DRAFT RED HERRING PROSPECTUS
Dated: June 28, 2018
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
Book Built Issue

BHARAT HOTELS LIMITED

Our Company was incorporated in New Delhi as a public limited company on January 22, 1981 under the Companies Act, 1956 (as defined hereinafter) and received a certificate of commencement of business on May 4, 1981 from the Registrar of Companies, Delhi and Haryana located at New Delhi (now, Registrar of Companies, National Capital Territory of Delhi and Haryana, located at New Delhi (the "**RoC**")). For details in relation to change in the registered office of our Company, see "*History and Certain Corporate Matters*" on page 204.

Registered and Corporate Office: Barakhamba Lane, New Delhi 110 001, India
Tel: +91 11 4444 7777; **Fax:** +91 11 4444 1234
Contact Person: Himanshu Pandey, Company Secretary and Head Legal and Compliance Officer
E-mail: bhlipo@thelalit.com; **Website:** www.thelalit.com
Corporate Identity Number: U74899DL1981PLC011274

OUR PROMOTERS: DR. JYOTSNA SURI, MR. RAMESH SURI AND DEEKSHA HOLDING LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF BHARAT HOTELS LIMITED (OUR "COMPANY" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE") AGGREGATING UP TO ₹ 12,000 MILLION (THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMS") AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●] AND [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] (HINDI BEING THE REGIONAL LANGUAGE OF NEW DELHI, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED (THE "BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the BRLMs and the terminals of the Syndicate Members (as defined hereinafter) and by intimation to other Designated Intermediaries (as defined hereinafter).

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"). The Issue is being made through the Book Building Process and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, which price shall be determined by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential investors, other than Anchor Investors, are required to mandatorily utilize the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (the "**SCSBs**") to participate in the Issue. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, see "*Issue Procedure*" on page 617.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company subsequent to the voluntary delisting of the Equity Shares of our Company in June 2003, presently there is no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company, in consultation with the BRLMs, as stated under "*Basis for Issue Price*" on page 133) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares to be issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (the "**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 20.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be the [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC for registration in accordance with the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page 686.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
HDFC Bank Limited Investment Banking Group Unit No. 401 & 402, 4th Floor, Tower B Peninsula Business Park Lower Parel Mumbai 400 013 Maharashtra, India Tel: +91 22 3395 8021 Fax: +91 22 3078 8584 E-mail: bharathotels.ipo@hdfcbank.com Website: www.hdfcbank.com Investor Grievance ID: investor.redressal@hdfcbank.com Contact person: Mr. Rakesh Bhunatar/Mr. Ronak Shah SEBI Registration No.: INM000011252	**Edelweiss Financial Services Limited** 14th Floor, Edelweiss House Off. C.S.T Road, Kalina Mumbai 400 098, India Tel: +91 22 4009 4400 Fax: +91 22 4086 3610 E-mail: bharathotels.ipo@edelweissfin.com Website: www.edelweissfin.com Investor Grievance ID: customerservice.mb@edelweissfin.com Contact person: Mr. Aditya Menon SEBI Registration No.: INM0000010650	**YES Securities (India) Limited** IFC Tower 1&2 Unit No. 602 A, 6th Floor Senapati Bapat Marg Elphinstone Road Mumbai 400 013 India Tel: +91 22 3012 6919 Fax: +91 22 2421 4508 E-mail: bharathotelsipo@yessecuritiesltd.in Website: www.yesinvest.in Investor Grievance ID: igc@yessecuritiesltd.in Contact person: Mr. Nikhil Bhiwapurkar/Mr. Pratik Pednekar SEBI Registration No.: MB/INM000012227	**Karvy Computershare Private Limited** Karvy Selenium Tower B Plot No.31-32 Gachibowli Financial District Nanakramguda Hyderabad 500 032 India Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 E-mail: einward.ris@karvy.com Website: www.karisma.karvy.com Investor Grievance ID: bharathotels.ipo@karvy.com Contact person: Mr. Murali Krishna SEBI Registration No.: INR000000221

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON: [●][(1)]	**BID/ISSUE CLOSES ON: [●]**[(2)]

(1) Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period will be one Working Day prior to the Bid/Issue Opening Date.
(2) Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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SECTION I: GENERAL
DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless otherwise specified or the context otherwise indicates, requires or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be deemed to include all amendments, supplements, re-enactments and modifications thereto notified as at the date of this Draft Red Herring Prospectus. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the following definitions shall prevail.

General Terms

Term	Description
"our Company" or "the Company" or "the Issuer" or "Bharat Hotels"	Bharat Hotels Limited, a company incorporated under the Companies Act, 1956, whose registered office is situated at Barakhamba Lane, New Delhi 110 001, India
"we" or "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, LSECT and our Joint Venture

Company Related Terms

Term	Description
Articles or Articles of Association	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board of Directors. For details, see "*Our Management*" on page 219
Auditors or Statutory Auditors	The statutory auditors of our Company, namely Walker Chandiok & Co LLP
AZIL	Apollo Zipper India Limited
Board or Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Corporate Social Responsibility Committee or CSR Committee	The corporate social responsibility committee of our Board of Directors. For details, see "*Our Management*" on page 219
CRISIL Report	A report titled "*Assessment of hospitality sector in India*" dated June 2018 that has been prepared by CRISIL Research, a division of CRISIL Limited
Director(s)	The director(s) of our Company
Equity Shares	The equity shares of our Company of face value of ₹10 each
ESOP 2017	The Bharat Hotels Employee Stock Option Plan 2017. For details, see "*Capital Structure – Employee Stock Option Plan*" on page 115
Executive Director(s)	The executive Director(s) of our Company
Group Companies	The companies that are covered under the applicable accounting standards and any other company considered material by our Board of Directors pursuant to a policy on materiality of group companies approved by our Board of Directors by way of a resolution dated June 22, 2018, which are disclosed in "*Our Group Companies*" on page 245
Independent Director(s)	The independent Director(s) of our Company
IPO Committee	The IPO Committee of our Board of Directors. For details, see "*Our Management*" on page 219
Joint Venture or Cavern	Cavern Hotel & Resort FZCO. For details, see "*History and Certain Corporate Matters*" on page 204
Key Management Personnel	Key management personnel of our Company as disclosed in "*Our Management*" on page 219
Kujjal Builders	Kujjal Builders Private Limited
LSECT	The Lalit Suri Educational & Charitable Trust. For details, see "*History and Certain Corporate Matters*" on page 204
Memorandum or Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board of Directors. For details, see "*Our Management*" on page 219
Non-executive Director(s)	The non-executive Director(s) of our Company
Prima Buildwell	Prima Buildwell Private Limited
Prime Cellular	Prime Cellular Limited
Promoters	The promoters of our Company, namely Dr. Jyotsna Suri, Mr. Ramesh Suri and Deeksha Holding Limited. For details, see "*Our Promoters and Promoter Group*" on page 238
Promoter Group	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group – Promoter Group*" on page 240
Registered and Corporate Office	The registered and corporate office of our Company, which is located at Barakhamba Lane, New Delhi 110 001, India
Registrar of Companies or RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana, located at New Delhi

Term	Description
Restated Consolidated Financial Information	The restated consolidated financial information of our Company, which comprises the restated consolidated statement of assets and liabilities, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated statement of cash flow as at and for the financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, together with the annexures and notes thereto (presented in accordance with Ind AS), prepared in terms of the requirements of the Companies Act, 2013, as amended, read with the SEBI ICDR Regulations as amended from time to time. The restated consolidated financial information as at and for each of the years ended March 31, 2015 and March 31, 2014 are referred to as "the Proforma Ind AS Restated Consolidated Financial Information" as per the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India
Restated Financial Information	Collectively, the Restated Consolidated Financial Information and the Restated Standalone Financial Information
Restated Standalone Financial Information	The restated standalone financial information of our Company, which comprises the restated standalone statement of assets and liabilities, the restated standalone statement of profit and loss (including other comprehensive income), the restated standalone statement of changes in equity and the restated standalone statement of cash flow as at and for the financial years ended March 31, 2018, March 31, 2017, March 31 2016, March 31, 2015 and March 31, 2014, together with the annexures and notes thereto (presented in accordance with Ind AS) prepared in terms of the requirements of the Companies Act, 2013, as amended read with the SEBI ICDR Regulations as amended from time to time. The restated standalone financial information as at and for each of the years ended March 31, 2015 and March 31, 2014 are referred to as "the Proforma Ind AS Restated Standalone Financial Information" as per the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India
Senior Personnel	Senior personnel of our Company, as disclosed in "*Our Management*" on page 219
Shareholders	The holders of the equity shares of our Company from time to time
Stakeholders Relationship Committee	The stakeholders relationship committee of our Board of Directors. For details, see "*Our Management*" on page 219
Subsidiaries	The subsidiaries of our Company, namely Jyoti Limited, AZIL, Prime Cellular, Prima Buildwell and Kujjal Builders. For details, see "*History and Certain Corporate Matters*" on page 204
TLSHS	The Lalit Suri Hospitality School

Issue Related Terms

Term	Description
Acknowledgment Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of the Equity Shares to the successful Bidders pursuant to the Issue
Allotment Advice	A note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Issue Period in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which shall be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion, or up to [●] Equity Shares, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, which price shall be determined by our Company, in consultation

Term	Description
	with the BRLMs
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorize an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders, which may be blocked by such SCSB to the extent of the Bid Amount specified in such ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Any Bidder except Anchor Investor
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	Escrow Collection Bank(s), Refund Bank(s) and Public Issue Account Bank
Basis of Allotment	The basis on which Equity Shares shall be Allotted to successful Bidders under the Issue and which is described in "*Issue Procedure*" on page 617
Bid	An indication to make an offer during the Bid/Issue Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of such Bid cum Application Form
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the case may be
Bid Lot	[●] Equity Shares
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which shall be notified in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi, where our Registered and Corporate Office is located), each with wide circulation and in case of any revisions, the extended Bid/Issue Closing Date will also be notified on the websites of the BRLMs and the terminals of the Syndicate Members and by intimation to the other Designated Intermediaries. Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations
Bid/Issue Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi, where our Registered and Corporate Office is located), each with wide circulation
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centers	The centers at which at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process or Book Building Method	The book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Issue, namely HDFC Bank, Edelweiss and YES Securities
Broker Centers	The broker centers notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com as updated from time to time
CAN/Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated the Equity Shares, after the Anchor Investor Bid/Issue Period
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by the SEBI
Cut-off Price	The Issue Price finalized by our Company, in consultation with the BRLMs, which may be any price within the Price Band. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders and a list

Term	Description
	of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, as updated from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (at www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account(s) to the Public Issue Account or the Refund Account, as the case may be, and instructions are issued for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus, following which our Board of Directors (or a duly constituted committee thereof) shall Allot Equity Shares to successful Bidders, after registration of the Prospectus with the RoC
Designated Intermediaries	Collectively, the Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated June 28, 2018 filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted, including any addenda or corrigenda hereto
Edelweiss	Edelweiss Financial Services Limited
Eligible FPI(s)	FPI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank(s) and in whose favor the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement to be entered into among our Company, the Registrar to the Issue, the BRLMs, and the Bankers to the Issue, *inter alia*, for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with the SEBI as bankers to an issue and with whom the Escrow Account shall be opened, in this case being [●]
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalized and below which no Bids will be accepted
General Information Document/GID	The General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by the SEBI, as suitably modified and included in "*Issue Procedure*" on page 617
HDFC Bank	HDFC Bank Limited
Issue	The initial public offering of up to [●] Equity Shares of face value of ₹ 10 each, for cash at a price of ₹ [●] each, aggregating up to ₹ 12,000 million
Issue Agreement	The agreement dated June 28, 2018 entered into among our Company and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted to successful Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus and the Prospectus. The Issue Price as determined in accordance with the Book Building Process will be decided by our Company, in consultation with the BRLMs, on the Pricing Date
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
Monitoring Agency	[●]
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares, which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Issue Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The proceeds of the Issue less the Issue-related expenses. For further information regarding use of the

Term	Description
	Net Proceeds and the Issue expenses, see "*Objects of the Issue*" on page 121
Non-Institutional Investors or NIIs	All Bidders (including Category III FPIs) that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, or [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company, in consultation with the BRLMs and shall be advertised in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi, where our Registered and Corporate Office is located), each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date
Pricing Date	The date on which our Company, in consultation with the BRLMs, will finalize the Issue Price
Prospectus	The prospectus for the Issue to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account	Account to be opened in accordance with Section 40(3) of the Companies Act, 2013, with the Public Issue Account Bank to receive money from the Escrow Account and the ASBA Accounts maintained with the SCSBs on the Designated Date
Public Issue Account Bank	The bank with which Public Issue Account shall be opened, being [●]
QIB Portion	The portion of the Issue being not more than 50% of the Issue, or [●] Equity Shares, which shall be allocated on a proportionate basis to QIBs, including the Anchor Investor Portion, subject to valid Bids being received at or above the Issue Price or the Anchor Investor Allocation Price, as applicable
Qualified Institutional Buyers, QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus for the Issue to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Allotted, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	Account to be opened with the Refund Bank(s) from which refunds (excluding refunds to ASBA Bidders), if any, of the whole or part of the Bid Amount may be made to the Anchor Investors
Refund Bank(s)	The bank(s) with which Refund Account shall be opened, being [●]
Registered Brokers	The stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate, which are eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by the SEBI
Registrar Agreement	The agreement dated June 27, 2018, entered into among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with the SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by the SEBI
Registrar to the Issue/Registrar	Karvy Computershare Private Limited
Retail Individual Investors/RIIs	Individual Bidders who have Bid for Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through the *karta* and Eligible NRIs) and does not include NRIs (other than Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Issue, or [●] Equity Shares, which shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Form(s). QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date
Self Certified Syndicate Banks or SCSBs	The banks registered with the SEBI and offering services in relation to ASBA, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, as updated from time to time
Specified Locations	Bidding Centers where the Syndicate will accept ASBA Forms, a list of which is available at the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as updated from time to time
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members

