end of the year	**95.21**	111.10
	828.39	866.67

*Includes complimentaries ₹ 92.14 million (31 March 2019: ₹ 101.53 million)

Note 31 (c) Operating supplies consumed

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Purchases	**306.71**	262.83
	306.71	262.83

Note 32 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	**1,290.01**	1,206.12
Contributions to provident fund and other funds	**69.83**	70.03
Staff welfare expenses	**150.91**	157.29
Employee stock option expense (refer note 50)	**12.06**	14.64
	1,522.81	1,448.08

Note 33 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expenses	**1,370.74**	2,326.05
Exchange differences regarded as a adjustment to borrowing cost *	**91.02**	258.64
Other borrowing cost	**-**	72.00
	1,461.76	2,656.69

* Excludes exchange loss on ECB of ₹ 18.39 million (31 March 2019: ₹160.97 million) accounted as operating expenses.

Note 34 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Travelling and conveyance expenses	**33.73**	36.99
Power and fuel *	**663.48**	668.42
Rent	**21.05**	20.84
Repairs and maintenance		
- Buildings	**147.57**	118.46
- Plant and machinery	**190.89**	197.28
- Others	**95.99**	109.48
Insurance	**38.36**	25.58
Rates and taxes	**274.69**	285.36
Business promotion expenses	**390.45**	371.54
Commission	**245.51**	242.14
Royalty and management fees	**420.90**	461.27
Legal and professional charges	**139.19**	154.87
Other hotel operating cost	**301.32**	310.45

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Bad debt written off	**1.27**	0.17
Provision for doubtful debts	**13.16**	84.40
Loss on foreign exchange fluctuation (Net)**	**46.63**	199.32
Donations	**0.06**	0.19
Director sitting fees	**3.12**	3.02
Payment to auditors (refer note 43)	**14.22**	5.84
Buyout labour & manpower contract	**157.83**	144.64
Provision for doubtful advances	**-**	9.07
Corporate social responsibility expenses	**1.90**	-
Business Combination expenses	**15.00**	-
Impairment of Capital Work in Progress	**59.51**	-
Reversal of unbilled revenue	**9.36**	-
Miscellaneous expenses ***	**273.13**	218.78
	3,558.32	3,668.11

*Net of ₹ 46.17 million (31 March 2019 :₹ 47.22 million) on account of recoveries.

** It includes exchange loss on ECB of ₹ 18.39 million and ₹ 160.97 million is considered under finance cost (31 March 2019: exchange loss on ECB of ₹ 91.02 million and ₹ 258.64 million is considered under finance cost)

***Net of ₹ 10.19 million (31 March 2019 :₹ 6.10 million) on account of recoveries.

Note 35 Exceptional items

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Exceptional items		
-Provision for estimated cost in relation to potential cancellation	**(41.71)**	(40.96)
Total	**(41.71)**	(40.96)

Notes:

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

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

During the year ended 31 March 2018, without prejudice to its rights and remedies under law and keeping the commercial considerations in perspective, the Board of Directors of the Company, decided that the Company should proactively consider re-commencement of construction up to the miminum permissible limits and engage with the buyers above the 10th floor for evaluating possible options.In accordance thereto, an application has been filed by the Company before the Karnataka High Court in November 2018 with a request to take on record the fact that HAL had no objection to the construction upto 40 meters to enable the Company to apply for a building sanction. HAL has filed its objection inter-alia stating that any alteration or construction of the building would be in violation of the Interim Order. The matter is presently pending.

Accordingly, the Company has reassessed the estimated cost of completion of the project upto 10th floor as per the aforementioned plan and has recognised a provision towards the following:

- cost of alteration of superstructure
- estimated costs in relation to potential cancellations including interest payable on cancellation.

Consequently, interest payable on cancellation for flats above 10th floor is shown as exceptional expenses. Further, cost of actual cancellation (where applicable) has also been provided for and included in the provision referred to above

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

With respect to said residential project, w.e.f. 4 June 2018, the Promoter - Directors, have agreed to provide the Holding Company either by themselves or through their nominees, funds to meet the shortfall in cash flows for the Project expenses, by subscribing to 0% Non- Cumulative Non-Convertible Redeemable Preference Shares ("NCRPS") of the Holding Company of ₹ 2,000 million. A designated bank account is maintained for the Project and redemption of NCRPS's shall be after completion, out of surplus in the account, not later than 20 years from the date of issue and subject to applicable law/s. In this regard, the Company has a paid up preference share capital of ₹ 1,250 million as at 31 March 2020 (31 March 2019: ₹ 510 million).

By Judgment dated 29 May, 2020 the Karnataka High Court has allowed the writ petition in part, quashing the cancellation of the NOC and remanding back the matter to HAL for re-survey in a time bound manner and thereafter proceed in accordance with law. Management is of the view that no changes in the are required on this account in the consolidated financial statements as at and for the year ended 31 March 2020.

Note 36 Earnings per share (EPS) (Ind AS 33)

(₹ in million)

	Particulars	31 March 2020	31 March 2019
1	Profit / (Loss) attributable to equity shareholders	**1,026.75**	(76.27)
2	**Calculation of weighted average number of equity shares**		
(a)	Number of shares at the beginning of the year	**205,023,864**	171,095,293
(b)	Add: Shares issued during the year	-	33,928,571
(c)	Number of equity shares outstanding at the end of the year	**205,023,864**	205,023,864
	Weighted average number of equity shares outstanding during the year	**205,023,864**	176,207,817
3	Earnings per share (₹)		
	Basic	**5.01**	(0.43)
	Diluted	**5.01**	(0.43)
4	Nominal value of shares (₹)	**10**	10

Note:

Weighted average number of shares is the number of equity shares outstanding at the beginning of the year/ year adjusted by the number of equity shares issued during year/ year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. The impact of dilution on account of ESOP will not be considered if they are anti-dilutive.

Note 37 Government grant

Export Promotion Capital Goods (EPCG) scheme

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

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
Opening balance	-	-
Grants received during the year	**13.90**	8.17
Less: Released to Statement of Profit and Loss	**(13.90)**	(8.17)
Closing balance	-	-

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

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

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

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

(₹ in million)

Particulars	31 March 2020	31 March 2019
Opening balance	**239.07**	192.85
Grants received during the year	**118.82**	147.31
Less: Utilisation / written off	**(234.69)**	(101.09)
Closing balance	**123.20**	239.07
Income recognised in Statement of Profit and Loss on account of EPCG (A)	**13.90**	8.17
Income recognised in Statement of Profit and Loss on account of SFIS/SEIS (B)	**118.82**	147.31
Total income recognised in the Statement of Profit and Loss (A+B)	**132.72**	155.48

Note 38 Employee benefits

a) Defined contribution plan

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

The Group has recognised the following amounts in the consolidated Statement of Profit and Loss for the year.

(₹ in million)

Particulars	31 March 2020	31 March 2019
Employer's contribution to Provident Fund and ESIC	**69.83**	70.03
	69.83	70.03

b) Defined benefit plan

Gratuity

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

The Group follows unfunded gratuity except for:

(i) Hotel division of holding company (Westin, Hyderabad) where fund is maintained with Life Insurance Corporation of India.

(ii) One of the subsidiary company (Corporate office) where fund is maintained with Life Insurance Corporation of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
Defined benefit obligation	**114.27**	84.29
Less: Fair value of plan assets	**(3.56)**	(1.32)
Net defined benefit obligation	**110.71**	82.97

Fair value of the plan assets and present value of the defined benefit obligation

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
1 **Movement in defined benefit obligation:**		
At the beginning of the year	**84.29**	66.73
Add: Acquired in Business Combination (refer note 40)	**4.22**	-
Recognised in profit or loss		
Current service cost	**9.97**	6.88
Interest cost	**6.20**	4.42

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

(₹ in million)

Particulars	31 March 2020	31 March 2019
Recognised in other comprehensive income		
Actuarial (gains)/losses on obligations -		
Due to change in demographic assumptions	**(0.43)**	1.92
Due to change in financial assumptions	**3.85**	0.39
Due to experience	**13.69**	10.88
Benefit paid	**(7.52)**	(6.93)
At the end of the year	**114.27**	84.29
2 **Movement in fair value of plan assets:**		
At the beginning of the year	**1.31**	1.41
Add: Acquired in Business Combination (refer note 40)	**2.30**	-
Recognised in profit or loss		
Interest income	**0.11**	0.09
Expected return on plan assets	**(0.13)**	0.06
Employer contributions	**1.54**	1.00
Benefit paid	**(1.57)**	(1.25)
At the end of the year	**3.56**	1.31
3 **Recognised in profit or loss**		
Current service cost	**9.97**	6.88
Interest expense	**5.57**	4.42
Interest income	**0.09**	0.09
For the year	**15.45**	11.21
4 **Recognised in other comprehensive income**		
Actuarial (gains)/losses on obligations	**17.33**	11.80
For the year	**17.33**	11.80

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

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

Employees of Chalet Hotels Limited

Particulars	31 March 2020	31 March 2019
Rate of increase in salaries (%)	**5.00% -9.00%**	6.00% -9.00%
Discount rate (%)	**5.21% - 6.80%**	6.66%
Employee turnover rate	**21.00%-57.00%**	23.00%-55.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)

7 **Sensitivity of the defined benefit obligation**

(₹ in million)

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	**(2.18)**	**3.75**	(2.00)	2.49
Rate of increase in salaries (1% movement)	**3.65**	**(2.15)**	2.44	(1.99)
Rate of employee turnover (1% movement)	**0.06**	**1.33**	(0.29)	0.64

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

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

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

8 Expected contributions to gratuity fund for the year ended 31 March 2020 is ₹ 18.12 million (31 March 2019: ₹ 15.10 million).

