

CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.

Balance sheet as at March 31, 2019

(Amount in INR)

	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	743	1,583
(b) Capital work-in-progress	4	5,77,08,576	16,81,54,113
(c) Other non-current assets	5	17,97,760	17,97,760
<b>Total non current assets</b>		<b>5,95,07,079</b>	<b>16,99,53,456</b>
<b>(2) Current Assets</b>			
(a) Financial Assets			
(i) Cash and cash equivalents	6	12,12,162	7,93,231
<b>Total current assets</b>		<b>12,12,162</b>	<b>7,93,231</b>
<b>TOTAL ASSETS</b>		<b>6,07,19,241</b>	<b>17,07,46,687</b>
<b>(1) EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	7	27,78,77,700	1,00,000
(b) Other equity	8	(24,16,49,919)	(10,37,02,553)
<b>Total equity</b>		<b>3,62,27,781</b>	<b>(10,36,02,553)</b>
<b>(2) Non current liabilities</b>			
(a) Deferred Tax Liabilities (Net)	9	3,82,550	3,82,550
<b>Total non current liabilities</b>		<b>3,82,550</b>	<b>3,82,550</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	10	1,91,37,000	24,70,02,000
(ii) Other financial Liabilities	11	49,71,910	2,69,64,690
<b>Total Current liabilities</b>		<b>2,41,08,910</b>	<b>27,39,66,690</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,07,19,241</b>	<b>17,07,46,687</b>
Summary of significant accounting policies	1-2		
Refer accompanying notes. These notes are an integral part of financial	3-23		

As per our report of even date

For Nayan Parikh & Co.

Chartered Accountants

Firm Registration No.107023W

For and on behalf of the Board of Directors

sd/-

K. Y. Narayana

Membership No. 060639

Partner

sd/-

Sanjay Sethi

DIN - 00641243

Director

sd/-

Rajeev Newar

DIN - 00468125

Director

Place: Mumbai

Date : 26 April, 2019

Place: Mumbai

Date :26 April, 2019

sd/-

Nishit Sheth

Company Secretary

Membership No. A43365

CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.

Statement of Profit and Loss for the year ended 31st March, 2019

(Amount in INR)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(I) Revenue</b>			
Other Income	12	71,500	69,260
<b>Total Income</b>		<b>71,500</b>	<b>69,260</b>
<b>(II) Expenses</b>			
Depreciation and Amortization Expenses	3	840	-
Finance Cost	13	2,28,11,858	2,68,51,099
Other Expenses	14	11,52,06,167	12,25,045
<b>Total Expenses</b>		<b>13,80,18,865</b>	<b>2,80,76,144</b>
<b>(III) Profit before tax:</b>		<b>(13,79,47,365)</b>	<b>(2,80,06,884)</b>
<b>(IV) Tax expense:</b>			
Current Tax	15	-	-
Deferred Tax	9	-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>(V) Profit/(Loss) for the Period</b>		<b>(13,79,47,365)</b>	<b>(2,80,06,884)</b>
<b>(VI) Other comprehensive (expense)/income</b>			
Items that will not be reclassified to profit or loss		-	-
<b>Total Other comprehensive Income/(Loss)</b>		<b>-</b>	<b>-</b>
<b>(VII) Total Comprehensive Income for the Period</b>		<b>(13,79,47,365)</b>	<b>(2,80,06,884)</b>
<b>(VIII) Earnings per equity share</b>			
Basic and diluted earnings per share	16	(19.26)	(2,800.69)
Summary of significant accounting policies	1-2		
Refer accompanying notes. These notes are an integral part of financial statements	3-23		