Term	Description
Syndicate Agreement	The agreement to be entered into among the BRLMs, the Syndicate Members and our Company in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, to be appointed pursuant to the Syndicate Agreement, in this case being [●]
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into among the Underwriters and our Company on or after the Pricing Date but prior to the registration of the Prospectus with the RoC
Working Day(s)	All days other than the second and the fourth Saturday of a month or a Sunday or a public holiday on which commercial banks in Mumbai, India are open for business, except with reference to announcement of the Price Band and the Bid/Issue Period, "Working Day(s)" shall mean all days on which commercial banks in Mumbai, Maharashtra are open for business, excluding all Saturdays, Sundays and public holidays and with reference to the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day(s)" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, as amended from time to time
YES Securities	YES Securities (India) Limited

Industry/Business Related Terms

Term	Description
24/7	'24/7', a multi-cuisine all-day diner at certain of our hotels
ARR or Average Room Rate	This is calculated by dividing the room revenues during a given period by the total number of room nights sold in that period
Average expense per room	This is calculated by dividing the total expenses during a given period by the total number of rooms available during that period
Average Occupancy Rate	This is calculated by dividing the total number of rooms sold across all our hotels during a given period by total rooms available during that period across all our hotels
Average RevPAR	This is calculated by dividing the total room and apartment revenues during a given period by the total rooms available in that period
Average staff per room ratio	This is calculated by dividing the total number of full time employees during a given period by the total number of rooms available during that period
Average TRevPAR	This is calculated by dividing the total revenue from our hotel operations (i.e., revenue earned from room rentals and from the provision of F&B Services, Banqueting Services and Other Services) during a given period by the total number of rooms available in that period
B&B	Bed and breakfast
Baluchi	'Baluchi', a restaurant serving pan-Indian cuisine at certain of our hotels
Banqueting Services	This includes the provision of our banqueting and catering services, rent earned from leasing of banqueting space and related equipment as well as the sale of food and beverages as well as the sale of liquor and wine as part of our banqueting and catering services
BFSI	Banking, financial services and insurance
Bureau Veritas	Bureau Veritas S. A. is an international certification agency. In addition to certifications, they provide health, safety and environmental expertise
CBD	Central business district
DTVs	Domestic tourist visits
e-TV	Indian e-tourist visa
Earnings before interest, taxes, depreciation and amortization or EBITDA	This is calculated by taking our earnings before interest, tax, amortization and depreciation and subtracting them from our total amount of revenue
EBITDA margin	This is calculated by dividing our EBITDA during a given period by total revenue during that period
F&B	Food and beverage
F&B Services	This includes the sale of food and beverages as well as the sale of liquor and wine at our F&B outlets
FCI	Food Craft Institute
FMCG	Fast-moving consumer goods
FTVs	Foreign tourist visits
FTAs	Foreign tourist arrivals
GDS	Global Distribution System
GVA	Gross value added
HRACC	Hotel & Restaurant Approval & Classification Committee of the Ministry of Tourism, GoI
ITeS	IT enabled services
Kitty Su	'Kitty Su', a night club at certain of our hotels
MICE	Meetings, incentives, conferences and events
NCHMCT	National Council for Hotel Management and Catering Technology
NDMC License	Our license agreement with the New Delhi Municipal Corporation dated April 22, 1982 for a period of 99 years with effect from March 11, 1981

Term	Description
NTP	National Tourism Policy
Occupancy Rate	This is calculated by dividing the total number of rooms sold during a given period by the total number of rooms available at a hotel or group of hotels during that period
OKO	'Oko', an award winning restaurant serving pan-Asian cuisine at certain of our hotels
Other Services	Other services provided, including the sale of telecommunication and internet services, laundry services, business center services, spa services, limousine services and service charge on rooms and F&B Services
PSU	Public sector undertakings
RCI	Resort Condominiums International
RevPAR or Revenue Per Available Room	This is calculated by dividing the room and apartment revenues during a given period by the total number of rooms available in that period
The LaLiT Boulangerie	'The LaLiT Boulangerie', an in-house bakery and confectionary outlet at certain of our hotels
TMC	Travel management companies
TRevPAR or Total Revenue Per Available Room	The total revenue per available room which includes revenue earned from room rentals as well as from the provision of F&B Services, Banqueting Services and Other Services
UNWTO	World Tourism Organization, a specialized agency of the United Nations for tourism
Worldhotels	Worldhotels is a global brand bringing together 350 of the world's most unique independent hotels covering over 45 countries and six continents *(Source: Website of Worldhotels, available on www.worldhotels.com/about-us, as at May 31, 2018)*

Conventional Terms/Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
1997 Takeover Code	The erstwhile Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
AGM	Annual general meeting
Alternative Investment Funds or AIFs	Alternative investment funds as defined in, and registered under, the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
Aircraft Act	Aircraft Act, 1934
Aircraft Rules	Aircraft Rules, 1937
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by Companies (Accounting Standards) Rules, 2016
Bn/bn	Billion
bps	Basis points
BSE	BSE Limited
CAGR	Compounded annual growth rate
Category I FPIs	FPIs registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II FPIs	FPIs registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III FPIs	FPIs registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CBI	Central Bureau of Investigation
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIN	Corporate identity number
Client ID	Client identification number maintained with the Depositories in relation to a demat account
Companies Act	The Companies Act, 1956, to the extent effective and the Companies Act, 2013, as applicable
Companies Act, 2013	The Companies Act, 2013, to the extent effective, read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 1956	The Companies Act, 1956, read with rules, regulations, clarifications and modifications thereunder
Competition Act	The Competition Act, 2002
COPRA	The Consumer Protection Act, 1986
Copyright Act	The Copyright Act, 1957
CRISIL	CRISIL Research, a division of CRISIL Limited
CST Act	Central Sales Tax Act, 1956
Customs Act	The Customs Act, 1962
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DGCA	Director-General of Civil Aviation
DP or Depository Participant	A depository participant as defined under the Depositories Act

Term	Description
DP ID	Depository Participant's identification number
DSE or Delhi Stock Exchange	The erstwhile Delhi Stock Exchange Limited
ECL	Expected credit loss
EEA	European Economic Area
EGM	Extraordinary general meeting
EIR	Effective interest rate
EPA	Environment Protection Act, 1986
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	The Employees' State Insurance Act, 1948
FCA	Forest Conservation Act, 1980
FCNR Account	Foreign currency non-resident account, and has the meaning ascribed to the term "FCNR(B) account" under the Foreign Exchange Management (Deposit) Regulations, 2016
FDI	Foreign direct investment as defined under the FEMA Regulations
FDI Policy	The consolidated FDI Policy Circular of 2017 issued by the DIPP, which took effect from August 28, 2017
FEMA	The Foreign Exchange Management Act, 1999, read with the rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FICCI	Federation of Indian Chambers of Commerce and Industry
Financial Year or Fiscal or Fiscal Year or FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	The erstwhile Foreign Investment Promotion Board
FIR	First information report
Food Authority	Food Safety and Standards Authority of India
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
FSSA	The Food Safety and Standards Act, 2006
FSSR	Food Safety and Standards Rules, 2011
FVCI	Foreign venture capital investors as defined in, and registered with, the SEBI under the SEBI FVCI Regulations
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GAAR	General anti-avoidance rules
GDP	Gross Domestic Product
GoI or Government or Central Government	Government of India
GST	Goods and Services Tax
Hazardous Waste Rules	Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016
HUF	Hindu undivided family
IBC	Insolvency and Bankruptcy Code, 2016, as amended
ICAI	The Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards notified by the Ministry of Finance on March 31, 2015
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
IMF	International Monetary Fund
Income Tax Act	The Income-tax Act, 1961
Ind AS	The Indian Accounting Standards referred to and notified in the Ind AS Rules
Ind AS 101	First-Time Adoption of the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Ind AS Rules
Ind AS Rules or IAS Rules	The Companies (Indian Accounting Standards) Rules, 2015
India	The Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Insurance Act	Insurance Act, 1938
IPC	Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IST	Indian Standard Time
IT Act	Information Technology Act, 2000
ITDC	India Tourism Development Corporation Limited
KYC	Know Your Customer
Legal Metrology Act	Legal Metrology Act, 2009
LIBOR	London Interbank Offered Rate
Listing Agreement	The agreement to be entered into between our Company and each of the Stock Exchanges in relation to listing of the Equity Shares on such Stock Exchanges

Term	Description
MAT	Minimum alternate tax
MCA	Ministry of Corporate Affairs, Government of India
MHA	Ministry of Home Affairs, Government of India
MOCA	Ministry of Civil Aviation, Government of India
MoT or Tourism Ministry	Ministry of Tourism, Government of India
Mn or mn	Million
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NBFC	Non-banking financial company registered with the RBI
NCT	National Capital Territory
NCR	National Capital Region
NDMC	New Delhi Municipal Council
NEFT	National Electronic Fund Transfer
NGT	National Green Tribunal, Principal Bench, New Delhi
Noise Pollution Rules	Noise Pollution (Regulation and Control) Rules, 2000
NR or Non-Resident	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI
NRE Account	Non-Resident External Account, as defined under the Foreign Exchange Management (Deposit) Regulations, 2016
NRI	An individual resident outside India who is a citizen of India or an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account, as defined under the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately prior to such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue
OCI	Other comprehensive income
P&L	Profit and loss
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent Account Number allotted under the Income Tax Act
PAT	Profit after tax
PCBs	Pollution Control Boards
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RoW	Rest of the World
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Ind AS Transition Circular	SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
SEED	Society for Educational and Entrepreneurship Development
SICA	The erstwhile Sick Industrial Companies (Special Provisions) Act, 1985
SPPI	Solely payments of principal and interest
Sq. ft./sq.ft.	Square feet
Stamp Act	The Indian Stamp Act, 1899

Term	Description
State Government	The government of a state of India
State PCB	State Pollution Control Board
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax
Supreme Court	The Supreme Court of India
Systemically Important NBFC	In the context of a Bidder, non-banking financial company registered with the RBI and having a net worth of more than ₹ 5,000 million as per its last audited financial statements
TAN	Tax Deduction and Collection Account Number allotted under the Income Tax Act
Trade Marks Act	Trade Marks Act, 1999
U.S./USA/United States	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
U.S. Securities Act	The United States Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(zn) of the SEBI ICDR Regulations
Year or Calendar Year	Unless context otherwise required, shall mean the twelve month period ending December 31

The words and expressions used but not defined herein shall have the meanings assigned to such terms under the SEBI Act, the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

In "*Main Provisions of the Articles of Association*" on page 661, defined terms have the meaning given to such terms in the Articles of Association. Notwithstanding the foregoing, terms in "*Statement of Tax Benefits*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Financial Statements*", and "*Outstanding Litigation and Material Developments*" on pages 137, 199, 204, 261 and 559, respectively, shall have the meanings given to such terms in these respective sections.

NOTICE TO PROSPECTIVE INVESTORS

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decisions investors must rely on their own examination of our Company and the terms of the offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**")) in transactions exempt from the registration requirements of the U.S. Securities Act; and (b) outside the United States in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales occur.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "**Prospectus Directive**" means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive and Prospectus Regulations (EU) 2017/1129, to the extent applicable and to the extent implemented in the Relevant Member State (as defined below)) and includes any relevant implementing measure in each Member State that has implemented the Prospectus Directive (each a "**Relevant Member State**"). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the BRLMs to produce a prospectus for such offer. None of our Company and the BRLMs have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the BRLMs which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

Information to Distributors (as defined below)

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) ("**Distributors**") should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to "U.K." contained in this Draft Red Herring Prospectus are to the United Kingdom. All references to the "U.S." or the "United States" are to the United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia.

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

Financial Data

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**").

In terms of the Ind AS Rules, we are required to prepare our financial statements in accordance with Ind AS for periods beginning on or after April 1, 2016. Further, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (the "**SEBI Ind AS Transition Circular**") requires us to, for the purposes of disclosure in this Draft Red Herring Prospectus, prepare and present our standalone and consolidated restated financial information for the three most recent Financial Years, in this case, being Financial Years 2018, 2017 and 2016, in accordance with Ind AS and present our standalone and consolidated restated financial information for the two Financial Years prior thereto, being Financial Years 2015 and 2014, in accordance with the previously applicable generally accepted accounting principles followed in India ("**Indian GAAP**").