9 **The expected future cash flows as at 31 March 2020 were as follows:**

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	More than 5 years	Total
31 March 2020	30.51	21.60	35.73	21.16	109.00
Defined benefit obligations (gratuity - non funded)	26.85	19.21	32.61	18.47	97.14
Defined benefit obligations (gratuity)	3.66	2.39	3.12	2.69	11.86
31 March 2019	19.14	16.83	28.35	14.44	78.76
Defined benefit obligations (gratuity - non funded)	16.45	14.86	25.25	13.41	69.97
Defined benefit obligations (gratuity)	2.69	1.97	3.10	1.03	8.79

(c) Short-term compensated absences:

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
Expenses for the year	**6.68**	27.73
Closing balance	**61.44**	70.35

In case of subsidiary - Belaire Holdings Private Limited (BHPL), the liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each Balance sheet date and provided for as incurred in the year in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method. Compensated absences which are not expected to occur within 12 months of the end of the period in which the employee render the service are recognised at an actuary determined liability as per the present value of the defined benefit obligation.

Note 39 Operating leases

Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31 March 2019 and year ended 31 March 2020 have not been retrospectively restated. Based on the assessment done by the management, there is no material impact on the Statement of Profit and Loss for the year ended 31 March 2020.

A. Leases as lessor

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

i) Amount recognised in the Consolidated Statement of Profit and Loss:

(₹ in million)

Description	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from lease of shops in hotels included in revenue from operations	**19.60**	18.58
Income from lease of office premises included in revenue from operations	**672.45**	90.73
Income from lease of investment properties included in revenue from operations	**129.64**	180.48
Total	**821.69**	289.79

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

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

(₹ in million)

Future minimum lease receivables	For the year ended 31 March 2020	For the year ended 31 March 2019
Less than one year	**16.38**	15.36
Between one and five years	**45.44**	32.05
More than five years	**299.90**	16.80
	361.72	64.21

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

(₹ in million)

Future minimum lease receivables	For the year ended 31 March 2020	For the year ended 31 March 2019
Less than one year	**824.04**	490.23
Between one and five years	**3,319.84**	3,326.26
More than five years	**4,208.91**	5,117.64
Total	**8,352.79**	8,934.13

B. Leases as lessee

The Group, holding company has taken office premises and the land on which Four Points by Sheraton Vashi Hotel is situated on lease. The Company also leases IT and other equipments. All leases are either short term and/or leases of low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

i) Amount recognised in profit or loss:

(₹ in million)

	For the year ended 31 March 2020*
Low value lease expenses	**1.60**
Short-term lease expenses	**24.59**
Total lease expense	**26.19**

* Out of total lease expenses, ₹ 6.09 million have been capitalised

ii) Amount recognised in statement of cash flows:

(₹ in million)

	For the year ended 31 March 2020
Low value lease expenses	**1.41**
Short-term lease expenses	**22.54**
Total cah outflow on leases	**23.95**

iii) Maturity Analysis:

(₹ in million)

Future minimum lease payables	For the year ended 31 March 2020
Less than one year	**26.24**
Between one and five years	-
More than five years	-
	26.24

Note 40 Acquisition of Belaire Hotels Private Limited and Seapearl Hotels Private Limited

A. The Company acquired 100% of equity shares of Belaire Hotels Private limited (BHPL) and 100% of zero coupon fully compulsory convertible debentures for a cash consideration of ₹ 1,193.32 million on 3 February 2020.

Also, the Company acquired 100% of the equity shares of Seapearl Hotels Private Limited (SHPL) and 100% and zero coupon fully compulsory convertible debentures for a complete cash consideration of ₹ 574.68 million on 10 February 2020. Consequent to the above BHPL and SHPL have become wholly owned subsidiaries of the Company.

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

B. Fair value of consideration transferred

Belaire Hotels Private Limited

Against the total enterprise value of ₹ 2,900 million, the Company had taken over borrowings of ₹ 1,745.86 million, net non-current assets of ₹ 39.76 million, contingent liabilities of ₹ 12.90 million and working capital of ₹ 12.32 million. After taking these liabilities into account, effective purchase consideration of ₹ 1,193.32 million had been discharged as under :

₹ in million

Particulars	Amount
Equity shares	687.02
Zero coupon fully Compulsory Convertible Debentures	506.30
Total consideration transferred for Business combination	1193.32

Seapearl Hotels Private Limited

Against the total asset value of ₹ 575.78 million, the Company had taken over negative working capital of ₹ 1.09 million. After taking these liabilities into account, effective purchase consideration of ₹ 574.69 million had been discharged as under :

₹ in million

Particulars	Amount
Equity shares	57.56
Zero coupon fully Compulsory Convertible Debenture	517.13
Total consideration transferred for Business combination	574.69

C. The Fair Value of identifiable assets acquired and liabilities assumed as on the acquisition date

Belaire Hotels Private Limited

₹ in million

Particulars	**Amount**
Non-current assets	
Property, plant and equipment	2,955.43
Other Financial assets	29.75
Other non-current assets	1.59
Non-current tax assets (net)	22.89
Total non-current assets	3,009.66
Current assets	
Inventories	4.78
Financial assets	
(i) Trade receivables	27.48
(ii) Cash and cash equivalents	32.17
Other current assets	20.04
Total current assets	84.47
TOTAL ASSETS	**3,094.13**
EQUITY AND LIABILITIES	
Total equity	1,283.54
Non current liabilities	
Financial liabilities	
(i) Borrowings	1,149.13
Provisions	2.91
Total non current liabilities	**1,152.04**
Current liabilities	
Financial liabilities	
(i) Borrowing	575.50
(ii) Trade payables	52.46
(iii) Other financial liabilities	5.63
Other current liabilities	24.66
Provisions	0.30
Total current liabilities	658.55
TOTAL EQUITY AND LIABILITIES	3,094.13
Total Fair Value of Net Assets	20.26

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

Seapearl Hotels Private Limited

₹ in million

Particulars	Amount
Current assets	
Financial assets	
(i) Cash and cash equivalents	0.25
(ii) Loans	575.50
TOTAL ASSETS	575.75
EQUITY AND LIABILITIES	
Total equity	574.69
Current liabilities	
Financial liabilities	
(i) Trade payables	1.05
Other current liabilities*	0.00
Provisions*	0.00
Total Liabilities	575.75

*Amount less than million

D. Amount recognised as Capital Reserve for:

Belaire Hotels Private Limited

₹ in million

Particulars	Amount
Fair Value of the consideration transferred	1,768.02
Fair Value of the net assets acquired	1,858.24
Capital Reserve	(90.22)

Seapearl Hotels Private Limited:

₹ in million

Particulars	Amount
Fair Value of the consideration transferred	574.69
Fair Value of the net assets acquired	574.69
Capital Reserve	-

E. Acquisition related costs

During the year, acquisition related costs of ₹ 15.00 million had been recognised under as Business Combination expenses in the Statement of Profit & Loss. The stamp duty of ₹ 4.84 million have been added to cost of investment.

Note 41 Contingent liabilities and commitments (to the extent not provided for)

(₹ in million)

Particulars	31 March 2020	31 March 2019
Contingent liabilities		
Claims against the Group not acknowledged as debts		
Disputed service tax demands	**69.37**	92.08
Service tax receivables	**25.10**	-
Disputed income tax demands	**237.65**	10.27
Disputed VAT demands	**12.70**	12.70
Disputed provident funds demands	**5.80**	5.80
Property tax	**-**	0.30
SFIS/SEIS Scheme	**224.07**	224.07
Guarantees Given by the Banks and Counter Guarantee By the Company	**66.75**	-

a. The Group is a party to various other proceedings in the normal course of business and does not expect the outcome of these proceedings to have an adverse effect on its financial conditions, results of operations or cash flows.

b. Further, claims by parties in respect of which the Management has been legally advised that the same are frivolous and not tenable, have not been considered as contingent liabilities as the possibility of an outflow of resources embodying economic benefits is highly remote.

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

c. In December 2005, the Group had purchased the entire building comprising of the hotel and apartments therein, together with a demarcated portion of the leasehold rights to land at Vashi (Navi Mumbai) from K. Raheja Corp Private Limited. The Group has been operating the Four Points By Sheraton Hotel at the said premises. Two Public Interest Litigations challenging the allotment of land by CIDCO to K. Raheja Corp Private Limited had been filed in FY 2003-04. During the financial year 2014-15, the Honourable High Court at Bombay ordered K. Raheja Corp Private Limited to demolish the structure and hand back the land to CIDCO. K Raheja Corp Private Limited has filed a special leave petition against the order in the Supreme Court. The Supreme Court on 22 January 2015 directed the maintenance of a status quo. Pending the outcome of proceedings and a final closure of the matter no adjustments have been made in the consolidated financial information. The balance of prepaid lease rental in relation to such leasehold land as of 31 March 2020 is ₹ 52.13 million (31 March 2019: ₹ 53.32 million) and carrying value of property, plant and equipment as at 31 March 2020 is ₹ 427.21 million (31 March 2019: ₹ 436.66 million).

d. The Directorate of Revenue Intelligence ("DRI") has issued a show-cause notice dated 29 November 2018 to the Company in respect of import of goods against SFIS Scrip/License under Foreign Trade Policy 2004-09 and 2009-14 and the post-export service benefits availed, under the provisions of the Customs Act, 1962 directing the Company to show cause as to why duty amounting to ₹ 195.18 million and ₹ 23.14 million respectively, plus interest and penalty as may be levied under the Customs Act, should not be recovered.

e. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on provident fund dated February 28, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision, on receiving further clarity on the subject.

f. The Company has considered ₹ 25.1 Million towards service tax refund receivable against cancellations of flats. One of the company's claim was rejected by the Customs, Excise & Service Tax Appellate Tribunal , South Bench on grounds of time limitations. The Company had filed appeal to the Karnataka High Court in this regard. The matter is pending before the High court.