As per our report of even date

For Nayan Parikh & Co.  
Chartered Accountants  
Firm Registration No.107023W

For and on behalf of the Board of Directors

sd/-  
K. Y. Narayana  
Membership No. 060639  
Partner

sd/-  
Sanjay Sethi  
DIN - 00641243  
Director

sd/-  
Rajeev Newar  
DIN - 00468125  
Director

Place: Mumbai  
Date : 26 April, 2019

Place: Mumbai  
Date : 26 April, 2019

sd/-  
Nishit Sheth  
Company Secretary  
Membership No. A43365

# CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.

Statement of Cash Flow for the year ended 31st March, 2019

(Amount in INR)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit before Tax	(13,79,47,365)	(2,80,06,884)
Adjustments for :		
Depreciation and amortisation	840	-
Finance costs	2,28,11,858	2,68,51,099
Impairment of Capital Work in Progress and capital advances	11,04,45,539	-
Total	13,32,58,237	2,68,51,099
Operating Profit before working capital changes	(46,89,129)	(11,55,785)
(Decrease) / Increase in Liabilities and Provisions	1,67,090	89,509
Cash Generated from Operations	(45,22,039)	(10,66,276)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>(45,22,039)</b>	<b>(10,66,276)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Payment of capital advances	-	(12,31,255)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>-</b>	<b>(12,31,255)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Issue of Equity shares	27,77,77,700	-
Short term borrowings	24,88,35,000	51,36,00,000
Short term borrowings repaid	(47,67,00,000)	(48,50,00,000)
Interest and financial charges paid	(4,49,71,731)	(2,59,70,377)
<b>NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>49,40,969</b>	<b>26,29,623</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)</b>	<b>4,18,930</b>	<b>3,32,093</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>7,93,231</b>	<b>4,61,138</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>12,12,162</b>	<b>7,93,231</b>

Significant accounting policies

1-2

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

For Nayan Parikh & Co.  
Chartered Accountants  
Firm Registration No.107023W

For and on behalf of the Board of Directors

sd/-  
K. Y. Narayana  
Membership No. 060639  
Partner

sd/-  
Sanjay Sethi  
DIN - 00641243  
Director

sd/-  
Rajeev Newar  
DIN - 00468125  
Director

Place: Mumbai  
Date: 26 April, 2019

Place: Mumbai  
Date : 26 April, 2019

sd/-  
Nishit Sheth  
Company Secretary  
Membership No. A43365

# CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.

## Statement of changes in equity

(Amount in INR)

(a) Equity share capital	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the reporting period	1,00,000	1,00,000
Shares issued during the year	2,77,77,770	
<b>Balance at the end of the reporting period</b>	<b>2,78,77,770</b>	<b>1,00,000</b>

  

(b) Other equity	Attributable to the owners of the Company	
	Retained earnings	Total
<b>Balance at March 31, 2017</b>	<b>(7,56,95,670)</b>	<b>(7,56,95,670)</b>
<b>Total comprehensive income for the year</b>		
Profit/(Loss) for the year	(2,80,06,884)	(2,80,06,884)
<b>Balance at March 31, 2018</b>	<b>(10,37,02,553)</b>	<b>(10,37,02,553)</b>
<b>Total comprehensive income for the year</b>		
Profit/(Loss) for the year	(13,79,47,365)	(13,79,47,365)
<b>Balance at March 31, 2019</b>	<b>(24,16,49,919)</b>	<b>(24,16,49,919)</b>

Refer accompanying notes. These notes are an integral part of financial statements

**For Nayan Parikh & Co.**  
**Chartered Accountants**  
**Firm Registration No.107023W**

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

sd/-  
**K. Y. Narayana**  
 Membership No. 060639  
 Partner

sd/-  
**Sanjay Sethi**  
 DIN - 00641243  
 Director

sd/-  
**Rajeev Newar**  
 DIN - 00468125  
 Director

Place: Mumbai  
 Date : 26 April, 2019

Place: Mumbai  
 Date : 26 April, 2019

sd/-  
**Nishit Sheth**  
 Company Secretary  
 Membership No. A43365

## CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.

### Notes to the Ind AS Financial Statements for the year ended 31st March, 2019

#### 1 Background

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

#### 2 Significant accounting policies

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

#### Basis of preparation

##### 2.1 Statement of compliance

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

The Ind AS financial statements of the Company for year ended March 31, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on 26th April, 2019.