We transitioned to the Ind AS accounting principles with effect from April 1, 2016 with a transition date of April 1, 2015.

Our Restated Standalone Financial Information and our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus have been prepared and presented in accordance with Ind AS, of which the financial statements as at and for the years ended March 31, 2015 and 2014 have been prepared on a pro forma basis in accordance with the accounting standards prescribed under Ind AS, in compliance with the SEBI Ind AS Transition Circular and the guidance note on reports in company prospectuses issued by the ICAI.

India has adopted the IFRS-converged or IFRS-synchronized accounting standards, and not IFRS. Ind AS, therefore, differs in certain significant respects from IFRS and other accounting principles and standards with which investors may be more familiar. We have not made any attempt to quantify the impact of IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. In accordance with the SEBI Ind AS Transition Circular, we have presented the reconciliation from Indian GAAP to Ind AS in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Important Note on Transition from Indian GAAP to Ind AS and its Impact on the Preparation and Presentation of the Restated Financial Information*" on page 528. However, the degree to which this information will be useful for potential investors is entirely dependent on your level of familiarity with Indian accounting practices. Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with these accounting principles on our financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Also see "*Risk Factors – Significant differences exist between Ind AS used to prepare our Restated Financial Information and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, with which investors may be more familiar.*" and "*Risk Factors – The transition to Ind AS in India is very recent and there is insufficient clarity on the impact of such transition on us in future financial periods.*" on pages 57 and 59, respectively.

Unless stated or the context requires otherwise, the financial data included in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Information and the Restated Standalone Financial Information.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal year, unless stated otherwise, are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated or the context requires otherwise, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 20, 172 and 520, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information.

Non-Ind AS financial measures

We use a variety of financial and operational performance indicators to measure and analyze our operational performance from period to period, and to manage our business. Our management also uses other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the hospitality industry to evaluate a hotel's financial and operating performance. These financial and operational performance indicators and other statistical information are affected by a number of factors such as price, quality of accommodation and service, location, facilities and supporting infrastructure. Other factors include the performance of the hospitality industry, consumer preferences and our customers' ability to spend as well as competition and the supply of hotel rooms in each of the micro-markets in which we operate.

These financial and operational performance indicators have limitations as analytical tools. Some of these limitations include that they do not reflect:

- our cash expenditures or future requirements for capital expenditure or contractual commitments;
- changes in, or cash requirements for, our working capital needs; and
- the significant finance cost, or the cash requirements necessary to service our debt.

Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements.

As a result, these financial and operational performance indicators should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Financial Information. Further, these financial and operational performance indicators are not defined under Ind AS, and therefore, should not be viewed as substitutes for performance or profitability measures under Ind AS. While these financial and operational performance indicators may be used by other companies operating in the Indian hospitality industry, they may not be comparable to similar financial or performance indicators used by other companies. Other companies may use different financial or performance indicators or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to those used by us.

The key financial and operational performance indicators and ratios presented in this Draft Red Herring Prospectus are defined below, along with a brief explanation.

- *Average room rate ("**ARR**")* is calculated by dividing the room revenues during a given period by the total number of rooms sold in that period.
- *Occupancy Rate* is calculated by dividing the total number of rooms sold during a given period by the total number of rooms available at a hotel or group of hotels during that period.
- *Average Occupancy Rate* is calculated by dividing the total number of rooms sold across all our hotels during a given period by total rooms available during that period across all our hotels.
- *Revenue per available room ("**RevPAR**")* is calculated by dividing the room and apartment revenues during a given period by the total number of rooms available in that period.
- *Average RevPAR* is calculated by dividing the total room and apartment revenues during a given period by the total rooms available in that period.
- *Total revenue per available room ("**TrevPAR**")* is the total revenue per available room which includes revenue earned from room rentals as well as from the provision of F&B Services, Banqueting Services and Other Services.
- *Average TRevPAR* is calculated by dividing the total revenue from our hotel operations (i.e., revenue earned from room rentals and from the provision of F&B Services, Banqueting Services and Other Services) during a given period by the total number of rooms available in that period.
- *Average expense per room* is calculated by dividing the total expenses during a given period by the total number of rooms available during that period.
- *Average staff per room ratio* is calculated by dividing the total number of full time employees during a given period by the total number of rooms available during that period.
- *Earnings before interest taxes, depreciation and amortization ("**EBITDA**")* is calculated by taking our earnings before interest, tax, amortization and depreciation and subtracting them from our total amount of revenue.
- *EBITDA margin* is calculated by dividing our EBITDA during a given period by total revenue during that period.

Currency and Units of Presentation

All references to "₹ " or "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India.

All references to "£" or "GBP" are to the Pound Sterling, the official currency of the United Kingdom.

All references to "US$" or "USD" are to United States Dollars, the official currency of the United States of America.

All references to "AED" are to United Arab Emirates Dirham, the official currency of the United Arab Emirates.

Certain numerical information has been presented in this Draft Red Herring Prospectus in "million" units. 1,000,000 represents one million and 1,000,000,000 represents one billion. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Exchange Rates

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

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

Currency	May 31, 2018 (₹)	March 28, 2018[1] (₹)	March 31, 2017 (₹)	March 31, 2016 (₹)	March 31, 2015 (₹)	March 28, 2014[2] (₹)
1 GBP	89.70	92.28	80.88	95.09	92.46	99.85
1 USD	67.45	65.04	64.84	66.33	62.59	60.10
1 AED	18.36	17.71	17.65	18.03	16.97	16.30

(Source: rbi.org.in, Bloomberg)

(1) Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and two public holidays, respectively.

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

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources such as a report titled "*Assessment of hospitality sector in India*" dated June 2018 (the "**CRISIL Report**") that has been prepared by CRISIL Research, a division of CRISIL Limited ("**CRISIL**"), which report has been commissioned by our Company for the purposes of confirming our understanding of the industry in connection with the Issue.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy, adequacy, completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Although we believe that industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by our Company, our Directors, our Promoters, the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 20. Accordingly, no investment decision should be solely made on the basis of such information.

CRISIL has requested the following disclaimer for inclusion of the information in the CRISIL Report in this Draft Red Herring Prospectus:

"*CRISIL Research, a division of CRISIL Limited ("**CRISIL**") has taken due care and caution in preparing this report (the "**Report**") based on the information obtained by CRISIL from sources which it considers reliable (the "**Data**"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data or the Report and is not responsible for any errors or omissions or for the results obtained from the use of the Data or the Report. The Report is not a recommendation to invest or disinvest in any entity covered in the Report and no part of the Report should be construed as expert advice or investment advice or any form of investment banking activity (within the meaning of any law or regulation). CRISIL especially states that it has no liability whatsoever to the subscribers, users, transmitters or distributors of the Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing, or intending to provide, any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Bharat Hotels Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division or CRISIL Risk and Infrastructure Solutions Ltd ("**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the*

Report are that of CRISIL Research and not of CRISIL's Ratings Division or CRIS. No part of the Report may be published or reproduced in any form without CRISIL's prior written approval."

For details of risks in relation to the industry report, see "*Risk Factors — This Draft Red Herring Prospectus includes industry related information from an industry report, which we have commissioned from CRISIL*" on page 53.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" on page 133 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

Further, the extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "propose", "goal", "seek to", "likely", "will", "will continue", "will pursue", or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, changes in competition in our industry, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- terrorist attacks or the threat of terrorist attacks and other acts of violence or war, natural disasters, impediments in transportation, and outbreaks of epidemics, communicable diseases or other viruses;
- adverse effects of international market conditions, which may diminish the need for business travel or the demand for luxury leisure travel;
- national, regional and local political, economic and market conditions where our hotels operate and where our customers live, which could adversely affect travel related businesses;
- competition and local oversupply of hotel rooms, guests accommodation and venues for meetings and special events;
- decrease in operating margins due to increase in our operating costs due to:
    - escalation of labor costs, utility costs (including energy costs), transportation and fuel costs for sustained periods;
    - inflation, increased taxes and insurance costs;
    - unanticipated costs owing to acts of nature or any disruption in basic infrastructure such as the supply of electricity or water, or any unavailability or breakdown of equipment;
- slowdowns resulting from political events;
- concerns relating to safety of individuals in certain cities in India;
- increased requirements for maintenance or capital improvements;
- changes in governmental laws and regulations, fiscal policies and incentives and the costs of compliance;
- breaches in restrictive covenants which may give rise to defaults and cross defaults under the terms of our financing agreements;
- fluctuations in interest and currency exchange rates and in the availability, cost and terms and financing;
- changes in consumption patterns;
- termination or renewal on less favorable terms of our leases or licenses to our hotel properties;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 20, 172 and 520, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses in the future could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views of our Company as at the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, our Directors, our Promoters, the Syndicate or any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus until the receipt of final listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. Any potential investor should also pay particular attention to the fact that we are subject, in large part, to the legal and regulatory environment in India which may differ from that of other jurisdictions. The risks and uncertainties described below are not the only ones relevant to us, the Equity Shares, the hospitality industry or India. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, results of operations, financial condition and prospects. In making an investment decision, you must rely on your own examination of us and the terms of the Issue, including the merits and the risks involved. If any of the risks described below or other risks that are currently not known or have been deemed immaterial actually occur, individually or together, our business, results of operations, financial condition and prospects could be adversely affected, the trading price of the Equity Shares could decline and you may lose all or part of your investment.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, the effects of certain risks may not be quantifiable, and hence, have not been disclosed in the applicable risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

Please read this section in conjunction with the other sections of this Draft Red Herring Prospectus, in particular "Our Business", "Industry" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 172, 140 and 520, respectively. Unless otherwise stated, the financial information relating to us used in this section has been derived from our Restated Consolidated Financial Information included in "Financial Statements" on page 261.

This section also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" on page 18.

The industry related information contained in this section is derived from the CRISIL Report prepared by CRISIL except for other publicly available information cited in this section. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither the Company, nor any other person connected with the Issue has independently verified the information in the CRISIL Report or other publicly available information cited in this section. In this regard, also see "—This Draft Red Herring Prospectus includes industry related information from an industry report, which we have commissioned from CRISIL." on page 53.

INTERNAL RISK FACTORS

1. There are certain criminal proceedings pending against our Company, our Subsidiaries and certain of our Directors, former Directors and employees.

There are certain criminal proceedings pending against our Company, our Subsidiaries and certain of our Directors, former directors and employees at different stages of adjudication. For instance, the Central Bureau of Investigation (the "**CBI**") registered a First Information Report ("**FIR**") on August 13, 2014 against certain entities, including our Company and its authorized signatory and the former Secretary of the Department of Disinvestment, GoI (the "**Secretary, DoD**"), in relation to the acquisition of The LaLiT Laxmi Vilas Palace Udaipur from the GoI by our Company on February 26, 2002. It was alleged in the FIR that our Company, among other things, entered into a criminal conspiracy with the Secretary, DoD and certain financial advisors involved in the sale transaction and committed the offence of cheating under Sections 120B and 420 of the Indian Penal Code, 1860 by acquiring The LaLiT Laxmi Vilas Palace Udaipur at a nominal price and causing a loss of approximately ₹1.43 billion to the GoI. Pursuant to the FIR, the CBI issued letters directing our Company to provide relevant information in relation to the acquisition and also directed certain officials and former officials of our Company to appear before the CBI for examination. Our Company responded to the information requests made by the CBI on May 6, 2015 and arranged for the appearances of its officials before the CBI. Our Company has not received any further correspondence from the CBI since its response dated May 6, 2015 to the CBI's letter dated April 27, 2015. Any adverse outcome of such investigations may adversely affect the operations and financial performance of The LaLiT Laxmi Vilas Palace Udaipur and our reputation.

Furthermore, the Government Railway Police Station, Chandigarh (the "**Chandigarh Police**") registered an FIR on March 16, 2018 against certain staff members of The LaLiT Chandigarh, which is operated by our Subsidiary, Kujjal Builders, alleging the harassment and wrongful dismissal of a former employee, who later committed suicide. Kujjal Builders received information requests from the Chandigarh Police on March 19, 2018 and responded to such requests on March 20, 2018. Kujjal Builders has not received any further correspondence from the Chandigarh Police in this regard.

In relation to an accidental death of a guest at The LaLiT Chandigarh, the Judicial Magistrate, First Class, Chandigarh has, pursuant to an order dated November 28, 2017, directed that summons be issued to the then directors of The LaLiT Chandigarh to determine negligence of the management of The LaLiT Chandigarh in such incident. For details, see "— *Certain incidents may result in claims from our customers, which could result in imposition of civil or criminal penalties on us.*" on page 40.

These and certain other proceedings may have a significant impact on our reputation and divert the attention of our management. Our business, financial condition, results of operations and prospects could be materially and adversely affected as a result of these proceedings. For details, see "*Outstanding Litigation and Material Developments*" on page 559.