Commitments

(₹ in million)

	31 March 2020	31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**4,058.47**	746.11

Note 42 Total outstanding dues of micro enterprises and small enterprises

During the year, Micro small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same.

(₹ in million)

Particulars	31 March 2020	31 March 2019
The amounts remaining unpaid to micro and small enterprises as at the end of the year.		
Principal	**49.14**	29.71
Interest	**0.25**	0.47
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	**0.25**	1.22
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	-	-

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

Note 43 Payment to auditors

(₹ in million)

Particulars	31 March 2020	31 March 2019
Audit fees	**10.09**	4.03
Tax audit fees	**0.80**	0.40
Other services	**2.18**	0.75
Out of pocket expenses	**1.15**	0.66
Amount debited to Consolidated Statement of Profit and Loss	**14.22**	5.84
Other services in connection with filing of Draft Red Herring prospectus and Red Herring prospectus with SEBI (refer note no. 51)	**-**	12.11
Total	**14.22**	17.95

Note 44 Corporate Social Responsibility
The Company has constituted a Corporate Social Responsibility (CSR) Committee as per Section 135 and schedule VII of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

(₹ in million)

	31 March 2020		31 March 2019	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
A. Gross amount required to be spent by the Company during the year 2019-20	**1.69**	**-**	-	-
B. Amount spent during the year on				
i. Construction/Acquisition of any assets	**-**	**-**	-	-
ii. On purposes other than (i) above	**1.90**		-	-
C. Related party transactions in relation to Corporate Social Responsibility	**-**	**-**	-	-
D. Provision movement during the year 2019-20				
Opening provision	**-**	**-**	-	-
Addition during the year	**-**	**-**	-	-
Utilized during the year	**-**	**-**	-	-
Closing provision	**-**	**-**	-	-

Note 45 Financial instruments - Fair values and risk management
(A) Accounting classification and fair values
Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in million)

31 March 2020	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in equity shares		45.01	45.01	-	-	45.01	45.01
Other investments		0.13	0.13	-	0.13	-	0.13
Loans	-	113.38	113.38	-	113.38	-	113.38
Other non-current financial assets	-	70.88	70.88	-	70.88	-	70.88
Current financial assets							
Trade receivables	-	416.78	416.78	-	-	-	-
Cash and cash equivalents	-	76.42	76.42	-	-	-	-
Other bank balances	-	1,202.40	1,202.40	-	-	-	-
Loans	-	30.80	30.80	-	-	-	-
Other current financial assets	-	123.20	123.20	-	-	-	-
Derivative asset	28.60		28.60	-	28.60	-	28.60
	28.60	2,079.00	2,107.60	-	212.99	45.01	258.00

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

31 March 2020	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial liabilities							
Borrowings	-	16,643.84	16,643.84	-	16,643.84	-	-
Other non-current financial liabilities	-	198.27	198.27	-	198.27	-	198.27
Current financial liabilities							
Borrowings	-	404.77	404.77	-	-	-	-
Trade payables	-	1,062.03	1,062.03	-	-	-	-
Other financial liabilities	-	2,501.28	2,501.28	-	-	-	-
	-	20,810.19	20,810.19	-	198.27	-	198.27

(₹ in million)

31 March 2019	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets							
Investment in equity shares		46.95	46.95	-	-	46.95	46.95
Other investments	-	0.13	0.13	-	0.13	-	0.13
Loans	-	121.75	121.75	-	121.75	-	121.75
Others	-	51.08	51.08	-	51.08	-	51.08
Current financial assets							
Trade receivables	-	476.81	476.81	-	-	-	-
Cash and cash equivalents	-	400.04	400.04	-	-	-	-
Other bank balances	-	426.71	426.71	-	-	-	-
Loans	-	18.05	18.05	-	-	-	-
Other current financial assets	-	239.07	239.07	-	-	-	-
	-	1,780.59	1,780.59	-	172.96	46.95	219.91
Non-current financial liabilities							
Borrowings	-	13,392.45	13,392.45	-	13,392.45	-	13,392.45
Other non-current financial liabilities	-	208.44	208.44	-	208.44	-	208.44
Current financial liabilities							
Borrowings	-	717.78	717.78	-	-	-	-
Trade payables	-	1,217.00	1,217.00	-	-	-	-
Other financial liabilities	-	1,593.66	1,593.66	-	-	-	-
Derivative liability	63.15	-	63.15	-	63.15	-	63.15
	63.15	17,129.33	17,192.48	-	13,664.04	-	13,664.04

(i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- the fair value of certain unlisted equity shares are determined based on the income approach or the comparable market approach, and for certain equity shares equals to the cost.

- the fair value for the currency swap is determined using forward exchange rate for balance maturity.

- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

- the fair value of the forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

- the fair value preference shares and the remaining financial instruments is determined using discounted cash flow analysis. 'The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.

Notes to the Consolidated Financial Statements (Continued)

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The investments included in level 3 of the fair value hierarchy have been valued using the discounted cash flow technique to arrive at the fair value.

(ii) Fair value measurements using significant unobservable inputs (level 3)

Reconciliation of level 3 fair values

(₹ in million)

Particulars	FVTPL Equity shares
Balance at 1 April 2019	46.95
Additions during the year	(1.94)
Balance at 31 March 2020	45.01

(iii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

See (ii) above for the valuation techniques adopted.

Particulars	**Significant unobservable inputs 31 March 2020**	Significant unobservable inputs 31 March 2019
Discount rate	-	21.00%
Capitalisation rate	-	11.00%

(iv) Sensitivity analysis

For the fair values of FVTPL equity shares, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Particulars	**Profit or loss**		Profit or loss	
	31 March 2020		31 March 2019	
	Increase by 100 bps	**Decrease by 100 bps**	Increase by 100 bps	Decrease by 100 bps
Discount rate	**(0.05)**	**0.05**	(0.05)	0.05
Capitalisation rate	**(0.05)**	**0.06**	(0.05)	0.06

Financial risk management

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

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

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors is responsible for developing and monitoring the Group's risk management policies.

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

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(B) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, cash and cash equivalents and other bank balances, derivatives and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

(a) Trade receivables from customers

The Group does not have any significant credit exposure in relation to revenue generated from hospitality business. For other segments the Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

(₹ in million)

Particulars	31 March 2020	31 March 2019
(a) Trade Receivables considered good - Secured;		
(b) Trade Receivables considered good - Unsecured;		
Neither past due not impaired		
Past due not impaired		
1-90 days	**326.21**	432.93
90-180 days	**46.50**	39.92
180-365 days	**17.53**	11.71
More than 365 days	**3.03**	6.66
Total	**393.27**	491.22
(c) Trade Receivables which have significant increase in Credit Risk; and	**54.24**	22.92
(d) Trade Receivables - credit impaired	**74.63**	52.32

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

(₹ in million)

Particulars	31 March 2020	31 March 2019
Balance as at 1 April	**89.65**	3.82
Impairment loss recognised / (reversed)	**15.71**	85.84
Balance as at 31 March	**105.36**	89.65

(b) Cash and cash equivalents and other bank balances

The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties with good credit rating.

(c) Derivatives

The derivatives are entered into with banks, financial institutions and other counterparties with good credit ratings. Further exposures to counter-parties are closely monitored and kept within the approved limits.

(d) Other financial assets

Other financial assets are neither past due nor impaired.

(C) Liquidity risk

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

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Exposure to liquidity risk

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

(₹ in million)

31 March 2020	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings (including current maturity of long term debt)	**18,610.71**	**23,598.09**	**3,467.25**	**3,496.87**	**10,738.13**	**5,895.84**
Security deposits	**198.27**	**198.27**	**-**	**198.27**	**-**	**-**
Current, non derivative financial liabilities						
Borrowings	**404.77**	**404.77**	**404.77**	**-**	**-**	**-**
Trade payables	**1,062.03**	**1,062.03**	**1,062.03**	**-**	**-**	**-**
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	**534.41**	**534.41**	**534.41**	**-**	**-**	**-**
Derivative financial liabilities						
Forward exchange contract (gross settled)						
- Outflow	**728.35**	**728.35**	**728.35**	**-**	**-**	**-**
- Inflow	**(753.86)**	**(753.86)**	**(753.86)**	**-**	**-**	**-**
Total	**20,784.68**	**25,772.06**	**5,442.95**	**3,695.14**	**10,738.13**	**5,895.84**

(₹ in million)

31 March 2019	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non current, non derivative financial liabilities						
Borrowings (including current maturity of long term debt)	14,742.54	19,745.63	2,647.24	3,005.32	9,135.32	4,957.75
Security deposits	208.44	208.44	-	208.44	-	-
Current, non derivative financial liabilities						
Borrowings	717.78	717.78	717.78	-	-	-
Trade payables	1,217.00	1,217.00	1,217.00	-	-	-
Other current financial liabilities (excluding current maturity of long term debt and derivative contracts)	306.72	306.72	306.72	-	-	-
Derivative financial liabilities						
Forward exchange contract (gross settled)						
- Outflow	1,484.50	1,484.50	1,484.50	-	-	-
- Inflow	(1,383.43)	(1,383.43)	(1,383.43)	-	-	-
Total	17,293.55	22,296.64	4,989.82	3,213.76	9,135.32	4,957.75

The gross outflows / (inflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(D) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivative to manage market risk.