##### 2.2 Functional and presentation currency

These Ind AS financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the financial information have been presented in Indian Rupees (INR).

##### 2.3 Basis of measurement

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

##### 2.4 Use of estimates and judgements

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

##### 2.5 Current / non-current classification

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

#### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

#### Liabilities

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

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

## 2 Significant accounting policies (Continued)

### 2.6 Property, plant and equipment

#### i. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation / amortisation and impairment losses, if any 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 statement of profit or loss.

#### ii. Subsequent expenditure

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

#### 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 fixed asset made during the year is provided on pro-rata basis from / upto the date of each addition / deletion. The useful lives of assets estimated by management is same as prescribed in Schedule II to the Act, except in respect of the following categories of assets, where the life is different than that of Schedule II.

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

### 2.7 Capital work in progress

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

### 2.8 Impairment of assets

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

### 2.9 Revenue recognition

The Company adopts the accrual system of accounting. Revenue is recognized as and when there is a reasonable certainty of its ultimate realization.

### 2.10 Inventories

There are no inventories held by company.

### 2.11 Taxation

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

#### Current tax

Provision for current tax is based on the results for the year ended March 31, 2019, in accordance with the provisions of the Income-tax Act, 1961.

#### Deferred tax

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

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

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

## 2 Significant accounting policies (Continued)

### Minimum Alternate Tax (MAT)

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

### 2.12 Earnings per share

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

### 2.13 Provision, contingent liabilities and contingent asset

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

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

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

### 2.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### 2.15 Financial instruments

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

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

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

#### Classification and Subsequent Measurement : Financial Assets

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

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

#### **Amortised Cost :**

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

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

#### **FVTOCI :**

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

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

## 2 Significant accounting policies (Continued)

### **FVTPL :**

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

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

### Impairment of Financial Assets :

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

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

### Classification and Subsequent measurement - Financial Liabilities

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

### Financial Liabilities at FVTPL :

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

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

### Other Financial Liabilities :

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

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

### Derecognition of Financial Assets and Financial Liabilities :

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

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

## 2.16 Measurement of fair values

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

They regularly review significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuation should be classified.

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

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

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



## 2 Significant accounting policies (Continued)

### 2.17 Financial guarantee contracts

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

### 2.18 Operating segments

#### Basis for segmentation

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

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

## CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.

Notes to the Ind AS Financial Statements as at March 31, 2019

Note No. 3 - Property, plant and equipment

(Amount in INR)

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Block		
	As at April 1, 2018	Additions	Disposals	As at March 31, 2019	As at April 1, 2018	Depreciation charge for the year	On Disposals	As at March 31, 2019	As at March 31, 2018
<b>Own Assets:</b>									
Plant & Machinery	3,263	-	-	3,263	1,680	840	-	743	1,583
Furniture & Fixtures	691	-	-	691	691	-	-	-	-
<b>Total</b>	<b>3,954</b>	<b>-</b>	<b>-</b>	<b>3,954</b>	<b>2,371</b>	<b>840</b>	<b>-</b>	<b>743</b>	<b>1,583</b>

Year ended March 31, 2018

Particulars	Gross Carrying Amount			Accumulated Depreciation			Net Block		
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at April 1, 2017	Depreciation charge for the year	On Disposals	As at March 31, 2018	As At March 31, 2017
<b>Own Assets:</b>									
Plant & Machinery	3,263	-	-	3,263	840	840	-	1,583	2,423
Furniture & Fixtures	691	-	-	691	691	-	-	-	-
<b>Total</b>	<b>3,954</b>	<b>-</b>	<b>-</b>	<b>3,954</b>	<b>1,531</b>	<b>840</b>	<b>-</b>	<b>1,583</b>	<b>2,423</b>

CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.  
Notes to the Ind AS Financial Statements for the year ended 31st March, 2019