2. We are subject to the risks frequently encountered in the hospitality and travel industry.

Our primary business is the ownership and management of hotels in India. Our revenues from our hotels are dependent on key operational metrics such as Occupancy Rates, ARR, RevPAR and TRevPAR. The principal competitive factors in the hospitality industry include location, facilities and supporting infrastructure, service and price. Supporting infrastructure for the hospitality industry includes rail, air and road connectivity, among other facilities and services. Our business and financial performance is affected by the health of the travel industry in India and abroad, including changes in supply and pricing, and is also sensitive to actual or perceived safety concerns. A number of factors, many of which are beyond our control, could affect our business, including the following:

- concerns that may adversely affect the level of national and international travel and business activity, reduce the number of leisure travelers or result in travel advisories being issued by the home countries of tourists such as:
  - terrorist attacks or the threat of terrorist attacks and other acts of violence or war, or increased tensions within and outside India such as the attack on the Indian Parliament in December, 2001 or the attacks in Mumbai in November, 2008, which included attacks on hotels;
  - natural disasters such as hurricanes, floods, tsunamis, fires, explosions or earthquakes;
  - impediments in transportation such as disruptions to flights or increases in air fares; and
  - outbreaks of epidemics, communicable diseases or other viruses such as the swine flu virus, the middle-east respiratory syndrome, the Zika virus or the Nipah virus;
- adverse effects of international market conditions, which may diminish the need for business travel or the demand for leisure travel, as well as national, regional and local political, economic and market conditions where our hotels operate and where our customers live, which could adversely affect travel related businesses;
- increase in competition and local oversupply of hotel rooms, guest accommodation and venues for meetings and special events;
- decrease in our operating margins due to increase in our operating costs caused due to:
  - the escalation of labor costs, utility costs (including energy costs), transportation and fuel costs for sustained periods;
  - inflation, increased taxes and insurance costs; or
  - unanticipated costs owing to acts of nature or any disruption in basic infrastructure such as the supply of electricity or water, or any unavailability or breakdown of equipment, such as refrigerators, boilers, air-conditioners or laundry equipment;

- slowdowns resulting from political events;
- concerns relating to safety, health and environment in cities in India where we operate;
- increased requirements for maintenance or capital improvements;
- failures of IT systems and electronic reservation systems;
- fluctuations in interest and currency exchange rates and in the availability, cost and terms and financing;
- changes in consumption patterns; and
- changes in governmental laws and regulations, fiscal policies and incentives and the costs of compliance.

Our business has in the past been affected by some of the risks stated above. For further details, see "—*The LaLiT Grand Palace Srinagar is adversely affected by security threats and terrorist attacks in the State of Jammu & Kashmir.*" on page 26.

Any one or more of the above factors could limit or reduce our occupancy rates, ARR, RevPAR or TRevPAR that we are able to obtain for our hotel rooms, or could increase our costs, thereby reducing our profitability, which could in turn materially and adversely affect our business, financial condition, results of operations and prospects.

3. We have a significant amount of debt, which exposes us to liquidity, refinancing and interest rate risks. Our indebtedness may impair our ability to obtain financing and subject us to the risk of fluctuating interest rates, and our cash flows may be insufficient to meet required payments.

As at March 31, 2018, our outstanding borrowings aggregated to ₹14,120.78 million, including secured loans of ₹13,324.12 million (including foreign currency loans of ₹1,052.91 million), unsecured loans of ₹646.18 million (including foreign currency loans of ₹494.34 million) and finance lease obligations of ₹150.48 million. Expressed as a percentage of our total revenue, our finance cost was 18.26%, 21.84% and 24.13%, respectively, during Fiscals 2018, 2017 and 2016. Our indebtedness could have several consequences, including but not limited to the following:

- we may be more vulnerable to a downturn in business in India and other factors which may adversely affect our operations;
- our ability to pursue our growth plans, and our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, may be limited;
- we may be at a competitive disadvantage as compared to our competitors, to the extent that our competitors are not as highly leveraged;
- a portion of our cash flow will be used towards paying interest expenses and the repayment of our existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditure and other requirements;
- our ability to obtain additional financing in the future on reasonable terms may be restricted; and
- fluctuations and increases in prevailing interest rates may affect the cost of our borrowings with respect to existing floating rate obligations, and new loans.

We may not be able to reduce our indebtedness and borrowing costs, and may have to incur new debt for development of new properties or refinance existing debt. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt. We may not be successful in obtaining additional funds in a timely manner, on favorable terms or at all. This may impair our ability to access the financial markets. In addition, as a result of our high leverage, we are subject to a number of risks associated with debt financing, including the risk that cash flow from operations will be insufficient to meet required payments of principal and interest; and the risk that, to the extent that we maintain floating rate indebtedness, interest rates will fluctuate. If any of these consequences materialize, our business, financial condition, results of operations and prospects may be materially and adversely affected.

4. Restrictive covenants under our financing agreements may limit our strategic decisions and operations. We have breached certain of these restrictive covenants in the past.

The agreements in respect of some of our debt facilities contain certain covenants relating to the maintenance of financial ratios, compliance with reporting requirements and other restrictions which may significantly limit our ability to borrow additional money, undertake guarantee obligations, create any charge on existing security or incur additional liens, make capital expenditure, undertake any expansion or diversify our business, dispose our assets, implement any scheme of compromise or arrangement or invest any funds in any other concern. Our financing agreements also include restrictive covenants regarding, among other things, altering our capital structure, declaring dividends in the event of any failure to meet repayment obligations, changing our accounting methods, any significant change in the equity, management and operating structure of our Company, event of a change in control, making prepayment or amendment of our charter documents. We cannot assure you that we will be able to comply with these restrictions including maintenance of financial ratios.

For instance, during Fiscals 2017 and 2018, our Company was in breach of covenants to maintain limits on total borrowing amount and certain other financial ratios under debt facilities availed from certain banks. We have received waivers from the relevant lenders for past and/or subsisting non-compliances under our financing agreements. These waivers however apply as at the date of the waiver and are only in respect of past and/or subsisting defaults and we cannot assure you that the waivers under financing agreements where we may have new or additional defaults may be forthcoming. We cannot assure you that we may not be in breach of certain restrictive covenants, which may in turn give rise to defaults under the terms of the related financing agreements in the future. Our failure to obtain waivers for any future non-compliance of, or our inability to comply with, such undertakings or restrictive covenants in a timely manner, or at all, could also result in an event of default under our financing agreements, as a result of which we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

Certain of our borrowings are secured against all or a portion of our assets and our secured lenders may, in the event of a default, exercise their right to sell these assets. Certain of our properties and land are mortgaged to certain banks and financial institutions in connection with our outstanding debt facilities. Some of our loan agreements may allow our lenders to call upon additional security. Further, under the terms of certain of our loan agreements, the relevant lender can appoint a nominee director on our Board on occurrence of an event of default. Furthermore, certain of our financing arrangements contain cross default provisions which could automatically trigger defaults under other financing arrangements, in turn magnifying the effect of an individual default.

If any of the aforementioned risks occur, our business, financial condition, results of operations and prospects may be materially and adversely affected. For further details, see "*Financial Indebtedness*" on page 517. Also see notes 18 and 23 to our Restated Consolidated Financial Information included in "*Financial Statements*" on page 261.

5. ***Our leases or licenses to hotel properties may be terminated or not renewed on favorable terms at the end of the lease or license terms. Conversely, if we decide to end our operations under a long-term non-cancellable lease or license, we may remain obligated to perform the remainder of the contractual term.***

Of our 12 hotel properties operating in India under *The LaLiT* brand, five hotel properties are subject to lease arrangements and three hotel properties are subject to license arrangements. In addition, our hospitality school, The Lalit Suri Hospitality School ("**TLSHS**") in Faridabad is also situated on land leased to us, through The Lalit Suri Educational and Charitable Trust ("**LSECT**"), by the Governor of Haryana acting through the Director, Tourism Department, State of Haryana. Our hotels operating in Jaipur and Khajuraho under *The LaLiT Traveller* brand share their properties with the hotels operating under *The LaLiT* brand.

Of our eight hotel properties operating in India that are subject to lease or license arrangements, the agreements in relation to four hotel properties allow for renewal on mutually agreed terms between the parties, while the agreements for the other four hotel properties do not provide for such renewal on the expiration of the term. For further details, see "*Our Business—Hotel Operations*" and "*Our Business—Properties*" on pages 179 and 194, respectively. Since the lease or license agreements are subject to renewal from time to time, there may be increases in lease premium/rentals payable due to factors such as inflation, increased competition in the property market or other market forces that may exert an upward pressure on rent.

Any breach of the terms and conditions set out in these lease or license agreements could result in penalties and may adversely affect our rights over such lands or resulting in us failing to secure renewal of these arrangements. Our continued operation of these hotel properties is dependent on our continued enjoyment of these leases and licenses. If the lessors or licensors of these hotel properties terminate the relevant agreements, or if we are unable to secure renewal of the agreements on favorable terms or at all or if we are required to re-negotiate and agree to higher rates for such lease or license, including in competitive auctions, our operation of the affected hotels may be disrupted, thereby materially and adversely affecting our business, financial condition, results of operations and prospects. For instance, the Office of the Sub-Divisional Magistrate, Chanakya Puri, New Delhi (the "**SDM**") and the Office of the Collector of Stamps, Chanakya Puri, New Delhi (the "**CoS**") issued notices dated January 12, 2017 and November 10, 2017, respectively, directing our Company and a sub-licensee of four shops at the World Trade Centre to show cause for non-payment of the requisite stamp duty on the sub-license agreement dated February 4, 1994 executed by our Company with the sub-licensee. In our response, we clarified that the requisite stamp duty had been paid on the sub-license agreement and requested that the notices be withdrawn. Subsequently, the CoS issued another show-cause notice dated December 8, 2017 to our Company in relation to non-payment of the requisite stamp duty on the principal license agreement executed by our Company and the New Delhi Municipal Council ("**NDMC**") on April 22, 1982 (the "**NDMC License**"). Our Company responded to the show-cause notice refuting such claim for payment of stamp duty. If it is determined that any of our lease or license arrangements are subject to defects arising from inadequate payment of stamp duty, the relevant lease or license deeds may be inadmissible as evidence in a court of law unless the defects are rectified, which could materially and adversely affect our business, financial condition, results of operations and prospects.

In certain instances, if we decide to close operations at one of our leased or licensed properties, we could potentially remain committed to perform certain obligations under the applicable contract. For instance, under our lease agreement for The LaLiT Ashok Bangalore, in the event of unilateral termination by our Company, our Company will be obligated to pay an amount equal to five times the amount of lease rent paid by us in the immediately preceding financial year. Such continued obligations for properties from which we would not be deriving any revenue may materially and adversely affect our business, financial condition, results of operations and prospects.

Also see "—*The license and rental payments for the land on which The LaLiT New Delhi is situated is subject to ongoing disputes with the New Delhi Municipal Council. Further, we have recently received a show-cause notice from the New Delhi Municipal Council in relation to certain construction at the LaLiT New Delhi.*" on page 25.

6. The hospitality business is highly competitive.

The hospitality industry in India is subject to intense competition from other international, regional and local hotels, restaurants, clubs and spas. The success of a hotel will largely depend on our ability to compete in areas such as quality of accommodation and service, price, brand recognition, facilities and supporting infrastructure, location, ambience and the type and quality of food and beverage ("**F&B**") facilities and other amenities. Our competitors include hotels, restaurants, clubs and spas operating under Indian and international brands, many of whom may have greater brand recognition, more financial and other capital resources, or are better established in the markets than us. In addition, other providers such as online marketplaces and e-commerce-based hospitality service providers have recently emerged as alternatives for travelers. Such competitors often compete with us for customers, property and facility locations and service staff. The level of competition in the hotel business is affected by various factors, including changes in local, regional and global economic conditions, changes in demography, the supply and demand for hospitality properties and changes in customer behavior and preferences. Competing hotels may offer more facilities and services at similar or more competitive prices compared to the facilities and services offered at our hotels. Competitors may also significantly lower their rates or offer greater convenience, services or amenities to attract more customers.

Inability to compete effectively could harm our ability to maintain acceptable levels of revenue growth, limit or otherwise inhibit our ability to grow one or more of our product offerings, or force us to close one or more of our hotels, restaurants, or other operations. We may also need to evolve our product offerings in order to compete with popular new hospitality services, operation formats, concepts or trends that emerge from time to time, and we cannot provide you any assurance that we will be successful in doing so or that any changes we make to any of our product offerings in response will be successful or not adversely affect our profitability. In addition, with improving product offerings at fast casual restaurants and quick-service restaurants combined with the effects of negative economic conditions and other factors, consumers may choose less expensive alternatives, which could also negatively affect customer traffic at our restaurants or other F&B operations. Any unanticipated slowdown in demand at any of our restaurants, other F&B operations or any banqueting or catering services we offer to our customers from the meetings, incentive travel, conventions and events (such as corporate conferences, exhibitions and roadshows) (together, "**MICE**") segment due to industry competition may adversely affect our business and results of operations. Increased competition and the resulting significant addition of room capacities in cities where we currently manage our hotel properties, including New Delhi, Mumbai, Kolkata and Bengaluru, could substantially reduce Occupancy Rates, ARR and RevPAR at our hotels. We may also face competition from other hotels targeting the mid-market segment.

A significant portion of our hotel operations is based in India. Countries within South East Asia, the Asia Pacific region and areas of the Middle East have become the focus of major international hotel chains and various cities in these regions have developed significantly in recent years as popular tourist destinations. These regions are also witnessing an increased growth in business. India will face competition from such other regions and may become less attractive to both tourists and travelers in the MICE segment. This may materially and adversely affect our business, revenue and profitability.