(E) Currency risk

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may continue to fluctuate substantially in the future. Consequently, the Group uses derivative instruments, i.e., foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of recognised liabilities. The Group enters into foreign currency forward contracts which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables.

Particulars	Buy / Sell	Currency	Cross Currency	31 March 2020	31 March 2019
Forward contract	Buy	USD	INR	**USD 10 Million**	USD 20 Million

Exposure to currency risk

The summary quantitative data about the Group's exposure against currency risk as reported to the management of the Group is as follows. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

The amounts reflected in the table below represent the exposure to respective currency in Indian Rupees:

(₹ in million)

	31 March 2020			31 March 2019		
	USD	EUR	GBP	USD	EUR	GBP
Financial liabilities						
Foreign currency loans (including interest accrued)	**1,982.71**	**-**		1,819.00	-	-
Trade payables	**366.56**	**0.16**		333.30	0.47	-
Buyers' credit				55.24	-	-
	2,349.27	**0.16**	**-**	2,207.54	0.47	-
Derivatives						
Foreign currency forward exchange contract	**(753.86)**	**-**	**-**	(1,383.43)	-	-
	(753.86)	**-**	**-**	(1,383.43)	-	-
Net exposure	**1,595.41**	**0.16**	**-**	824.11	0.47	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other foreign currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in million)

	Profit or loss before tax			
	31 March 2020		31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening
Effect in INR (before tax)				
USD (1% movement)	**15.95**	**(15.95)**	8.24	(8.24)
EUR (1% movement)	**-**	**-**	-	-
GBP (1% movement)	**-**	**-**	-	-
	15.95	**(15.95)**	8.24	(8.24)

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(F) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing financial assets or borrowings because of fluctuations in the interest rates, if such assets/borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

The Group adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

Particulars of outstanding interest rate swaps as at

31 March 2020	NIL
31 March 2019	NIL

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is as follows.

(₹ in million)

Particulars	Carrying amount	
	31 March 2020	31 March 2019
Fixed-rate instruments		
Non current borrowings		
Non-cumulative redeemable preference shares	**1,107.99**	518.18
Current borrowings		
Loan from related parties other than directors	**27.57**	23.80
Buyer's credit	**-**	55.24
Total	**1,135.56**	597.22
Variable-rate instruments		
Non current borrowings		
Rupee term loans from banks	**9,389.25**	7,538.51
Rupee term loans from financial institutions	**4,593.18**	3,616.46
Foreign currency term loans from banks	**1,553.42**	1,719.30
Current maturity of long term debt	**1,966.87**	1,350.09
Current borrowings		
Cash credit/overdraft accounts from banks	**377.20**	638.74
Less: Interest rate swaps	**-**	-
Total	**17,879.92**	14,863.10
TOTAL	**19,015.48**	15,460.32

Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107 Financial Instruments: Disclosures, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. In cases where the related interest rate risk is capitalised to fixed assets, the impact indicated below may affect the Group's income statement over the remaining life of the related fixed assets.

(₹ in million)

Particulars	Profit or loss before tax	
	100 bps increase	100 bps decrease
31 March 2020	(178.80)	178.80
31 March 2019	(148.63)	148.63

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Note 46 Capital management

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

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

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

(₹ in million)

Particulars	31 March 2020	31 March 2019
Total borrowings	**19,015.48**	15,460.32
Less : Cash and cash equivalents	**76.42**	400.04
Less : Bank deposits	**1,202.40**	426.71
Adjusted net debt	**17,736.66**	14,633.57
Total equity	**15,542.81**	14,254.51
Adjusted net debt to adjusted equity ratio	**1.14**	1.03

Note 47 Segment reporting

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis for segmentation

For management purposes, the company is organised into business units based on its products and services and has three reportable segments, as follows:

- Hospitality (Hotels) comprises of the income earned through Hotel operations
- Real estate comprises of income from sale of residential flats
- Retail comprises of the income earned through leasing of commercial properties

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as the performance indicator for all of the operating segments, and does not review the total assets and liabilities of an operating segment.

(b) Following are reportable segments

Reportable segment

Hospitality (Hotels)

Real Estate

Commercial and Retail

B. Information about reportable segments

For the quarter ended 31 March 2020

(₹ in million)

Particulars	Reportable segments				
	Hospitality (Hotels)	Real Estate	Commercial and Retail	Unallocated	Total
Revenue					
External Customers	8,755.02	52.94	1,003.32		9,811.28
Inter-segment					
Total Revenue	8,755.02	52.94	1,003.32	-	9,811.28
Segment profit / (loss) before tax	2,463.24	(251.18)	401.72	-	2,613.78
Unallocated expenses					
Interest Expenses	-	-	-	(1,461.76)	(1,461.76)
Depreciation	-	-	-	(6.44)	(6.44)
Other Expenses	-	-	-	(416.07)	(416.07)
Total Unallocated Expenses	-	-	-	(1,884.27)	(1,884.27)

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Reportable segments				
	Hospitality (Hotels)	Real Estate	Commercial and Retail	Unallocated	Total
Unallocated income					
Interest Income	-	-	-	49.48	49.48
Other Income	-	-	-	229.49	229.49
Total Unallocated Income	-	-	-	278.97	278.97
Profit before Taxation	-	-	-	-	1,008.48
Tax expenses					12.22
Profit after taxation	-	-	-	-	996.26
Segment assets	24,851.60	3,882.43	8,071.54	3,322.01	40,127.58
Segment liabilities	1,606.96	2,730.20	527.78	19,719.83	24,584.77
Other disclosures					
Capital expenditure	764.95	-	581.22	25.87	1,372.04
Depreciation and amortisation	911.37	0.40	215.00	6.40	1,133.17
Non cash expenses other than depreciation and amortisation	210.89		4.56	85.64	301.09

For the year ended 31 March 2019

(₹ in million)

Particulars	Reportable segments				
	Hospitality (Hotels)	Real Estate	Commercial and Retail	Unallocated	Total
Revenue					
External Customers	9,136.80	344.24	390.69	-	9,871.73
Inter-segment					
Total Revenue	9,136.80	344.24	390.69	-	9,871.73
Segment profit / (loss) before tax	2,629.86	(188.83)	(118.50)	-	2,322.53
Unallocated expenses					
Interest Expenses	-	-	-	(2,656.69)	(2,656.69)
Depreciation	-	-	-	(5.83)	(5.83)
Other Expenses	-	-	-	(319.57)	(319.57)
Total Unallocated Expenses	-	-	-	(2,982.09)	(2,982.09)
Unallocated income					
Interest Income	-	-	-	213.79	213.79
Other Income	-	-	-	262.29	262.29
Total Unallocated Income	-	-	-	476.08	476.08
Loss before Taxation	-	-	-	-	(183.48)
Tax Credit					(107.21)
Loss after taxation	-	-	-	-	(76.27)
Segment assets	22,180.41	3,914.51	7,264.53	2,239.35	35,598.80
Segment liabilities	1,636.29	3,129.51	569.15	16,009.34	21,344.29
Other disclosures					
Capital expenditure	356.03	-	99.75	1.12	456.90
Depreciation and amortisation	935.99	0.54	211.84	5.83	1,154.20
Non cash expenses other than depreciation and amortisation	135.22	-	0.86	363.91	499.99

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Note 48 Details of interests in subsidiaries and associates

Subsidiaries

The details of the Company's subsidiary at 31 March 2020 is set below. The country of incorporation is also the principal place of business

Name of entity	Country of Incorporation	Shareholding % As on 31 March 2020	Shareholding % As on 31 March 2019
Chalet Hotels & Properties (Kerala) Private Limited	India	**90%**	90%
Belaire Hotels Private Limited	India	**100%**	0%
Sea Pearl Hotels Private Limited	India	**100%**	0%

Non-controlling interests

Below is the partly owned subsidiary of the Group and the share of the non-controlling interests.

Name	Country of Incorporation and Principal Place of Business	Non-controlling interest 31 March 2020	Non-controlling interest 31 March 2019
Chalet Hotels & Properties (Kerala) Private Limited	India	**10%**	10%
Belaire Hotels Private Limited	India	**0%**	0%
Sea Pearl Hotels Private Limited	India	**0%**	0%

The balance attributable towards the non-controlling interest of Chalet Hotels & Properties (Kerala) Private Limited was (₹ 30.49) million (31 March 2019 ₹ Nil) Accordingly, disclosures applicable to non-controlling interest have not been provided.