(Amount in INR)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Note 4</b>		
Capital work in progress	16,81,54,113	16,81,54,113
Less: Impairment of Capital work in progress	(11,04,45,537)	-
	<b>5,77,08,576</b>	<b>16,81,54,113</b>

There was delay in implementation of International Convention Centre Complex (ICCC) Project as the Department of Tourism (DOT), Government of Kerala (GOK) is yet to contribute land for the project as its equity contribution in kind. Recently the GOK has shown urgency as well as given assurance to grant necessary approvals on priority basis. However, the Company has decided to impair the cost of capital work in progress to the extent expenses incurred are infructuous amounting to Rs.11,04,45,537 and therefore, not usable.

In view of this delay, the Company has further extended the performance guarantee given to the DOT, GOK, for a period up to March 10, 2020. The company has ceased capitalisation of borrowing cost with effect from the financial year 2014-15.

**CWIP Movement**

Particulars	As at March 31, 2019	As at March 31, 2018
Service Contracts	-	11,61,702
Miscellaneous expenses	-	70,393
Grand Total	-	<b>12,32,095</b>

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Note 5</b>		
<b>Other non-current assets</b>		
Capital Advances (Unsecured, considered doubtful)	17,97,760	17,97,760
	<b>17,97,760</b>	<b>17,97,760</b>

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Note 6</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	10,132	13,366
Balance with banks		
- Current accounts	12,02,030	7,79,865
	<b>12,12,162</b>	<b>7,93,231</b>

**Note 7**  
**Share Capital**

**(a) Details of the Authorised, Issued, Subscribed and Paid-up Share Capital as below :**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorised</b>		
2,80,00,000 (March 31, 2018 : 50,000) Equity Shares of Rs. 10/- each	28,00,00,000	5,00,000
<b>Issued, Subscribed and Paid up</b>		
2,77,87,770 (March 31, 2018 : 10,000) Equity Shares of Rs. 10/- each	27,78,77,700	1,00,000
	<b>27,78,77,700</b>	<b>1,00,000</b>

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Equity Shares outstanding at the beginning of the year	10,000	1,00,000	10,000	1,00,000
Equity Shares Issued during the year	2,77,77,770	27,77,77,700	-	-
Equity Shares outstanding at the end of the year	2,77,87,770	27,78,77,700	10,000	1,00,000

**c) Shareholder holding more than 5 percent shares:**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Chalet Hotels Limited (formerly known as Chalet Hotels Private Limited)	2,50,09,000	90%	9,000	90%
K Raheja Corp Private Limited	27,78,770	10%	1,000	10%

**(d) Rights, preference and restrictions attached to shares:**

Equity Shares

The company has one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Note 8</b>		
<b>Other Equity</b>		
<b>Retained earnings</b>		
As per last Balance Sheet	(10,37,02,553)	(7,56,95,670)
Add: Profit/ (Loss) for the year	(13,79,47,365)	(2,80,06,884)
	<b>(24,16,49,919)</b>	<b>(10,37,02,553)</b>

**Nature and Purpose of reserves**

**Retained earnings**

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

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Note 10</b>		
<b>Borrowings</b>		
From Related Parties (Refer Note No. 21)	1,91,37,000	24,70,02,000
	<b>1,91,37,000</b>	<b>24,70,02,000</b>

Note : Loan is repayable on demand. Interest charged for the year ended March 31, 2019 @ 11%.

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>Note 11</b>		
<b>Other Current Financial Liabilities</b>		
Interest accrued but not due on borrowings	46,60,021	2,49,93,926
Other payables	2,73,145	74,811
Statutory Dues Payable	38,744	18,95,953
	<b>49,71,910</b>	<b>2,69,64,690</b>

CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.