Our market position will depend on our ability to anticipate and respond to various competitive factors affecting the industry, including new hotels and resorts, the offering of new amenities and services in our markets, pricing strategies by competitors and changes in consumer demographics and preferences and legal, regulatory, economic, political and social conditions in the regions and markets in which we operate or may operate in the future. Any failure by us to compete effectively could materially and adversely affect our business, financial condition and results of operations.

7. ***Any decline in the business of our hotels, The LaLiT New Delhi and The LaLiT Mumbai, which have historically contributed significantly to our revenues, could materially and adversely affect us.***

The LaLiT New Delhi and The LaLiT Mumbai have historically contributed a significant proportion to our EBITDA. The LaLiT New Delhi and The LaLiT Mumbai together accounted for approximately 66.62%, 66.09% and 58.25% of our EBITDA during Fiscals 2018, 2017 and 2016, respectively. These hotels, and the markets in which they operate, are likely to continue to account for a significant portion of our EBITDA in the future. Any decrease in the revenue we earn from these two hotels due to increased competition or supply, or reduction in demand, in the markets in which these hotels operate, an economic downturn, changes in travel patterns, force majeure events, governmental action or for any other reason, and if we are unable to obtain a substantial increase in revenue from our other portfolio hotels to compensate for such decline or to maintain our revenue growth, our business, financial condition, results of operations and prospects could be materially and adversely affected. We cannot guarantee that we will be able to maintain our revenue growth by supplementing our revenue with the income earned from our other portfolio hotels. Furthermore, any cash flow concerns related to these two hotels may result in delay or default in revenue recognition, which could in turn adversely affect our financial condition, results of operation and cash flows. Also see "*—The license and rental payments for the land on which The LaLiT New Delhi is situated is subject to ongoing disputes with the New Delhi Municipal Council. Further, we have recently received a show-cause notice from the New Delhi Municipal Council in relation to certain construction at the LaLiT New Delhi.*" on page 25.

8. ***The license and rental payments for the land on which The LaLiT New Delhi is situated is subject to ongoing disputes with the New Delhi Municipal Council. Further, we have recently received a show-cause notice from the New Delhi Municipal Council in relation to certain construction at the LaLiT New Delhi.***

We entered into the NDMC License for a period of 99 years with effect from March 11, 1981 for the right to use the land on which The LaLiT New Delhi is situated. In terms of the NDMC License, we are required to pay an annual license fee of ₹14.50 million which is subject to revision by the NDMC after every 33 years, provided that the increase in license fees at each such renewal shall be linked to the increase in the market value of the plot at the relevant time. The increase in license fees is however subject to the condition that such increase should not exceed 100% of the license fee paid in the immediately preceding license term.

The NDMC was required to review the license fees upon the expiry of the initial term of 33 years in March 2014 but did not do so. On December 1, 2016, the NDMC raised a demand of ₹1,987.77 million through a provisional bill, which included an increase in the license fee to ₹44.00 million per month and a demand for arrears of such license fees. This was an increase of about 35 times the amount that The LaLiT New Delhi previously paid to the NDMC.

Our Company had filed three writ petitions before the Hon'ble Delhi High Court (the "**Delhi High Court**") challenging the NDMC's demands. These writ petitions have been disposed of by the Delhi High Court with directions issued to the NDMC to raise the final bills on our Company with the basis of calculation specifically set out and permission granted to our Company to initiate appropriate proceedings upon receipt of such final bills. As at the date of this Draft Red Herring Prospectus, the NDMC had neither raised the bill on our Company nor provided us any basis for its demand.

Furthermore, the NDMC had on March 21, 2013 issued a notice to our Company directing us to deposit ₹119.21 million as municipal dues and that non-payment of such amount would result in breach of the terms of the NDMC License. Our Company filed a reply dated April 8, 2013 refuting the demands made by the NDMC on the ground that all payments under the NDMC License had been made on time and requested the NDMC to provide the basis for calculation of such municipal dues. As at the date of this Draft Red Herring prospectus, we had not received any further communication from the NDMC in this regard.

We cannot assure you that the NDMC will not raise a final bill towards an increased license fee in relation to the LaLiT New Delhi which is excessive and contrary to the terms of the NDMC License. If we are required to pay a higher licensing fee or other amounts, our revenue and profitability could be materially and adversely affected. Recently, the NDMC issued a notice dated June 14, 2018 directing our Company to show cause as to why a demolition order should not be issued in relation to certain alleged deviations and alleged unauthorized construction at The LaLiT New Delhi. Our Company has filed its preliminary response to the show-cause notice on June 15, 2018 and June 21, 2018. Previously also, in 2017, the NDMC had sealed a portion of the 28^{th} floor of The LaLiT New Delhi on the ground that prior permission had not been obtained for certain construction work being carried out at such premises. The sealing was subsequently removed by the NDMC, subject to certain conditions to be complied with during construction, including removal of the construction material and a restriction on noise related activities at night.

We cannot assure you that the NDMC will not initiate further actions against us under the terms of the NDMC License or otherwise, or undertake further legal proceedings, any of which could materially and adversely affect the operation of The LaLiT New Delhi, and as a result, our business, financial condition and results of operations.

For further details, see "*Outstanding Litigation and Material Developments*" on page 559.

9. The LaLiT Grand Palace Srinagar is adversely affected by security threats and terrorist attacks in the State of Jammu & Kashmir.

One of our hotel properties, The LaLiT Grand Palace Srinagar, is located in the state of Jammu and Kashmir, which has experienced ongoing political unrest, terrorism and violence. As a result, the Occupancy Rate for our rooms at The LaLiT Grand Palace Srinagar had decreased to 14.40% during Fiscal 2018 from 37.04% during Fiscal 2014. The declining Occupancy Rate and the high fixed costs of operating the property contributed to a decline in profitability of this hotel. The revenue, EBITDA, RevPAR and TRevPAR we derive from this hotel declined by 53.89%, 86.73%, 68.94% and 53.89%, respectively, to ₹173.04 million, ₹26.88 million, ₹1,965 and ₹4,196, respectively, during Fiscal 2018 from ₹375.29 million, ₹202.50 million, ₹6,326 and ₹9,099, respectively, during Fiscal 2014, which resulted in a decline of 6.25% in The LaLiT Grand Palace Srinagar's contribution to our total income during this period. The LaLiT Grand Palace Srinagar's contribution to our total income during Fiscal 2018 was 2.29%. Our operational performance may continue to decline if the Occupancy Rate for The LaLiT Grand Palace Srinagar does not improve or declines further. Furthermore, any future security threats or breaches could harm our customers, our employees or property, damage our reputation, or adversely affect our business, financial condition and results of operations.

Also see "—*Our insurance policies provide limited coverage and we may not be insured against certain business risks or losses caused by natural disasters.*" on page 45.

10. ***There are various proceedings involving our Company, our Subsidiaries, LSECT, our Promoters, Directors and Group Companies, which if determined against us or them, may have an adverse effect on our business, results of operations and reputation.***

There are outstanding legal proceedings and regulatory actions involving our Company, our Subsidiaries, LSECT, our Promoters, Directors and Group Companies, which are pending at different stages of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention and consume financial resources in their defense or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations.

A summary of such outstanding legal proceedings, as at the date of this Draft Red Herring Prospectus, is set out below.

Nature of cases	Number of cases	Total amount involved *(in ₹ million)*
Litigation involving our Company		
Against our Company		
Material civil cases	4	-
Criminal cases	5	-
Action taken by statutory and regulatory authorities	37	413.21
Taxation cases	59	476.98
By our Company		
Material civil cases	1	-
Criminal cases	6	16.45
Litigation involving our Promoters		
Against our Promoters		
Material civil cases	1	-
Criminal cases	1	-
Action taken by statutory and regulatory authorities	4	-
Taxation cases	8	14.10
By our Promoters		
Material civil cases	1	-
Criminal cases	-	-
Litigation involving our Directors		
Against our Directors		
Material civil cases	-	-
Criminal cases	1	-
Action taken by statutory and regulatory authorities	4	-
Taxation cases	8	14.10
By our Directors		
Material civil cases	-	-
Criminal cases	-	-
Litigation involving our Subsidiaries and LSECT		
Against our Subsidiaries and LSECT		
Material civil cases	2	5.05
Criminal cases	2	-
Action taken by statutory and regulatory authorities	1	140.30
Taxation cases	19	198.01
By our Subsidiaries and LSECT		
Material civil cases	1	142.33
Criminal cases	-	-

Nature of cases	Number of cases	Total amount involved *(in ₹ million)*
Litigation involving Group Companies		
Against our Group Companies		
Civil cases	-	-
Criminal cases	3	0.07
Action taken by statutory and regulatory authorities	3	-
Taxation cases	48	227.96
By our Group Companies		
Civil cases	-	-
Criminal cases	9	22.92

Each of our individual Promoters, Dr. Jyotsna Suri and Mr. Ramesh Suri, recently received orders from the Directorate of Enforcement, Ministry of Finance, GoI under Section 37 of the Foreign Exchange Management Act (the "**FEMA**"), read with Section 133(6) of the Income Tax Act directing them to provide details and records in relation to their respective assets in India and abroad, foreign bank accounts, tax returns and the financial information of each of the entities with which they are associated. The Promoters have responded to such orders and provided the relevant information. They have not received any further communication from the Directorate of Enforcement, Ministry of Finance, GoI in this regard.

We cannot assure you that any of these matters will be settled in our favor or in favor of our Promoters, Directors, Subsidiaries, LSECT and Group Companies or that no additional liability will arise on such parties or us out of these proceedings. An adverse outcome in any of these proceedings could have an adverse effect on our reputation as well as our business, financial condition, results of operations and prospects. For details, see "*Outstanding Litigation and Material Developments*" on page 559.

11. Our business may be affected by seasonality and related operating risks.

The hospitality industry in India is subject to seasonal variations. The periods during which our hotels experience higher revenues vary from property to property, depending principally upon location and the customers we serve. While certain of our hotel properties receive a large number of business travelers and business travel is less sensitive to seasonal variations than tourists, certain of our other hotel properties are located in holiday or leisure destinations, which are sensitive to seasonal variations and such properties may experience low Occupancy Rates during certain times of a year. For example, our hotel at Jaipur and our resorts at Bekal (Kerala) and Goa experience higher revenues during the winter season. As a result, our revenues are generally higher during the second half of each Fiscal as compared to the first half of each Fiscal.

According to the CRISIL Report, the period between October and March is preferred for business and leisure travel within India. However, there is a decline in Occupancy Rates in leisure destinations between May and September while Occupancy Rates exhibit relative improvement in December on account of holidays as per the CRISIL Report. On the other hand, business destinations maintain relatively constant Occupancy Rates between April to September, but show a relative decline in Occupancy Rates in December, as it is coincides with the international holiday period. This seasonality may result in quarterly fluctuations in revenue, EBITDA and EBITDA margins, if not offset by the revenues we earn from other properties that are relatively unaffected by seasonality or other business segments. Further, the timing of opening of new hotels and the timing of any hotel acquisitions or dispositions may result in certain variations in revenues from quarter to quarter.

Further, according to the CRISIL Report, the hospitality industry is cyclical in nature. During positive cycles, the industry witnesses periods of sustained growth and high ARRs and Occupancy Rates, which trend continues until the economy undergoes a downturn or there is excess supply. Usually, Occupancy Rates begin to decline when a recession sets in, which is followed by a decline in ARRs. In the recovery phase, Occupancy Rates start increasing, followed by an increase in ARRs. The combination of changes in economic conditions and in the supply of hotel rooms, including periods of excess supply, can result in significant volatility in results. The costs of running a hotel tend to be more fixed than variable. As a result, in an environment of declining revenues the rate of decline in profits can be higher than the rate of decline in revenues. As a result of such seasonal fluctuations, our room rates, sales and results of operations of a given half of each Fiscal may not be reliable indicators of the sales or results of operations of the other half of each Fiscal or of our future performance.

12. The success of our business is dependent on our ability to anticipate and respond to customer requirements. Our business may be affected if we are unable to identify and understand contemporary and evolving customer preferences or if we are unable to deliver quality service as compared to our competitors.

We are engaged in the hospitality industry and are driven by the quality of service we provide and the expectations of our customers. The hospitality industry is affected by changes in consumer preferences, national, regional and local economic conditions and demographic trends. We strive to keep up with evolving customer requirements to enhance our existing business and level of customer service. Our inability to identify, anticipate, understand and address contemporary and evolving customer preferences or to deliver quality service as compared to our competitors could materially and adversely affect our business. For instance, the increased use of teleconference and video-conference technology by businesses could result in decreased business travel as companies increase the use of technologies that allow multiple parties from different locations to participate at meetings without traveling to a centralized meeting location, such as our hotels. To the extent that such technologies play an increased role in day-to-day business and the necessity for business-related travel decreases, demand for our hotel rooms may decrease from business travelers.