Note 49 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

List of related parties

(₹ in million)

Relationship	Name of party 31 March 2020	Name of party 31 March 2019
Key Managerial Personnel / Relative (KMP)	Sanjay Sethi -Managing Director & CEO	Sanjay Sethi -Managing Director & CEO
	Rajeev Newar, CFO & Executive Director	Rajeev Newar, CFO & Executive Director
	Rajib Dattaray, Director in subsidiary	
Non- Executive directors	Ravi C Raheja	Chandru L Raheja (Resigned w.e.f. April 26, 2018)
	Neel C Raheja	Ravi C Raheja
		Neel C Raheja
		Ramesh M. Valecha (Resigned w.e.f. May 2, 2018)
		Rajeev Chopra (Resigned w.e.f. May 2, 2018)
		Roshan M. Chopra, relative of director (upto May 2, 2018)
Independent directors	Arthur De Haast	Arthur De Haast
	Joseph Conrad D'Souza	Joseph Conrad D'Souza
	Hetal Gandhi	Hetal Gandhi
	Radhika Piramal	Radhika Piramal (Appointed w.e.f. June 12, 2018)
Other KMP as per Companies Act, 2013	Christabelle Baptista, Company Secretary	Christabelle Baptista, Company Secretary
Directors and company secretary of subsidiaries	Karuna Nasta, Non-Executive Director (w.e.f. February 3, 2020)	
	Anand Chandan, Director	
	Vishal Masand, Director (Appointed w.e.f May 24, 2019)	
	Anshu Shroff, Company Secretary	
	Nisheth Sheth, Company Secretary (Resigned w.e.f. September 30, 2019)	

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Relationship	Name of party	
	31 March 2020	31 March 2019
Enterprises Controlled / Jointly controlled by KMPs	Brookfields Agro & Development Private Limited	Brookfields Agro & Development Private Limited
	Cavalcade Properties Private Limited	Cavalcade Properties Private Limited
	Convex Properties Private Limited	Convex Properties Private Limited
	Grange Hotels And Properties Private Limited	Grange Hotels And Properties Private Limited
	Immense Properties Private Limited	Immense Properties Private Limited
	Novel Properties Private Limited	Novel Properties Private Limited
	Pact Real Estate Private Limited	Pact Real Estate Private Limited
	Paradigm Logistics & Distribution Private Limited	Paradigm Logistics & Distribution Private Limited
	Sustain Properties Private Limited	Sustain Properties Private Limited
		Sycamore Properties Private Limited
	Aqualine Real Estate Private Limited	Aqualine Real Estate Private Limited
	Feat Properties Private Limited	Feat Properties Private Limited
	Carin Properties Private Limited	Carin Properties Private Limited
	Asterope Properties Private Limited (erstwhile Flabbergast Properties Private Limited)	Flabbergast Properties Private Limited
	Sundew Real Estate Private Limited	Sundew Real Estate Private Limited
	K Raheja Corp Advisory Services (Cyprus) Private Limited	K Raheja Corp Advisory Services (Cyprus) Private Limited
	Content Properties Private Limited	
	Grandwell Properties And Leasing Private Limited	
	K Raheja Corp Investment Managers LLP	
Shareholders of the Company	Anbee Constructions LLP	Anbee Constructions LLP
	Cape Trading LLP	Cape Trading LLP
	Capstan Trading LLP	Capstan Trading LLP
	Casa Maria Properties LLP	Casa Maria Properties LLP
	Ivory Properties And Hotels Private Limited	Ivory Properties And Hotels Private Limited
	K. Raheja Corp Private Limited	K. Raheja Corp Private Limited
	K. Raheja Private Limited	K. Raheja Private Limited
	Palm Shelter Estate Development LLP	Palm Shelter Estate Development LLP
	Raghukool Estate Development LLP	Raghukool Estate Development LLP
	Touchstone Properties And Hotels Private Limited	Touchstone Properties And Hotels Private Limited
	Ivory Property Trust	Ivory Property Trust
	Genext Hardware & Parks Private Limited	Genext Hardware & Parks Private Limited
Other Related parties #	Intime Properties Limited	
	Eternus Real Estate Private Limited	
	Shoppers Stop Limited	
	Inorbit Malls (India) Private Limited	
	K Raheja IT Park (Hyderabad) Limited	
	Mindspace Business Parks Private Limited	
	Paradigm Logistics & Distribution Private Limited	
	Sundew Properties Limited	
	Trion Properties Private Limited	
	Newfound Properties & Leasing Private Limited	
# The above mentioned parties are not related to the Company, viz. Chalet Hotels Limited as per the definition under IND AS 24. These parties have been reported on the basis of their classification as Related Party under the Companies Act 2013.		
Member of K. Raheja Corp Group	K Raheja Corporate Services Private Limited	

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

Related party disclosures for Year ended 31 March 2020

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs or other Directors / Shareholders / Other Related Parties
1	Sale of Investment	-	-	5.88
2	Sale of Materials	-	-	1.56
3	Sale of Asset	-	-	0.02
4	Sale of services - Lease rent	-	-	39.25
5	Sales of services - Rooms income, Food, beverages and smokes	-	-	5.48
6	Dividend*	-	-	0.00
7	Other Income	-	-	24.48
8	Other expenses	-	2.03	62.26
9	Director sitting fees	-	3.12	-
10	Salaries, wages and bonus	-	102.31	-
11	Interest expenses	-	-	1.99
12	Loan Borrowed	-	-	2.00
13	Deposit paid	-	-	44.92
14	Reimbursement of capital work in progress	-	-	31.31
15	Preference shares	-	344.10	395.90
	Balances outstanding as at the year-end			
16	Trade Receivables	-	-	3.61
17	Trade payables	-	-	14.03
18	Loans payable	-	-	21.14
19	Interest payable	-	-	6.43
20	Deposit receivable	-	-	61.65
21	Deposit payable	-	-	20.28
22	Capital Creditors	-	-	31.31
23	Preference shares outstanding	-	581.25	668.75
24	Investment in equity shares outstanding	-	-	27.78

*Amount less than million

Significant transactions with material related parties for year ended 31 March 2020

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	**Sale of Investment**			
	Ivory Property Trust	-	-	5.88
2	**Sale of material**			
	Inorbit Malls (India) Private Limited			0.72
	Sundew Properties Limited	-	-	0.85
3	**Sale of Asset**			
	K Raheja Corp Private Limited	-	-	0.02
4	**Sale of services - Lease rent**			
	K.Raheja Corporate Services Private Limited	-	-	0.08
	Shoppers Stop Limited	-	-	39.17
5	**Sales of services - Rooms income, Food, beverages and smokes**			
	Eternus Real Estate Private Limited	-	-	0.23
	Inorbit Malls (India) Private Limited	-	-	0.06
	Intime Properties Limited	-	-	0.11
	K Raheja Corp Investment Managers LLP	-	-	0.02

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
	K Raheja Corp Private Limited	-	-	0.61
	K Raheja IT Park (Hyderabad) Limited	-	-	0.20
	K Raheja Private Limited	-	-	0.29
	K.Raheja Corporate Services Private Limited	-	-	2.09
	Mindspace Business Parks Private Limited	-	-	0.06
	Newfound Properties & Leasing Private Limited	-	-	0.04
	Paradigm Logistics & Distribution Private Limited	-	-	0.69
	Sundew Properties Limited	-	-	0.12
	Trion Properties Private Limited	-	-	0.06
	Shoppers Stop Limited	-	-	0.34
	Genext Hardware & Parks Private Limited	-	-	0.54
6	**Dividend***			
	Intime Properties Limited	-	-	0.00
7	**Other Income**			
	K Raheja Corp Private Limited	-	-	1.40
	K.Raheja Corporate Services Private Limited	-	-	1.18
	Shoppers Stop Ltd.	-	-	21.90
8	**Other expenses**			
	Arthur De Haast	-	2.03	-
	Inorbit Malls (India) Private Limited	-	-	22.89
	K.Raheja Corporate Services Private Limited	-	-	37.97
	Newfound Properties & Leasing Private Limited	-	-	1.40
9	**Director sitting fees**			
	Arthur De Haast	-	0.45	-
	Hetal Gandhi	-	0.64	-
	Joseph Conrad D' Souza	-	0.67	-
	Neel C.Raheja	-	0.44	-
	Radhika Dilip Piramal	-	0.30	-
	Ravi C.Raheja	-	0.63	-
10	**Salaries, wages, bonus and stock option related expenses**			
	Rajeev Newar	-	23.06	-
	Sanjay Sethi		75.17	
	Christabelle Baptista		3.49	
	Rajib Dattaray	-	0.60	-
11	**Interest expenses**			
	K Raheja Corp Private Limited	-	-	1.99
12	**Loan Borrowed**			
	K Raheja Corp Private Limited	-	-	2.00
13	**Deposit paid**			
	Sundew Properties Limited	-	-	44.33
	K.Raheja Corporate Services Private Limited	-	-	0.59
14	**Reimbursement of capital work in progress**			
	Sundew Properties Limited	-	-	31.31
15	**Preference shares**			
	Ivory Properties and Hotels Private Limited	-	-	62.90
	K Raheja Corp Private Limited	-	-	333.00
	Neel C.Raheja	-	172.05	-
	Ravi C.Raheja	-	172.05	-
16	**Trade Receivables**			
	K Raheja Corp Private Limited	-	-	0.83
	K.Raheja Corporate Services Private Limited	-	-	0.30
	Mindspace Business Parks Private Limited	-	-	0.03
	Sundew Properties Limited	-	-	1.00

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
	Trion Properties Private Limited	-	-	0.02
	Shoppers Stop Limited	-	-	0.90
	Genext Hardware & Parks Private Limited	-	-	0.53
17	**Trade Payables**			
	Inorbit Malls (India) Private Limited	-	-	9.87
	K.Raheja Corporate Services Private Limited	-	-	3.93
	Newfound Properties & Leasing Private Limited	-	-	0.23
18	**Loan payable**			
	K Raheja Corp Private Limited	-	-	21.14
19	**Interest payable**			
	K Raheja Corp Private Limited	-	-	6.43
20	**Deposit receivable**			
	Sundew Properties Limited	-	-	44.33
	K.Raheja Corporate Services Private Limited	-	-	12.32
	Mindspace Business Parks Private Limited	-	-	5.00
21	**Deposit payable**			
	Shoppers Stop Ltd.	-	-	20.28
22	**Capital Creditors**			
	Sundew Properties Limited	-	-	31.31
23	**Preference shares outstanding**			
	Ivory Properties and Hotels Private Limited	-	-	106.25
	K Raheja Corp Private Limited	-	-	562.50
	Neel C.Raheja	-	290.63	-
	Ravi C.Raheja	-	290.63	-
24	**Equity shares outstanding**			
	K Raheja Corp Private Limited	-	-	27.78