Notes to the Ind AS Financial Statements for the year ended March 31, 2019

(Amount in INR)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note 12</b>		
<b>Other Income</b>		
Sale of Coconuts	71,500	69,260
	<b>71,500</b>	<b>69,260</b>

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note 13</b>		
<b>Finance Costs</b>		
Interest expenses	2,28,11,858	2,68,51,099
	<b>2,28,11,858</b>	<b>2,68,51,099</b>

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note 14</b>		
<b>Other Expenses</b>		
Impairment of Capital Work in Progress	11,04,45,539	-
Security Expenses	12,49,620	-
Professional Fees	6,93,798	11,27,741
Rates and Taxes	24,87,778	-
Auditors' remuneration (including GST)	29,500	17,700
Office Maintenance Expenses	1,25,964	26,050
Transport, Travelling and Conveyance	39,287	17,480
Miscellaneous expenses	49,881	6,681
Telephone Telex Charges	19,931	10,057
Power and fuel & Water Charges	15,293	7,671
Repairs & Maintenance	-	1,886
Books & Periodicals	5,355	5,040
Postage & Telegram	1,764	1,053
Printing and stationery	612	1,428
Filing Fees	320	1,616
Bank Charges	41,526	644
	<b>11,52,06,167</b>	<b>12,25,045</b>

<b>Footnote:</b>		
Auditors remuneration		
Auditor	25,000	15,000
Goods service tax on above	4,500	2,700
	<b>29,500</b>	<b>17,700</b>

## CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.

Notes to the Ind AS Financial Statements for the year ended 31st March, 2019

Note 9

(i) Movement in deferred tax balances

Movement in deferred tax balances for the year ended March 31, 2019					(Amount in INR)
Particulars	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Net balance March 31, 2019
<b>Deferred tax asset/(liabilities)</b>					
Property, plant and equipment	3,82,550	-	-	-	3,82,550
<b>Deferred tax assets (Liabilities)</b>	<b>3,82,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,82,550</b>

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

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

(ii) Unrecognised deferred tax assets

Deferred tax assets have 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:

Particulars	March 31, 2019		March 31, 2018	
	Gross amount	Expiry date	Gross amount	Expiry date
Business loss	-		2,55,859	31st March, 2019
Business loss	3,12,423	31st March, 2020	3,12,423	31st March, 2020
Business loss	5,90,889	31st March, 2021	5,90,889	31st March, 2021
Business loss	6,35,496	31st March, 2022	6,35,496	31st March, 2022
Business loss	80,964	31st March, 2023	80,964	31st March, 2023
Business loss	64,815	31st March, 2025	64,815	31st March, 2025
Depreciation loss	32,795	NA	32,795	NA
Depreciation loss	3,23,553	NA	3,23,553	NA
Depreciation loss	2,52,458	NA	2,52,458	NA
Depreciation loss	1,80,556	NA	1,80,556	NA
Depreciation loss	99,287	NA	99,287	NA
Depreciation loss	10,499	NA	10,499	NA
Depreciation loss	17,516	NA	17,516	NA
Depreciation loss	8,924	NA	8,924	NA

# CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.

Notes to the Ind AS Financial Statements for the year ended 31st March, 2019

## Note 15

### Tax expense

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

(Amount in INR)

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Current income tax	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	-
Deferred tax expense	-	-
Tax expense for the year	-	-

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

Items that will not be reclassified to profit or loss	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of the defined benefit plans	-	-	-	-	-	-

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

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Current income tax	-	-
Deferred income tax liability / (asset), net	-	-

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

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Profit before tax	(13,79,47,365)	(2,80,06,884)
Company's domestic tax rate	25.75%	30.90%
Tax using the Company's domestic tax rate	(3,55,21,447)	(86,54,127)
Tax effect of:		
Expenses not allowed under tax	3,55,39,858	86,75,528
Income not subject to tax	(18,411)	(21,401)
Tax Expense	-	-

# CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.

Notes to the Ind AS Financial Statements for the year ended 31st March, 2019

## Note 16

### Earnings per share

Particulars	(Amount in INR)	
	March 31, 2019	March 31, 2018
<b>1</b>		
<b>Calculation of weighted average number of equity shares - Basic and diluted</b>		
(a) Number of shares at the beginning of the year	10,000	10,000
(b) Number of equity shares outstanding at the end of the year	2,77,87,770	10,000
<b>Weighted average number of equity shares outstanding during the year</b>	<b>71,63,727</b>	<b>10,000</b>
<b>2</b>		
Profit attributable to ordinary shareholders - Continuing operations	(13,79,47,365)	(2,80,06,884)
<b>Total</b>	<b>(13,79,47,365)</b>	<b>(2,80,06,884)</b>
<b>3</b>		
Basic and Diluted Earnings per share (Rs.) for continuing operations	(19.26)	(2,800.69)
<b>4</b>		
Nominal Value of Shares (Rs.)	10	10



CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.  
Notes to the Ind AS Financial Statements for the year ended 31st March, 2019

(Amount in INR)

Note 17

Contingent liabilities (to the extent not provided for)

Contingent liabilities	As at March 31, 2019	As at March 31, 2018
Performance Guarantees given to Department of Tourism of Kerala	5,00,00,000	5,00,00,000

Note 18

Capital Commitments

Capital Commitments	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,67,00,000	1,67,00,000

Note 19

Dues to micro and small enterprises

As per the intimation available with the Company, there are no outstanding dues to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, ('MSMED').

Particulars	Non Current	Current	Non Current	Current
	March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018
Principal amount due and remaining unpaid	Nil	Nil	Nil	Nil
Interest due on above and the unpaid interest	Nil	Nil	Nil	Nil
Interest Paid	Nil	Nil	Nil	Nil
Payment made beyond the appointed day during the year	Nil	Nil	Nil	Nil
Interest due and payable for the period of delay	Nil	Nil	Nil	Nil
Interest due and remaining unpaid	Nil	Nil	Nil	Nil
Interest accrued and remaining unpaid	Nil	Nil	Nil	Nil
Amount of further interest remaining due and payable in succeeding year	Nil	Nil	Nil	Nil

CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.

Notes to the Ind AS Financial Statements for the year ended March 31, 2019

**Note 20**

**Financial instruments: Fair values measurement, Financial risk management and Capital management**

(i) **Methods and assumptions used to estimate the fair values**

The fair values of the financial assets and liabilities are included at the amount at which the instruments can be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumption used to estimate the fair value

- The carrying amounts of receivable and payable which are short term in nature such as trade receivable, other receivable, other bank balance, deposit, loans, accrued interest, trade payable, receivable / payable for property, plant & equipment, demand loans from banks and cash and cash equivalents are considered to be the same as their fair values
- The fair values of non-current assets & liabilities are measured at amortised cost and are classified as level 3 fair value hierarchy due to the use of unobservable inputs
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values

(ii) **Categories of financial instruments**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities  
 Level 2: directly or indirectly observable market inputs, other than level 1 inputs; and  
 Level 3: input which are not based on observable market data

	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Current financial assets</b>				
Cash and cash equivalents	12,12,162	12,12,162	7,93,231	7,93,231
	<b>12,12,162</b>	<b>12,12,162</b>	<b>7,93,231</b>	<b>7,93,231</b>
<b>Current financial liabilities</b>				
Borrowings	1,91,37,000	1,91,37,000	24,70,02,000	24,70,02,000
Other financial liabilities	49,71,910	49,71,910	2,69,64,690	2,69,64,690
	<b>2,41,08,910</b>	<b>2,41,08,910</b>	<b>27,39,66,690</b>	<b>27,39,66,690</b>

(iii) **Financial Risk Management**

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk Management is a structured approach to manage uncertainty. The Board has adopted a Risk Management Policy. All business divisions and corporate functions have embraced Risk Management Policy and make use of it in their decision making. Risk management is an integral part of the business practices of the Company.

**a. Credit risk**

Credit risk arises from the possibility that the counterparty will cause financial loss to the company by failing to discharge its obligation as agreed. To manage this, the company periodically assesses the financial liability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

Credit risk arises primarily from financial assets such as trade receivables, investments in mutual funds and other balances with banks. Credit risk arising from investments in mutual funds and other balances with banks is limited as the counterparties are banks and financial institutions with high credit ratings.