Market perception of our hotels and services may change and this could impact our continued business success and future profitability. To the extent we manage hotels outside India, such as The LaLiT London, we will also need to adapt to understanding the expectations and preferences of our customers in such geographies. If we are unable to adapt our services successfully or meet changes in consumer demands and trends, our business, financial condition and results of operations may be materially and adversely affected.

The quality and delivery of our services at our hotels are critical to the success of our business. These factors depend significantly on the effectiveness of our quality control systems and standard operating procedures, which in turn, depend on the skills and experience of our hospitality personnel, the quality training program, and our ability to ensure that such personnel adhere to our policies and guidelines. For instance, our F&B Services require compliance with packaging and labeling regulations and the careful and hygienic handling of food products, which if improperly packaged or handled may adversely affect the health of our customers. Any failure or deterioration of our quality control systems, or our inability to deliver quality services as compared to our competitors, could materially and adversely affect our business, financial condition, results of operations and reputation.

13. Hotels in our portfolio have certain fixed and recurring costs that we may not be able to reduce in a timely manner in response to a reduction in demand, revenues and rising expenses.

We are required to make significant investments to own, operate and maintain our hotel properties. The fixed costs associated with owning and operating our hotels, which include committed maintenance costs, employee related costs, property taxes, leasehold payments and utility expenses incurred for maintaining minimum levels of services may be significant and occur on a continuous or recurring basis. Even if the demand for our hotel rooms or other services is adversely affected, we will be required to continue to incur fixed costs to maintain our hotel properties. We may also have to incur costs towards periodic re-designing, re-structuring, refurbishing or repair of defects at our hotels. The hotel industry experiences periodic changes in demand and supply, which we may not be able to predict accurately. We may be unable to rationalize these fixed costs in a timely manner in response to changes in demand for services, and failure to adjust our fixed costs may materially and adversely affect our business, financial condition, results of operations and prospects. Moreover, our hotel properties may be subject to increases in operating and other variable expenses due to the increasing age of the property and increases in property and other tax rates, utility costs, operating expenses, insurance costs, repairs and maintenance and administrative expenses, which could materially and adversely affect our business, financial condition and results of operations.

14. Our business is dependent on discretionary spending patterns and the economy at large in the areas in which our hotels, restaurants and F&B outlets are located. Any economic downturns could materially and adversely affect our business.

Bookings and purchases at our hotels, restaurants and F&B outlets are discretionary for consumers and we are therefore susceptible to changes in discretionary patterns or economic slowdowns in the geographic areas in which they are located and in the economy at large. Consumers are generally more willing to make discretionary purchases, including luxury accommodation bookings, high-end restaurant meals and purchases at night clubs, during favorable economic conditions. Disruptions in the overall economy, including high unemployment, financial market volatility and unpredictability, and the related reduction in consumer confidence could negatively affect customer traffic and expenditure throughout the hotel industry, including the segments in which we operate. Our weekday revenues are generally derived from business customers and our business therefore may be affected by reduced spending or other business-related dining by our corporate customers. If corporate customers were not to patronize our hotel properties, restaurants and other F&B facilities less frequently or spend at reduced levels, it could lead to a reduction in customer traffic or average revenues per customer, which could materially and adversely affect our business, financial condition and results of operations. See "*—Financial instability in other countries may cause increased volatility in Indian financial markets which could adversely affect our business, future financial performance and the trading price of the Equity Shares.*" on page 55.

15. Our business could be affected by our inability or failure to recognize, respond to and effectively manage the accelerated impact of social media.

There has been a significant increase in the use of social media platforms and similar devices, including weblogs (blogs), social media websites, mobile phone applications and other forms of internet-based communications which allow individuals to access and connect with a broad audience of consumers and other interested persons.

Consumers value readily available information concerning goods and services that they have or plan to purchase, and may act on such information without further investigation or authentication. The availability of information on social media platforms is immediate as is its impact. Many social media platforms immediately publish the content that their subscribers post, often without filters or checks on accuracy of the content posted. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless. Such information is readily available and may be posted on social media platforms at any time. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our reputation, performance, prospects or business. The harm may be immediate without providing us an opportunity for redress or correction. We may, under certain circumstances, be unable to respond appropriately and in a timely manner to address any reputational effects. Such platforms also could be used for dissemination of trade secret information, compromising valuable company assets. The dissemination of any such information online could materially and adversely affect our business, prospects, financial condition and results of operations, regardless of the information's accuracy. The inappropriate use of social media vehicles by our customers or employees could increase our costs, lead to litigation or result in negative publicity that could damage our reputation, and could in turn materially and adversely affect our business, financial condition, results of operations and prospects.

16. We may be exposed to negative customer experiences or negative publicity surrounding our hotel properties.

Any adverse publicity, whether or not accurate, relating to hospitality standards, quality of food or beverages we serve, public health concerns, illness, safety, injury or any news reports or government or industry findings concerning our hotel properties, the locations in which we operate or others operating across the hospitality industry supply chain could affect us. If customers perceive or experience a reduction in our hospitality standards, service, ambience or the quality of food or beverages we serve or in any way believe that we have failed to deliver the expected experience, the value and popularity of one or more of our hotels, F&B outlets or banqueting services could suffer. Any shifts in consumer preferences away from the type of accommodation and F&B or banqueting services we offer, whether because of an economic slowdown or otherwise, could cause our hotel properties to be less appealing and this could reduce customer traffic and/or adversely affect the pricing of our services, which could in turn materially and adversely affect our business, financial condition, results of operations and prospects.

17. Certain of our hotel properties are subject to a lease or license agreement which requires us to make payments linked to the revenue generated by the hotel subject to the minimum guaranteed lease or license payment amount agreed to by us.

Our hotel properties at Bengaluru, Bekal and Mangar are subject to a lease or license agreement which requires us to make payments linked to the revenue generated by the hotel subject to the minimum guaranteed lease or license payment amount agreed to by us.

For instance, since November 29, 2001, we have taken on lease the property on which The LaLiT Ashok Bangalore is located. The lease agreement requires us to pay as lease rent, the higher of the following amounts:

(a). ₹41.10 million per annum, which was increased on April 1, 2007 and will be increased every five years thereafter during the term of the lease agreement by 25.00% computed on the amount last payable; and
(b). 16.50% of the "Gross Turnover of the Hotel"/"Turnover Based Annual Payment".

During Fiscals 2018, 2017 and 2016, we paid 16.50% of the gross turnover of the hotel generated by The LaLiT Ashok Bangalore as lease rent for this property.

Our licence arrangement in respect of our hotel at Mangar contemplates calculation of the licence fee from the fifth year of operations, on the basis of the annual turnover of The LaLiT Mangar subject to a minimum guaranteed licence payment.

As the rent for each of our hotel properties at Bengaluru, Bekal and Mangar is (or will be) linked to the revenue each of them generates, our rental fee will increase in tandem with the revenue that these hotels generate, which could materially and adversely affect the EBITDA margin for each of these hotels, and in turn, our business, financial condition, results of operations and prospects. See "*Our Business—Properties*" on page 194 for further details.

18. We may not be able to successfully manage our growth.

We have been expanding our business in recent years, and may continue to grow our business through new hotels, as well as entry into contracts for management of hotel properties. For further details, see "*Our Business—Our Strengths—Independent brand having an established track record in the Indian hospitality industry*" on page 174.

As we continue to grow, we will need to improve our managerial, technical and operational knowledge and allocation of resources, and to implement an effective management information system. To effectively manage our expanded operations, we will need to continually recruit and train managerial, accounting, internal audit, sales and other staff. In order to fund our ongoing operations and our future growth, we will need sufficient internal sources of liquidity or access to additional financing from external sources. Furthermore, we will be required to manage relationships with a greater number of customers, tenants, suppliers, contractors, service providers, lenders and other third parties. We will also need to continually strengthen our internal control and compliance functions to ensure that we are able to comply with any increase in our legal and contractual obligations and reduce our operational and compliance risks. A number of external factors beyond our control could also impact our ability to continue to grow our business, such as an increase in the interest rates in the economy, inflation, competition and the availability of cost-effective debt and equity capital. We cannot assure you that we will not experience issues such as capital constraints, protracted negotiations with suppliers, political unrest in India, defaults by customers or contractors or difficulties in expanding our existing business and operations and training an increasing number of personnel to manage and operate our expanded business.

If one or a combination of these factors were to arise, we may not be able to continue to grow our business at the same rate as it has in the past, or at all, which could materially and adversely affect our business, financial condition, results of operations and prospects.

19. We may not be able to successfully implement our business strategies.

Our business strategies include: (a) continue to focus on enhancing our operational performance and the competitiveness of our hotel properties; (b) continue to improve operating efficiencies; (c) expand our operations by developing new hotels under *The LaLiT* and *The LaLiT Traveller* brands in select locations; (d) expand the operations of our F&B brands; (e) brand expansion through management contracts; and (f) continue to invest in human resources to support our expansion and further develop TLSHS. For further details, see "*Our Business—Our Strategies*" on page 176.

Our financial success depends in part on our ability to execute our growth strategies. These strategies may require significant capital investment which may require us to incur additional debt and equity financing as well as the maintenance of prudent financial management policies and internal controls. Our ability to arrange for external financing and the cost of such financing is dependent on various factors, including, but not limited to, general economic and capital market conditions, prevailing interest rates, the ability and the willingness of banks and financial institutions to continue with their lending operations, investor confidence, success of our businesses, and provisions of tax and securities laws that may apply to our efforts to raise capital. Such risks also include the risks usually associated with changes in the conditions of the financial markets at different points in time. Rapidly changing market conditions and macroeconomic factors may adversely affect our business.

The successful implementation of our business strategies may be affected by a number of factors, including our ability to identify suitable opportunities to set up new hotels, obtain required permits and approvals, having adequate capital for construction and opening costs and efficiently managing the time and resources committed to each new hotel property. Other factors include the timely hiring and training and retention of skilled management and other employees necessary to meet staffing needs, successfully promoting our hotels at new locations and competing in their markets, acquiring supplies at an acceptable cost for our hotel properties, securing customers for our hotel properties, and addressing unanticipated problems or risks that may arise during the development or opening of a new hotel property. We cannot assure you that we will not experience issues such as capital constraints, construction delays, difficulties in expanding our existing operations and challenges in training an increasing number of personnel to manage and operate the expanded business, or that we will be able to successfully manage the impact of our growth on our operational and managerial resources and control systems. Failure to implement one or more of our business strategies may materially and adversely affect our business, financial condition, results of operations and prospects.

20. Our expansion into new business segments and new geographies may present increased risks.

We plan to expand into hospitality business segments in which we have less operating experience than in the luxury hotel segment. Our entry into the mid-market segment, our hospitality school, TLSHS, new restaurants or F&B operations that we open in new markets may take longer to reach expected sales and profit levels on a consistent basis and may have higher construction, operating costs or occupancy thresholds than locations we open in existing markets, thereby affecting our overall profitability. New markets or business segments may have competitive conditions, consumer tastes and discretionary spending patterns that are more difficult to predict or satisfy than in our existing markets or business segments. We may need to make greater investments than we originally planned in advertising and promotional activity in new markets or business segments to build brand awareness. We may find it more difficult in new markets or business segments to hire, motivate and keep qualified employees who share our vision, passion and business culture. We may also incur higher costs from entering new markets, if, for example, we assign area managers to manage comparatively fewer locations than we assign in more developed markets. We may find that our operations in new markets or business segments do not meet our revenue and profit expectations and we may be forced to close those operations, thereby incurring closing costs and reducing our opportunities. If we do not successfully execute our plans to enter new markets, our business, financial condition and results of operations could be materially and adversely affected. For further details, see "*Business—Our Strategies—Expand our operations by developing new hotels under The LaLiT and The LaLiT Traveller brands in select locations*" on page 177.

21. The management contracts we have entered into, or that we may enter into in the future, may terminate or not be renewed on favorable terms. We may not be able to negotiate new hotel management contracts on terms favorable to us, or at all.

We intend to increase our focus on expansion of our brand by entering into contracts for the rights to manage and operate hotel properties. As such, our future expansion may be more asset light than our growth thus far. We intend to partner with other property management and hospitality companies that will own and build hotels and pass on the hotel management rights of these hotels to us. As at the date of this Draft Red Herring Prospectus, we had entered into a management consultancy services agreement and licensing agreement with St. Olave's Limited, one of our Group Companies and a member of our Promoter Group, for the rights to provide management consultancy services in connection with the operation and management of The LaLiT London. We have entered into an operating and management agreement with L.P. Hospitality Private Limited ("**LP Hospitality**"), one of our Group Companies, under which we have agreed to provide technical services, management, marketing and operational services for the development and operation of LP Hospitality's hotel in Faridabad.

Such contracts may not be renewed when they expire and may in some events be terminated prior to their expiration. Further, for any managed hotel, we anticipate that we will have the responsibility to manage each hotel at a level consistent with the standard required for our brand in the relevant management agreement. Such provisions may vary in scope and may be subject to differing interpretations. In the ordinary course of business, we may encounter disagreements with the owners of prospective managed hotels regarding, among other things, whether the obligations in our management contracts had been adequately satisfied and whether certain operational or financial performance thresholds had been met to enable us to earn the relevant share of revenues or the agreed management fee. To the extent that such conflicts arise, we may seek to resolve them through negotiations with the relevant parties. In the event that such resolution cannot be achieved, disputes may arise, which could be expensive to resolve and may result in damages or other remedies against us. Such remedies could include termination of our right to manage the relevant hotel property. Further, we may not be able to negotiate these hotel management contracts on terms favorable to us, or at all. If we fail to negotiate these management contracts successfully, or otherwise favorably resolve such conflicts, we may fail to gain the expected benefits from such management contracts and our business, financial condition and results of operations could be materially and adversely affected.