*Amount less than million

Related party disclosures for Year ended 31 March 2019

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Interest income from instruments measured at amortised cost	-	-	149.50
2	Sale of material	-	-	3.14
3	Sales of services - Rooms income, Food, beverages and smokes	-	-	1.45
4	Other expense	-	1.90	0.01
5	Director sitting fees	-	3.02	-
6	Salaries, wages, bonus and stock option related expenses	-	66.58	-
7	Interest expenses	-	-	5.18
8	Loans given	-	1.00	180.79
9	Loans repaid	-	2.42	2,582.72
10	Loans borrowed	-	-	27.24
11	Preference shares	-	237.15	272.85
12	Equity Shares	-	-	27.78
	Balances outstanding as at the year-end			
13	Trade receivables	-	-	0.28
14	Loans payable	-	-	19.14
15	Interest payable	-	-	4.66
16	Preference shares outstanding	-	237.15	272.85
17	Equity shares outstanding	-	-	27.78

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

Significant transactions with material related parties for year ended 31 March 2019

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
1	Interest income from instruments measured at amortised cost			
	K. Raheja Private Limited	-	-	149.44
2	Sale of material			
	K. Raheja Private Limited			2.47
	Pact Real Estate Private Limited	-	-	0.67
3	Sales of services - Rooms income, Food, beverages and smokes			
	Paradigm logistics & Dist Private Limited			0.49
	K. Raheja Private Limited			0.27
	K Raheja Corp Private Limited	-	-	0.64
4	Other expenses			
	Arthur De Haast	-	1.71	-
	K Raheja Corp Private Limited	-	-	0.01
	Roshan M. Chopra	-	0.19	-
5	Director sitting fees			
	Hetal Gandhi	-	0.71	-
	Joseph Conrad D' Souza	-	0.73	-
	Arthur De Haast	-	0.15	-
	Chandru L. Raheja	-	0.01	-
	Radhika Piramal	-	0.20	-
	Rajeev Chopra	-	0.02	-
	Neel C.Raheja	-	0.50	-
	Ravi C.Raheja	-	0.71	-
6	Salaries, wages, bonus and stock option related expenses*			
	Rajeev Newar	-	19.10	-
	Sanjay Sethi	-	47.48	-
* During the year ended 31 March 2019, the managerial remuneration paid by the Company to its Managing Director & CEO and its Executive Director & CFO is in excess of limits laid down under Section 197 of the Companies Act, 2013 ('the Act') read with Schedule V to the Act by ₹ 52.41 million. The Company is in the process of obtaining approval from its shareholders.				
7	Loans given			
	Sanjay Sethi	-	1.00	-
	K. Raheja Private Limited	-	-	180.79
8	Loans repaid			
	Rajeev Newar	-	1.42	-
	Sanjay Sethi	-	1.00	-
	K. Raheja Private Limited	-	-	2,332.79
10	Loans borrowed			
	K Raheja Corp Private Limited	-	-	27.24
9	Preference shares			
	Ivory Properties and Hotels Private Limited		-	43.35
	K Raheja Corp Private Limited		-	229.50
	Neel C.Raheja		118.58	-
	Ravi C.Raheja		118.58	-
10	Equity Shares			
	K Raheja Corp Private Limited	-	-	27.78
11	Trade Receivables			
	K Raheja Corp Private Limited			0.28

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Sr. no	Particulars	Associates	Key Management Personnel / Relative/Other directors	Enterprises Controlled / Jointly controlled by KMPs / Shareholders / Other Related Parties
12	**Preference shares outstanding**			
	Ivory Properties and Hotels Private Limited			43.35
	K Raheja Corp Private Limited			229.50
	Neel C.Raheja	-	118.58	
	Ravi C.Raheja	-	118.58	
13	**Equity shares outstanding**			
	K Raheja Corp Private Limited	-	-	27.78

Note 50 Employee Stock Option Schemes

Description of share-based payment arrangements:

At March 31 2020, Company had following share-based payment arrangements:

Employee Stock Option Plan 2018:

The primary objective of the plan is to reward the key employee for his association, dedication and contributions to the goals of the company. The plan is established is with efffect from 12 June 2018 on which the shareholders of the Company have approved the plan by the way of special resolution and it shall continue to be in force until its termination by the Company as per provisions of Applicable laws, or the date on which all of the Options available for issuance under the plan have been issued and exercised, whichever is earlier.

Scheme	Number of options granted	Vesting conditons	Contractual life of options	Vesting year	Grant Date	Exercise year	Exercise Price (₹) per share
Chalet Hotels Limited'-'Employee Stock Option Plan'-2018	200,000	For the Options to vest, the Grantee has to be in employment of the Group on the date of the vesting.	The exercise year for Options vested will be two years from date of vesting subject to shares of the company are listed at the time of exercise.	3 years	26-Jun-18	One year from vesting year	320.00

Reconciliation of Outstanding share options

The number and weighted-average exercise price of share options under the share option plans are as follows:

(₹ in million)

Particulars	31 March 2020		31 March 2019	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	320	200,000	320	200,000
Exercised during the year	-	-	-	-
Lapsed/ forfeited /surrendered	-	-	-	-
Outstanding at the end of the year	320	200,000	320	200,000
Exercisable at the end of the year	-	66,000	-	-

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

Measurement of Fair value
The fair value of employee share options has been measured using Black Scholes Option Pricing Model and is charged to the statement of Profit and Loss over the vesting year.

The fair value of the options and the key inputs used in the measurement of the grant date fair values of the equity settled share based payment plans are as follows:

Particulars	Unit	Chalet Hotels Limited'-'Employee Stock Option Plan'-2018	Description of inputs used
Fair value of the option at grant date	₹/share	143 - 189	As per Black Scholes Model
Exercise price	₹/share	320	As per the Scheme
Expected volatility (Weighted average volatility)	% p.a.	31.91% - 32.77%	Based on comparable listing companies
Expected life (expected weighted average life)	in years	1.99 - 3.99	Calculated time to maturity as a sum of the following years: - Time remaining from the valuation date till the date on which options are expected to vest on the holder and; - Average Time from the vesting date till the expected exercise date.
Dividend yield	% p.a.	0%	Dividend yield is taken as 0% since the Company has not declared any dividend in last 5 financial years.
Risk-free interest rates (Based on government bonds)	% p.a.	7.4% - 7.85%	Risk free interest rate refers to the yield to maturity on the zero-coupon securities maturing in the year which commensurate with the maturity of the option.

The options outstanding at 31 March 2020 have an exercise price of ₹ 320 and a weighted average remaining contractual life of 1.37* year.
*calculated considering simple average method
The expense recognised for the year ended 31 March 2020 is ₹ 12.06 millions (31 March 2019 is ₹ 14.64 million).

Note 51 Share issue expenses
During the year ended 31 March 2019 the Company has made Initial Public Offering ("IPO") of 58,613,571 equity shares of face value of ₹ 10 each for cash at a price of ₹ 280 per equity share (including a share premium of ₹ 270 per equity share) aggregating to ₹ 16,411.80 million comprising a fresh issue of 33,928,571 equity shares aggregating to ₹ 9,500 million and an offer for sale of 24,685,000 equity shares aggregating to ₹ 6,911.80 million.

The proceeds from IPO aggregated to ₹ 9,500 million. (Gross of issue related expenses of ₹ 309.65 million).

The equity shares of the company were listed on National Stock Exchange of India Limited (NSE) via ID CHALET and BSE Limited (BSE) via ID 542399 on 7 February 2019.

Details of utilisation of net IPO proceeds are as follows:

(₹ in million)

Particulars	Object of the issue as per the prospectus	Utilisation upto 31 March 2019	Unutilised amounts as at 31 March 2019
Repayment/Pre-payment in full or in part of certain loans availed	7,200.00	7,200.00	NIL
General Corporate purpose	1,961.25	1,990.35	NIL

The Company has incurred ₹ 526.18 millions (excluding GST) of IPO expenses. Of the above IPO expenses, certain expenses (such as listing fees and stamp duty expenses) aggregating to ₹ 11.96 millions are directly attributable to the Company and have been adjusted towards the securities premium account. The remaining expenses aggregating to ₹ 514.22 millions, have been allocated between the Company ₹ 297.69 millions and selling shareholders ₹ 216.53 millions in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by the selling shareholders. The amount of ₹ 297.69 millions allocated to the Company has also been adjusted towards the securities premium account.

The gross share issues expenses include a sum of ₹ 12.11 millions (excluding GST) paid to the statutory auditors, which is included in the amount adjusted towards the securities premium account.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Note 52 Bengaluru residential project

(₹ in million)

Particulars	31 March 2020	31 March 2019
Inventories	**4,172.15**	4,171.91
Less: Provisions for impairment	**(442.65)**	(451.74)
Inventories, net	**3,729.50**	3,720.17
Advances from customers towards sale of residential flats	**1,868.68**	2,169.20

Note 53 Disclosure under Ind AS 115, Revenue from Contracts with Customers

Details of contract balances

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Details of Contract Balances:		
Balance as at beginning of the year	**(2,169.20)**	(1,242.51)
Trade receivables as on April 1	**-**	9.01
Less: Repayment to the customer on cancellation	**300.52**	180.23
Significant change due to other reasons	**-**	(1,115.93)
Balance as on 31 March 2020	**(1,868.68)**	(2,169.20)
Total	**(1,868.68)**	(2,169.20)

As on 31 March 2020, revenue recognised in the current year from performance obligations satisfied/ partially satisfied in the previous year is ₹ Nil.