(i) **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.

(ii) **Other financial assets**

Other financial assets are neither past due nor impaired.

**b. Liquidity risk**

Liquidity risk is risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company's principle sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations and believes that these cash flows along with its current cash and cash equivalents and funding arrangements are sufficient to meet its financial obligations as and when they fall due. Accordingly, liquidity risk is perceived to be low.

**Maturities of financial liabilities**

The table below provides details regarding the remaining contractual maturities of financial liabilities as at the reporting date:

As at March 31, 2019	less than 1 year	1 to 5 year	Total
<b>Non-Derivatives</b>			
Borrowings		1,91,37,000	-
Other current financial liabilities		49,71,910	-
			1,91,37,000
			49,71,910
<b>As at March 31, 2018</b>	<b>less than 1 year</b>	<b>1 to 5 year</b>	<b>Total</b>
<b>Non-Derivatives</b>			
Borrowings		24,70,02,000	-
Other current financial liabilities		2,69,64,690	-
			24,70,02,000
			2,69,64,690

**c. Market risk**

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

**d. Risk management framework**

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

The Company's risk management policies are established to the identify the risk 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.

**CHALET HOTELS & PROPERTIES (KERALA) PVT. LTD.**  
**Notes to the Ind AS Financial Statements for the year ended 31st March, 2019**

(Amount in INR)

Note No. 21

**Related Party Disclosures**

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

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

Holding Company:	Chalet Hotels Limited (formerly known as <i>Chalet Hotels Private Limited</i> )
Joint Venture Partner	K Raheja Corp Private Limited

**(B) Transactions during the year ended March 31, 2019**

Nature of Transaction	Name of The Related Party	Transaction for the year ended March 31, 2019	Transaction for the year ended March 31, 2018
Loan Borrowed	Chalet Hotels Limited (formerly known as Chalet Hotels Private Limited)	22,16,00,000	24,65,00,000
Loan Borrowed	K Raheja Corp Private Limited	2,72,35,000	26,71,00,000
Loan Repaid	Chalet Hotels Limited (formerly known as Chalet Hotels Private Limited)	22,81,00,000	24,00,00,000
Loan Repaid	K Raheja Corp Private Limited	24,86,00,000	24,50,00,000
Interest	K Raheja Corp Private Limited	51,77,804	1,76,51,784
Interest	Chalet Hotels Limited (formerly known as Chalet Hotels Private Limited)	1,76,34,055	91,99,315

**Footnote:**

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

**(C) Balances outstanding**

Balance Outstanding	Name of The Related Party	As At March 31, 2019	As At March 31, 2018
Outstanding Loan Balance	Chalet Hotels Limited (formerly known as Chalet Hotels Private Limited)	-	65,00,000
Outstanding Loan Balance	K Raheja Corp Private Limited	1,91,37,000	24,05,02,000
Interest Payable	K Raheja Corp Private Limited	46,60,024	1,76,51,784
Interest Payable	Chalet Hotels Limited (formerly known as Chalet Hotels Private Limited)	-	91,99,315

**Note 22**

In the opinion of the Board of Directors, assets other than Property, plant and equipment are realizable at a value, which is at least equal to the amount at which these are stated in the ordinary course of business and provision made for all known and determined liability are adequate and not in excess of the amount stated.

**Note 23**

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

**For Nayan Parikh & Co.**

**Chartered Accountants**

**Firm Registration No.107023W**

sd/-

**K. Y. Narayana**

**Membership No. 060639**

Partner

Place: Mumbai

Date : 26 April, 2019

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

sd/-

**Sanjay Sethi**

DIN - 00641243

Director

Place: Mumbai

Date : 26 April, 2019

sd/-

**Rajeev Newar**

DIN - 00468125

Director

sd/-

**Nishit Sheth**

Company Secretary

Membership No. A43365