Further, these contracts may include certain onerous conditions such as non-compete provisions that may limit our ability to operate new hotels within the scope and time specified in such provisions without the prior consent of the other party. For example, some of these hotel management contracts may include restrictions on our ability to operate other hotels that are in proximity to the managed properties of our partners or counterparties. As a result of these provisions, we may be unable to pursue development, management or acquisition opportunities that could be beneficial to us, which could, in turn, materially and adversely affect our business, financial condition and results of operations.

22. We may face certain challenges related to the pricing of our rooms arising from negotiations with third party agents.

The room rates for our hotels may be priced, in certain circumstances, as a result of negotiations with third party agents and intermediaries. The factors affecting the rates include, among others, the location, value and potential of the hotels. Certain other contributing factors include rate parity, package deals, competition and demand, loyalty and partner support, ratings and the impact of social media and the services provided by our hotels. We cannot assure you that the outcome of these negotiations with third party agents and intermediaries will be based on factors within our control, on terms favorable to us or that such parties will adhere to the volumes and prices agreed with us for rooms and other facilities at our hotels. If we agree to altered terms proposed by such third party agents and intermediaries on account of prevailing market conditions, it may adversely affect our operational performance indicators such as Occupancy Rates, ARR, RevPAR and TRevPAR, which could adversely affect our business, financial condition and results of operations.

For further details, see "*Business—Sales and Marketing*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Principal Factors affecting our Financial Condition and Results of Operations—Pricing*" on pages 190 and 525, respectively.

23. Our intellectual property is key to sustaining our branding and differentiation strategies. Any infringement or our inability to register our intellectual property rights could enable others to use names confusingly similar to the names and marks used by us and could also diminish or dilute our reputation.

We own certain intellectual properties and have applied for registration of others. We have 128 registered trademarks and have applied for registration of 97 trademarks/service marks that are pending, of which three trademark applications have been opposed, being the application for "Sirocco" under class 16, the application for a device of a human caricature under Class 41 and the application for “Kitty Ko” under class 31. Certain examples of our logos are “ ”, “ ”, “ ”, “24/7”, “ ”, “rejuve”, “Baluchi” and “ ”. We have registered one copyright under the Indian Copyright Act, 1947 in respect of the artistic work “The LaLiT”. For further details, see “*Government and Other Approvals*” and “*Our Business—Intellectual Property*” on pages 589 and 197, respectively. We believe that our trade names and trademarks are valuable assets that are critical to our success. The infringement or the inability to register our trade names, trademarks and other intellectual property rights could materially and adversely affect our business, financial condition, results of operations and prospects.

The unauthorized use or other misappropriation of our trade names, trademarks or service marks could diminish the value of our hotels and brands and may cause a decline in our revenues and force us to incur costs related to enforcing our rights or protecting and promoting our brands. In addition, the use of trade names, trademarks or service marks similar to ours in some markets may keep us from entering those markets. While we have taken and will continue to take protective actions with respect to our intellectual property, these actions may not be sufficient to prevent, and we may not be aware of all incidents of, unauthorized usage or imitation by others. Moreover, other parties may challenge the validity, scope and protection of our intellectual property. Any such unauthorized usage or imitation of our intellectual property, including the costs related to enforcing our rights, could adversely affect our business and results of operations. Our intellectual property rights are fundamental to our brand and we believe the strength of our brand gives us a competitive advantage. We use our intellectual property rights to protect the goodwill of our brand, promote our brand name recognition, enhance our competitiveness and otherwise support our business goals and objectives. We cannot assure you that the steps we take to obtain, maintain and protect our intellectual property rights will be adequate, which could in turn materially and adversely affect our business and prospects.

24. We are exposed to a range of development risks relating to our new hotel projects and the expansion of our existing hotels. We may incur substantial pre-opening costs that may be difficult to recoup quickly.

With respect to our new hotel properties, we have and will continue to incur substantial costs in our contributions to the build-out of the location, recruiting and training staff, obtaining necessary permits, advertising and promotion and other pre-operating items. The development of a new hotel property or expansion of existing hotels requires substantial time and costs and may increase substantially due to many factors beyond our control, including:

- financing for development and capital improvements may not be available on favorable terms, or at all;
- risks related to third-party construction contractors which include, among others, delays in construction, defective materials or building methods, defaults by contractors on their obligations, disputes, interruptions resulting from inclement weather, work stoppages, strikes or accidents;
- changes in government priorities and policies or applicable building and planning regulations, changes in market conditions, delays or inability to obtain all necessary zoning, land use, building, occupancy, development and other required regulatory licenses, permits and approvals;
- escalation of estimated costs or a loss of market demand after construction or asset enhancement work has begun; and
- failure to obtain land use approvals or other approvals required for the construction and commencement of operations of the new hotel properties in a timely manner, or at all.

Any of these factors, individually or in the aggregate, may lead to a delay in completing, or failure to complete a property development, and may, in certain instances (e.g., where the third party contractors renegotiate their contracts or where another contractor is required to be appointed to complete the development), result in higher costs than those originally budgeted which could make the project uneconomical or unprofitable. In addition, we may face claims for construction defects which may give rise to liabilities, including if state and local laws impose liabilities related to construction defects discovered or repairs required to be made.

We cannot assure you that any or all of our hotel development or expansion projects will be completed within the anticipated time frame or budget. Failure to complete a property development according to its original plan has, and may in the future, give rise to potential liabilities, including penalties, cancellation of our approvals and initiation of litigation proceedings against us.

For instance, the Municipal Corporation of Udaipur by its letter dated September 30, 2014 informed our Company that the permission granted to our Company for additional construction at The LaLiT Laxmi Vilas Palace Udaipur stood automatically cancelled as the construction had not been completed within the prescribed time. We had not been able to complete construction in time because we were informed by the Municipal Corporation of Udaipur that any construction at the hotel would be in contempt of an order of the High Court of Rajasthan dated October 12, 2011 that restricted construction activities in certain areas in Udaipur. Our Company has filed a writ petition before the High Court of Rajasthan against such cancellation order and the matter is currently pending.

Also, in relation to The LaLiT Chandigarh, our Subsidiary, Kujjal Builders, had made an application on July 16, 2013 for a completion certificate, which was denied due to a delay in completion of the construction of the hotel and a penalty of ₹140.30 million was imposed on Kujjal Builders for such delay. Pursuant to an order dated November 20, 2013, the Chief Administrator of the Union Territory of Chandigarh had directed the Estate Officer of the Union Territory of Chandigarh to issue a partial completion certificate conditional upon a deposit of at least ₹45.00 million by Kujjal Builders and Kujjal Builders was directed to pay the remaining penalty amount within one year from the date of the partial completion certificate. Kujjal Builders has filed a writ petition before the High Court of Punjab and Haryana against the imposition of such penalty and the High Court of Punjab and Haryana has issued an interim stay on December 22, 2014 in favor of Kujjal Builders against the deposit of the remaining penalty amount. Kujjal Builders received the completion certificate on March 17, 2015, which is subject to the outcome of the writ petition. The matter is currently pending.

Further, the letters of allotment dated November 11, 2005 and November 17, 2008 for land in respect of our proposed hotel at Ahmedabad required our Company to commence construction of the project within six months of possession of the land and complete the project in two years. Our Company made an application to the District Collector, Ahmedabad, Gujarat for an extension of the construction period until May 24, 2020. As at the date of this Draft Red Herring Prospectus, our Company had not received the requested extension. In the event we are not able to complete the construction at Ahmedabad within the stipulated time or do not receive the requested extension, we may be required to return the land to the Government, including the super-structure, without being entitled to any compensation, which could in turn materially and adversely affect our business, financial condition, results of operations and prospects.

Moreover, once a hotel property is open, how quickly it achieves the desired level of profitability is impacted by factors such as the level of market familiarity and acceptance. If the "ramp-up" period for a new location lasts longer than we expect, or if the profitability of a new location decreases after our initial "ramp-up" marketing program ends, our business, financial condition, results of operations and prospects may be materially and adversely affected.

For further details, see "*Outstanding Litigation and Material Developments*" and "*Government and Other Approvals*" on pages 559 and 589, respectively.

25. We may have entered into, and will continue to enter into, related party transactions.

In the ordinary course of business, we have entered into transactions with certain related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions been entered into with non-related parties. These transactions have been entered into with, among others, our Promoters, Promoter Group and Group Companies and typically relate to, among others, borrowings from certain Promoters, and the sale and purchase of goods and services and certain other real property transactions with enterprises owned or significantly influenced by key management personnel or their relatives. For instance, we have entered into a management consultancy services agreement and licensing agreement for the rights to provide management consultancy services in connection with the operation and management of The LaLiT London with St. Olave's Limited, one of our Group Companies and a member of our Promoter Group. Further, The LaLiT Golf & Spa Resort Goa is operated by us pursuant to a license deed entered into with Deeksha Holding Limited, our corporate Promoter and the owner of the land parcel in Goa. We operate The LaLiT Grand Palace Srinagar pursuant to a license granted by our Subsidiary, Jyoti Limited, which in turn has been granted a perpetual lease in respect of the property owned by Mr. Narinder Dhruv Batra, who is a relative of one of our Promoters, Dr. Jyotsna Suri, and also a director of our Subsidiary, AZIL. In relation to the land for our proposed hotels in Mangalore and Pune, we have entered into memoranda of understanding dated November

8, 2017 with each of Prima Realtors Private Limited, one of our Group Companies and a member of our Promoter Group, and Cargo Hospitality Private Limited, one of our Group Companies, for a long-term license. The definitive license agreements in relation to these hotels have, however, not yet been executed. The transactions we have entered into may have involved, and any future transactions with our related parties could potentially involve, a conflict of interest.

We cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with non-related parties. Certain decisions concerning our operations or financial structure may present conflicts of interest among our Promoter Group, related parties, other shareholders, Directors and executive officers. Our shareholders, Directors, and executive officers may have an interest in pursuing transactions that, in their judgment, enhance the value of their equity investment, even though such transactions may involve risks to our shareholders. We cannot assure you that our Directors and executive officers will be able to address these or other conflicts of interests in an impartial manner, or at all. Further, our business is expected to involve transactions with such related parties in the future. We cannot assure you that such transactions, individually or in the aggregate, will not materially and adversely affect our business, financial condition, results of operations and prospects. For more information regarding related party transactions, see "*Related Party Transactions*" on page 259.

26. Some of our Promoters and members of our Promoter Group operate or control entities engaged in a similar line of business as our Company, which may lead to competition with these entities and could potentially result in a loss of business opportunity.

Some of our Promoters and members of our Promoter Group directly or indirectly operate or control entities, which are engaged in a similar line of business as our Company. Such companies are involved in the hospitality business. For instance, our Corporate Promoter, Deeksha Holding Limited, is involved in the hospitality sector and owns The LaLiT Goa Golf & Spa Resort and through one of its subsidiaries, owns The LaLiT London. We have no agreements or non-compete undertakings with our Promoters or any other Promoter Group entities that restrict them from offering similar services or that obligate any of them to direct any opportunities in the industry to us. As a result, our relationship with our Promoter Group may cause certain conflicts of interest and we may compete with one or more of the Promoter Group entities in our businesses. We may also compete with our Promoter Group entities for capital as well as for the services of our business partners and other suppliers. We cannot assure you that we will be able to successfully compete with our Promoter Group. Further, our relationship with our Promoters may effectively prevent us from taking advantage of certain business opportunities, such as by selecting themselves or another Promoter Group entity instead of us to pursue certain business opportunities or strategies that may arise in the future. If we forego certain business opportunities because of our relationship with our Promoter Group, it could adversely affect our business, financial condition, results of operations and prospects.

27. The reports of our previous auditors in respect of our historical audited standalone and consolidated financial statements contained certain qualifications and emphasis of matter.

The reports of our previous auditors in respect of our historical audited standalone and consolidated financial statements as at and for the financial years ended March 31, 2015 and 2014 included certain qualifications and emphasis of matter. These qualifications and emphasis of matter related, among other things, to the absence of provisions for: (a) loss of certain investments made by our subsidiary, Prima Buildwell, in a joint venture in Dubai; (b) advance amount of rent to be recovered from a tenant and failure to make adjustments to the carrying value of such receivables; and (c) demand of liquidated damages from us and adjustment of an advance paid by us to a vendor under the terms of an agreement for the sale and exchange of an aircraft. In addition, our previous auditors have included certain comments on certain matters included in the annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2016, 2015 and 2003, as applicable, on the standalone and consolidated financial statements as at and for the financial years ended March 31, 2018, 2017, 2016, 2015 and 2014 which do not require any corrective adjustments to the Restated Consolidated Financial Information and the Restated Standalone Financial Information.