Information on performance obligations in contracts with Customers:

Real Estate Development Project:

The following table includes revenue to be recognised in future related to performance obligations that are unsatisfied towards the real estate development projects as at 31 March 2020

(₹ in million)

Particulars	2020	2021	2022-2025	Beyond 2025	Total
Contract Revenue	-	-	1,525.28	-	1,525.28
Contract Expense	-	-	1,503.45	-	1,503.45
Total	-	-	21.83	-	21.83

As at 31 March 2019

(₹ in million)

Particulars	2019	2020	2021-2025	Beyond 2025	Total
Contract Revenue	-	-	1,687.87	-	1,687.87
Contract Expense	-	-	1,673.51	-	1,673.51
Total	-	-	14.36	-	14.36

Hospitality and Commercial & Retail

The Group applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

Note 54 Disclosure on transition to Ind AS 115

Changes in accounting policies:

Except for the changes below, the Group has consistently applied the accounting policies to all years presented in these consolidated financial statements.

The Group has adopted Ind AS 115 Revenue from Contracts with Customers (" Ind AS 115") with a date of initial application of 1 April 2018. As a result, the group has changed its accounting policy for revenue recognition as detailed below.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

A. Real Estate development

The Group accounted for its sale of residential flats in their real estate projects on a percentage completion basis as prescribed under the Guidance note for Accounting for Real Estate Trasactions. Under Ind AS 115, the Group recognises the revenue from sale of residential projects at a point in time, i.e. when all the risks and rewards associated are transferred to the customer. Accordingly the Group has reversed the cumulative revenue recognised on sale of residential flats in the opening reserve as on April 1, 2018.

A. Reconciliation between balances without adoption of Ind AS 115 and as reported

Ind AS 8 requires an entity to reconcile equity and total comprehensive income for the reported year.

(I) Reconciliation of equity as at 31 March 2019

(₹ in million)

Particulars	Impact of changes in accounting policies		
	As reported	Adjustments	Balances without adoption of Ind AS 115
ASSETS			
Non-current assets			
Property, plant and equipment	20,492.15	-	20,492.15
Capital work-in-progress	342.47	-	342.47
Investment property	6,809.57	-	6,809.57
Goodwill	226.11	-	226.11
Other intangible assets	6.33	-	6.33
Financial assets			
(i) Investments	47.08	-	47.08
(ii) Loans	121.75	-	121.75
(iii) Others	51.08	-	51.08
Deferred tax assets (net)	732.40	-	732.40
Other non-current assets	258.06	(17.23)	240.83
Non-current tax assets (net)	517.70	-	517.70
Total non current assets	29,604.70	(17.23)	29,587.47
Current assets			
Inventories	3,954.64	(1,073.47)	2,881.17
Financial assets			-
(i) Trade receivables	476.81	-	476.81
(ii) Cash and cash equivalents	400.04	-	400.04
(iii) Bank balances other than (ii) above	426.71	-	426.71
(iv) Loans	18.05	-	18.05
(v) Others	239.07	-	239.07
Other current assets	478.77	-	478.77
Total current assets	5,994.09	(1,073.47)	4,920.62
TOTAL ASSETS	35,598.79	(1,090.70)	34,508.09
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2,050.24	-	2,050.24
Other equity	12,176.48	16.44	12,192.92
Equity attributable to equity holders of the parent	27.79	-	27.79
Total Equity	14,254.51	16.44	14,270.95
Liabilities			
Non current liabilities			
Financial liabilities			
(i) Borrowings	13,392.45	-	13,392.45
(ii) Others	208.44	-	208.44
Provisions	57.58	-	57.58
Deferred tax liabilities (net)	290.87	8.82	299.69
Other non-current liabilities	144.35	-	144.35
Total non current liabilities	14,093.69	8.82	14,102.51

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(₹ in million)

Particulars	Impact of changes in accounting policies		
	As reported	Adjustments	Balances without adoption of Ind AS 115
Current liabilities			
Financial liabilities			
(i) Borrowings	717.78	-	717.78
(ii) Trade payables	1,217.00	-	1,217.00
(iii) Other financial Liabilities	1,656.81	-	1,656.81
Other current liabilities	2,692.31	(1,115.95)	1,576.36
Provisions	966.69	-	966.69
Total current liabilities	7,250.59	(1,115.95)	6,134.64
Total liabilities	21,344.28	(1,107.13)	20,237.15
Total Equity and Liabilities	35,598.79	(1,090.70)	34,508.09

(II) Reconciliation of total comprehensive income for the year ended 31 March 2019

(₹ in million)

Particulars	As reported	Adjustments	Balances without adoption of Ind AS 115
Revenue			
Revenue from operations	9,871.73	-	9,871.73
Other income	476.08	-	476.08
Total Revenue	10,347.81	-	10,347.81
Expenses			
Real estate development cost	194.08	-	194.08
Changes in inventories of finished good and construction work in progress	239.70	-	239.70
Food and beverages consumed	866.67	-	866.67
Operating supplies consumed	262.83	-	262.83
Employee benefits expense	1,448.08	-	1,448.08
Other expenses	3,668.11	-	3,668.11
Total expenses	6,679.47	-	6,679.47
Earnings before interest, depreciation, amortisation, exceptional items and tax (EBITDA)	3,668.34	-	3,668.34
Depreciation and amortisation expenses	1,154.17	-	1,154.17
Finance costs	2,656.69	-	2,656.69
Profit before tax	(142.52)	-	(142.52)
Exceptional items	(40.96)	-	(40.96)
Loss before income tax	(183.48)	-	(183.48)
Tax expense:	(107.21)	-	(107.21)
Current Tax	10.00	-	10.00
Deferred Tax	(117.21)	-	(117.21)
Loss for the year after Tax	(76.27)	-	(76.27)
Other comprehensive expense			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans	(11.80)	-	(11.80)
Income tax on above	4.12	-	4.12
Other comprehensive income/(expense) for the year, net of tax	(7.68)	-	(7.68)
Total comprehensive income for the year	(83.95)	-	(83.95)

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Note 55

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III

for the year ended 31 March 2020

(₹ in million)

	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
Parent								
Chalet Hotels Limited	100%	15,492.22	82%	816.14	100%	(11.28)	82%	804.86
Subsidiary (parent's share)								
Chalet Hotel & Properties (Kerala) Private Limited	0%	(26.99)	-6%	(63.22)	0%	-	-6%	(63.22)
Belaire Hotels Private Limited	7%	1,152.95	-4%	(39.98)	0%	0.01	-4%	(39.97)
Seapearl Hotels Private Limited	1%	102.07	0%	0.60	0%		0%	0.60
Non-controlling interests in subsidiary	0%	(2.70)	0%	-	0%	-	0%	-
Eliminations	-8%	(1,174.74)	28%	282.72	0%	-	29%	282.72
At 31 March 2020	100%	15,542.81	100%	996.26	100%	(11.27)	100%	984.99

for the year ended 31 March 2019

(₹ in million)

	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
Parent								
Chalet Hotels Limited	102%	14,468.88	134%	(102.07)	100%	(7.68)	131%	(109.75)
Subsidiary (parent's share)								
Chalet Hotel & Properties (Kerala) Private Limited	0%	32.60	181%	(137.95)	0%	-	164%	(137.95)
Non-controlling interests in subsidiary	0%	3.62	0%	-	0%	-	0%	-
Eliminations	-2%	(250.60)	-215%	163.75	0%	-	-195%	163.75
At 31 March 2019	100%	14,254.50	100%	(76.27)	100%	(7.68)	100%	(83.95)

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Note 56 Disclosure under Section 186 of the Companies Act 2013

The operations of the Group are classified as 'infrastructure facilities' as defined under Schedule VI to the Act. Accordingly, the disclosure requirements specified in sub-section 4 of Section 186 of the Act in respect of loans given, guarantee given or security provided and the related disclosures on purposes/ utilisation by recipient companies, are not applicable to the Company.

Details of investments made during the year ended 31 March 2020 as per section 186(4) of the Companies Act, 2013:

(₹ in million)

Name of entity	31 March 2019	Investments made	Investments redeemed / sold	**31 March 2020**
Chalet Hotels and Properties (Kerala) Private Limited	250.09	-	-	**250.09**
Belaire Hotels Private Limited	-	1,206.71		**1,206.71**
Sea Pearl Hotels Private Limited	-	581.14	522.93	**58.21**
Stargaze Properties Private Limited	0.01	-	-	**0.01**
Intime Properties Limited	0.72	-	0.72	**-**
Krishna Valley Power Private Limited	12.54	-	-	**12.54**
Sahyadri Renewable Energy Private Limited	31.46	-	-	**31.46**
Renew Wind Power Energy (AP) Limited	1.00	-	-	**1.00**
National saving certificates	0.13	-	-	**0.13**

Details of investments made during the year ended 31 March 2019 as per section 186(4) of the Companies Act, 2013:

(₹ in million)

Name of entity	31 March 2018	Investments made	Investments redeemed / sold	31 March 2019
Chalet Hotels and Properties (Kerala) Private Limited	0.09	250.00	-	250.09
Stargaze Properties Private Limited	0.01	-	-	0.01
Intime Properties Limited	0.72	-	-	0.72
Krishna Valley Power Private Limited	8.64	3.90	-	12.54
Sahyadri Renewable Energy Private Limited	31.46	-	-	31.46
Renew Wind Power Energy (AP) Limited	1.00	-	-	1.00
National saving certificates	0.13	-	-	0.13

Note 57:

The novel coronavirus (COVID-19) pandemic is spreading around the globe rapidly. The virus has taken its toll on not just human life, but businesses and financial markets too, the extent of which is currently indeterminate.

While the outbreak has had an impact on almost all entities either directly or indirectly, the tourism and hospitality industry has been adversely impacted with the spread of COVID-19, with widespread lockdowns being enforced across the world. The Indian Government had recently announced Unlock 1.0 for lifting the lockdown imposed to control the spread of the COVID-19 pandemic in phased manner. The near-term impact of COVID-19 is contingent on various external factors such as lifting of the travel restrictions and revival of the economy.

The Company has adjusted the measurement of certain financial assets as of and for the year ended 31 March 2020 to reflect the impact due to COVID-19. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. Management has made the best estimate in relation to the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for the current year including assessment for future periods in respect of certain significant estimates and judgements in respect of certain financial and non-financial assets including on going concern assumption.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

The Company has assessed the possible effects that may result from COVID-19 on the carrying amounts of Property, plant and equipment, Investment properties, Trade Receivables, Inventories, Investments and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. Management has considered the possible effects on the various financial statement captions as below:

Financial statement caption	Impact
Inventories	Additional provision in respect of expired or near expiry inventory of ₹ 4 million has been recorded in the consolidated financial statements.
Trade receivables	Considering the expected delays in collection of receivables from customers, expected credit loss provision of ₹ 2.82 million is recorded in the consolidated financial statements.
Financial instrument risk and disclosures	Due to the rapidly changing economic environment, the Group is subject to new or increasing risk (e.g. credit, liquidity, or market risk) or concentrations of risk. Consequently, additional risk disclosures have been included in Note 45 of the consolidated financial statements including a sensitivity analysis pertaining to changes in the relevant risk variable that are "reasonably possible" at 31 March 2020.
Fair value measurement	Due to the rapidly changing economic environment, the Group is subject to new or increasing risk (e.g. credit, liquidity, or market risk) or concentrations of risk. Consequently, additional risk disclosures have been included in Note 45 of the consolidated financial statements including a sensitivity analysis pertaining to changes in the relevant risk variable that are "reasonably possible" at 31 March 2020.
Deferred tax assets, net	Deferred tax asset (DTA) includes DTA recorded on carry forward losses as per Income-tax Act, 1961, which is based on reasonable certainty with convincing evidence of availability of taxable profits in subsequent years for utilization thereof. Management has re-assessed the availability of taxable profits in the subsequent years and based on evidence of the same and the expected timing of utilization of such losses, recorded DTA on the same.

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

For and on behalf of the Board of Directors of
Chalet Hotels Limited
(CIN No.L55101MH1986PLC038538)

Mansi Pardiwalla
Partner
Membership No: 108511

Sanjay Sethi
Managing Director & CEO
(DIN. 00641243)

Rajeev Newar
Executive Director & CFO
(DIN. 00468125)

Christabelle Baptista
Company Secretary
Membership No: A17817

Mumbai
8 June 2020

Mumbai
8 June 2020

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below

I The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20:

Name of Directors		Designation	Ratio of Remuneration of each Director to median remuneration	Remuneration (₹)
1	Mr. Hetal Gandhi	Chairman & Independent Director	2.33:1	635,000
2	Mr. Ravi C. Raheja	Non Executive Director	2.31:1	630,000
3	Mr. Neel C. Raheja	Non Executive Director	1.61:1	440,000
4	Mr. Joseph Conrad D'Souza	Independent Director	2.44:1	665,000
5	Mr. Arthur De Haast[3]	Independent Director	9.08:1	2,473,909
6	Ms. Radhika Piramal	Independent Director	1.10:1	300,000
7	Mr. Sanjay Sethi	Managing Director and CEO	231.62:1	63,106,398
8	Mr. Rajeev Newar	Executive Director and CFO	84.62:1	23,055,482

II The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2019-20 as compared to financial year 2018-19:

Name of Directors and KMPs		Designation	% increase / decrease in Remuneration
1	Mr. Hetal Gandhi	Chairman & Independent Director	-7.30
2	Mr. Ravi C. Raheja	Non Executive Director	-9.35
3	Mr. Neel C. Raheja	Non Executive Director	-8.33
4	Mr. Joseph Conrad D'Souza	Independent Director	-5.67
5	Mr. Arthur De Haast[3]	Independent Director	33.34
6	Ms. Radhika Piramal	Independent Director	50.00
7	Mr. Sanjay Sethi	Managing Director and CEO	92.18
8	Mr. Rajeev Newar	Executive Director and CFO	20.70
9	Ms. Christabelle Baptista	Company Secretary	58.44

NOTES:

1 The remuneration of Non Executive Directors consists only of Sitting Fees.

2 The median remuneration of the Company for all its employees is ₹ 272,460 for the Financial Year 2019-20.

3 Mr. Arthur DeHaast was paid professional fee as per the terms of his appointment.

4 There has been a revision in the quantum of sitting fee during the year under review.

III The percentage increase in the median remuneration of employees in the Financial Year 2019-20 :
The percentage increase in the median remuneration of all employees in the Financial Year was 16.02%.

IV The number of permanent employees on the rolls of Company as on March 31, 2020 :
The number of permanent employees on the rolls of Company as on March 31, 2020 was 2370.

V Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :
The average percentage increase in salaries for employees other than managerial personnel was 13.65%. The average percentage increase in salaries for managerial personnel was 65.89%. This is inclusive of one time bonus paid to managerial personnel as per the approval of the Compensation, Nomination & Remuneration Committee. The benchmark for salary increase was done based on the compensation survey conducted by the Company.

VI It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and members of senior management team is as per the Policy for Appointment of Directors & Remuneration of Director and Senior Management of the Company.

Statement under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of Top Ten employees in terms of remuneration drawn and employees drawing remuneration of ₹ 8,50,000/- or more per month and ₹ 1,02,00,000/- or more per annum

Sr. No.	Name of the Employee	Designation	Relation to any Director or Manager of the Company	Age as on March 31, 2020	Gross Remuneration (₹)	Qualification	Experience (Years)	Previous Employment & Designation	Date of Commencement of Employment	Percentage of Equity Shares held by the Employee in the Company (as on March 31, 2020)
1	Sanjay Sethi	Managing Director & Chief Executive Officer	No	55	63,106,398	Hotel Management - IHM Pusa	31	ITC Limited – Chief Operating Officer – Hotel Division	February 5, 2018	Nil
2	Rajeev Newar	Executive Director & Chief Financial Officer	No	52	23,055,482	A.C.A., A.C.S., B.Com (Hons)	27	The Indian Hotels Company Limited: VP – Finance	August 2, 2017	Nil
3	Dietmar Kielnhofer	General Manager – J W Marriott Sahar	No	56	45,167,303	Doctorate in Philosophy Business Management & Masters Degree in Marketing	35	Westin Tokyo - General Manager	May 3, 2017	Nil
4	Nicholas Dumbell	General Manager – Renaisance Mumbai Convention Centre & Lakeside Chalet and Marriott Executive Apartments (upto January 31, 2020)	No	45	31,361,730	Bachelor of Science	28	General Manager - Bengaluru Marriott Whitefield	September 1, 2016	Nil
5	Krishna Mohan N	Senior Vice President - Engineering	No	57	9,880,755	Masters in Civil Engineering, Bachelors in Civil Engineering	35	K. Raheja Corporate Services Pvt. Ltd.- Sr VP- Engineering	December 1, 2018	0.00091
6	Milind Wadekar	Vice President - Finance & Tax	No	50	7,659,405	Bachelor of Commerce, Chartered Accountant	28	Hotel Leela Venture Limited, Financial Controller	August 24, 2009	Nil
7	Parag Sawhney	General Manager – The Westin Hyderabad Mindspace	No	39	7,260,000	Masters in Business Administration	18	MRG Group, VP Hospitaity	September 11, 2019	Nil
8	Rajneesh Malhotra	Vice President - Operations & Asset Management	No	50	7,119,868	Masters in Business Administration	29	Radisson Hotel Group- Regional Director Operatons	April 1, 2019	Nil
9	Vijay Kumar Gupta	Associate Vice President - Legal & Secretarial	No	43	6,758,316	Bachelor of Commerce, LL.B., Company Secretary	21	K. Raheja Corporate Services Pvt. Ltd.- AVP- Legal	April 1, 2019	0.00005
10	Kadambini Mittal	General Manager - Bengaluru Marriott Whitefield	No	52	6,654,150	Post Graduate Diploma in Business Administration	28	Marriott International - Senior Area Director Sales & Distribution, South Asia	July 1, 2019	Nil
*	Nagesh Chawla	Cluster General Manager - Renaisance Mumbai Convention Centre & Lakeside Chalet and Marriott Executive Apartments (for part of the year)	No	49	2,100,000	Bachelor in Hotel Management	26	Managing Director - The Ritz Carlton Jakarta and JW Marriott Hotel Jakarta	February 3, 2020	Nil

* for part of the year - employee drawing remuneration in excess of ₹ 8,50,000/- per month

Bengaluru Marriott Hotel Whitefield

CHALET HOTELS LIMITED

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