Any such qualifications or observations in the auditors' report on our financial statements in the future may adversely affect the trading price of the Equity Shares. Investors should consider these remarks in evaluating our financial position, cash flows and results of operations. There is no assurance that the reports of our auditors under the Companies (Auditor's Report) Order, 2016 in respect of any future financial periods will not contain comments or qualifications. For details on these qualifications, emphasis of matter and adverse remarks, see the auditors' report in respect of our Restated Consolidated Financial Information included in "*Financial Statements*" on page 261. Also see "—*We may be exposed to risks arising from disputes with our joint venture partners.*" on page 47.

28. Our financial condition and profitability may be adversely affected if any of our contingent liabilities materialize.

As at March 31, 2018, our contingent liabilities, as indicated in our Restated Consolidated Financial Information, were as follows:

Particulars	Amount disputed/ involved (₹ million)
Income tax matters	
- Our Company	
Assessment Years 1988-89 to 2009-10, which include certain disallowances of expenses claimed by the Company and certain other additions made by the assessing officers in respective years	86.37
Assessment Year 2010-2011	180.00
Assessment Years 2011-12 to 2014-15	17.89
Assessment Year 2015-16	12.06
- Jyoti Limited	
Assessment Years 2005-06 to 2014-15, which include certain disallowances of expenses claimed by the Company and certain other additions made by the assessing officers in respective years	191.87
Other matters	
- Our Company	
Interest on delayed payments of lease management fees for one of the properties obtained on lease	5.23
Cumulative interest demand by the NDMC towards alleged delays in payments of the initial license fees	118.45
Demand by customs authorities against import of aircraft	96.80
Demand of service tax amounts	35.68
Show-cause notice towards stamp duty upon transfer of the Laxmi Palace Vilas Hotel, the erstwhile unit of Indian Tourism Development Corporation. The Company has filed a writ petition with the Hon'ble High Court of Jodhpur	90.92
Demand of urban development tax by the Municipal Council of Udaipur for the period between Fiscals 2008 and 2017	19.05
Enhanced eligibility limits for payment of bonus to employees with effect from Fiscal 2015	19.52
Claim received from a contractor not accepted by the Company	170.00
Other Claims not acknowledged debts	18.84
Notice from the Brahut Bangalore Mahangara Palike for its property situated at Kumara Krupa Road, Bengaluru for additional property tax along with 2.00% interest charges	99.45
- AZIL	
Demand of service tax and VAT	3.44
Duty payable if export commitment not met	84.60
- Kujjal Builders	
Duty payable if export commitment not met	67.89
Demand notice on account of delay in commencement of operations from Estate Office	142.50
Other claims by customers not acknowledged debts	5.00
Demand notice for recovery of property tax pertaining to period from 2005-06 to 2017-18 from the Chandigarh Municipal Corporation	5.91
Demand notice from music copy license company towards annual license fee for music provided to the hotel	0.76
Guarantees	
- Kujjal Builders	
Customs department for export obligation	86.22
Service Tax Department	0.05
Total	**1,558.50**

If any of these contingent liabilities materialize, our business, financial condition, results of operations and cash flows may be materially and adversely affected. For further information in relation to our contingent liabilities, see note 53 of our Restated Consolidated Financial Information in "*Financial Statements*" on page 261.

29. Any downgrading of our debt ratings could adversely affect our business.

We have obtained credit ratings from CARE in relation to our long-term bank debt facilities, short-term bank debt facilities as well as certain non-convertible debentures issued by us. A downgrade of our credit ratings may increase our cost of borrowing and make our ability to raise new funds or refinance our existing debt in the future more difficult. For example, on account of a decline in our financial and operational performance, CARE had downgraded the credit ratings of our Company for Fiscal 2015 pursuant to its letter dated December 1, 2015. We cannot assure you that any further downgrading of our credit ratings will not take place in the future. A further downgrading of our credit ratings could increase our cost of raising funds and impair our ability to raise new funds, thereby adversely affecting the perception of our financial stability and our reputation, which may in turn adversely affect our business, financial condition, results of operations and prospects.

For details in relation to our current credit ratings, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Credit Ratings*" on page 553.

30. Renovation work, repair and maintenance or physical damage to our hotels may disrupt our operations and revenue.

The quality and design of our hotel properties influence the room rates as well as the demand for rooms. Our hotel properties may need to undergo renovation works from time to time in order to retain their attractiveness to customers and may also require unscheduled maintenance or repairs in respect of faults or problems that may have developed, or because of new planning laws or regulations. The costs of maintaining the hotel properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the hotel properties age. The business and operations of our hotel properties may be disrupted for an extended period of time as a result of renovation works and it may result in a partial or full loss of income from such properties during the time of such renovation works. Physical damage to the properties resulting from fire, floods or other causes may lead to a significant disruption to the business and operations of the hotel properties. The required works may impose unbudgeted costs on us, to the extent not covered by insurance, and may adversely affect our business, financial condition, results of operations and prospects.

31. Existing or planned amenities and transportation infrastructure at or near our other hotels could be closed, relocated, terminated, delayed or not completed. Disruptions or lack of basic infrastructure such as electricity and water supply could adversely affect our operations.

Location and accessibility through transport services and related infrastructure are key features of our other hotels. However, we cannot assure you that the transportation infrastructure and services near, or anticipated to be near, our hotels will not be closed, relocated, terminated, delayed or remain incomplete. For instance, The LaLiT Temple View Khajuraho is located in Khajuraho, which is not as well connected through air, rail or road to other parts of India as certain other tourist destinations. As a result, The LaLiT Temple View Khajuraho may suffer from a lack of adequate accessibility due to its location. If the accessibility of any of our hotels is adversely affected, it could adversely affect their attractiveness and marketability which may, in turn, adversely affect our business, financial condition, results of operations and prospects.

We also require a significant amount, and continuous supply, of electricity and water and any disruption in the supply thereof could affect the operations of our hotels and the services to our customers. We currently source our water requirements from governmental water supply undertakings and water tankers and depend on state electricity boards and private suppliers for our energy requirements. Although we have diesel generators to meet exigencies at all of our hotels, we cannot assure you that our hotels will have sufficient power during power failures. There have been shortages of water and electricity in the past in the cities in which we operate, and such shortages may occur in the future as well. Any failure on our part to obtain alternate sources of electricity or water, in a timely fashion, and at an acceptable cost, may adversely affect our business, financial condition, results of operations and prospects.

32. We are dependent on our senior management team.

Our success depends to a large extent upon the continued services of our senior management team, which includes our Promoter, Chairperson and Managing Director, Dr. Jyotsna Suri, our Executive Directors, Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri as well as certain key management and senior personnel. For further details, see "*Our Management*" on page 219. We cannot assure you that we will be able to retain our senior management team or other executive officers. We could be adversely affected by the loss of any of our senior management or other executive officers. The market for such qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. Our success also depends, in part, on key client relationships built by members of our senior management. If we were to lose these members of our senior management, we cannot assure you that we will be able to maintain such key client relationships or renew them. If we are unable to retain these members of our senior management, our business, financial condition and results of operations may be materially and adversely affected.

33. We may face a shortage of skilled personnel if our relationship with our employees were to deteriorate.

Our operations rely heavily on employees and on our employees' ability to provide high-quality services to our customers. Shortage of skilled personnel or stoppage caused by disagreements or disputes with employees could adversely affect our ability to provide our services and could lead to reduced occupancy in our hotels or potentially damage our reputation. If we are not able to hire and retain qualified personnel, our ability to operate and expand our business will be impaired. Relations with employees could deteriorate due to disputes related to, among other things, wage or benefit levels. We do not have a contingency plan in the event of any unforeseen employee unrest. Further, competition in our industry for qualified personnel could require us to pay higher wages and provide greater staff benefits which may reduce profitability and any one or more of the above factors could in turn materially and adversely affect our business, financial condition, results of operations and prospects.

There is a relatively high rate of attrition in the hospitality industry. Higher attrition rates lead to an increase in our training and recruitment costs, which may adversely affect our business and profitability. High attrition and competition for trained personnel may limit our ability to attract and retain the skilled personnel necessary for our future growth requirements. We cannot assure you that skilled personnel will continue to be available in sufficient numbers and at wages suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may adversely affect our business, financial condition, results of operations and prospects.

34. Our operations may be affected by strikes, labor unrest, slowdowns and increased wage costs.

We have a large workforce and we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. While our employees are not currently unionized, we cannot assure you that our employees will not unionize in the future. We may also face the threat of strikes, opposition from employees, labor unrest or work stoppages, which can divert our management's attention and adversely affect the results of our operations and reputation. Any unscheduled or significant wage increases may make us less competitive unless we are able to increase our efficiency and productivity proportionately. We have also been subject to, and may continue to be subject to, regulatory claims alleging defaults in relation to employee wage payments and contributions. For further details, see "*Outstanding Litigation and Material Developments*" on page 559. Such claims cannot be predicted or controlled by us and any such event could adversely affect our business, financial condition, results of operations and prospects.

35. We appoint contract labor for carrying out certain ancillary operations and we may be held responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations.

In order to retain flexibility and control costs, we appoint independent contractors in India who in turn engage on-site contract labor for performance of certain of our ancillary operations. Although we do not engage this labor directly, we may be held responsible for any wage payments to be made to such labor in the event of default by the relevant independent contractors. Any requirement to fund their wage requirements may adversely affect our business, financial condition, results of operations and prospects. In addition, under the provisions of the Contract

Labour (Regulation and Abolition) Act, 1970, as amended, we may be prohibited from employing contract labor in certain circumstances or be required to absorb such contract labor as permanent employees and any such notification from the Government or order by a court may adversely affect our business, financial condition, results of operations and prospects.

36. We are susceptible to currency exchange rate fluctuations.

We have certain foreign currency denominated borrowings, comprising external commercial borrowing and foreign currency loans availed in U.S. Dollar, and as such, we are exposed to fluctuations in exchange rates between Indian Rupees and the U.S. Dollar. As at March 31, 2018, the total value of our outstanding foreign currency denominated borrowings was ₹1,547.25 million. While we report our consolidated results of operations in Indian Rupees, we also receive management fees from The LaLiT London denominated in GBP, which are thereafter translated to Indian Rupees. Additionally, during Fiscal 2018, we earned approximately 21.19% of our revenue in foreign currency. Any losses incurred on account of foreign exchange fluctuations may adversely affect our results of operations. The exchange rate between Indian Rupees and the U.S. Dollar, the GBP, the Euro and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future which could materially and adversely affect our business, financial condition, results of operations and prospects. For historical exchange rate fluctuations, see "*Presentation of Financial, Industry and Market Data*" on page 13.

37. Our operations in London are subject to certain risks.

Currently, we manage a hotel in London, The LaLiT London, pursuant to a management consultancy services agreement and licensing agreement dated December 6, 2017 with St. Olave's Limited, one of our Group Companies and a member of our Promoter Group. The remainder of our hotel operations is located in India. As a result of our relatively limited experience with facilities outside India as well as in managing a hotel pursuant to a management contract, we are subject to additional risks related to our operations at The LaLiT London, including risks related to complying with the laws and tax structures of the United Kingdom. We may face competition from companies that may have more experience with hotel operations in the United Kingdom and may also face difficulties integrating the operations of this new hotel property into our existing hotel operations, as well as integrating employees that are hired in the United Kingdom into our existing corporate culture, and this could in turn materially and adversely affect our business, financial condition, results of operations and prospects.

Also see "*—The management contracts we have entered into, or that we may enter into in the future, may terminate or not be renewed on favorable terms. We may not be able to negotiate new hotel management contracts on terms favorable to us, or at all.*" and "*—Our expansion into new business segments and new geographies may present increased risks." on pages* 32 and 32, respectively.

38. Certain incidents may result in claims from our customers, which could result in imposition of civil or criminal penalties on us.

Our hotel operations are subject to hazards inherent in our services, such as risks of theft, vandalism, work accidents, fire or explosion, including hazards that may cause severe loss and damage to, and the destruction of, property and environment as well as crimes, injuries, or loss of life. Certain incidents may result in related customer claims, including product liability claims. Certain incidents may not be caused as a result of our negligence or fault but could still result in imposition of the civil or criminal penalties on us. For instance, The LaLiT Chandigarh experienced an incident where a guest died on our hotel premises in March 2014. An FIR was lodged against one Mr. Achal Kataria, architect of The LaLiT Chandigarh and the management of the hotel under Section 304A of the Indian Penal Code, 1860. Pursuant to an investigation by the police, a charge sheet was filed against Mr. Kataria. Pursuant to an application filed by the family of the deceased, the Judicial Magistrate 1st Class, Chandigarh, passed an order on January 11, 2017 directing the police to further investigate the role of the management of our hotel in this incident. Pursuant to such order, the station house officer submitted a status report to the Judicial Magistrate 1st Class, Chandigarh on July 13, 2017. Subsequently, the Judicial Magistrate, 1st Class, Chandigarh passed an order dated November 28, 2017 directing that summons be issued to the then directors of The LaLiT Chandigarh, one of whom is a key management personnel of our Company. The proceedings before the Judicial Magistrate, 1st Class, Chandigarh are currently pending. Further, a revision petition has been filed before the High Court of Punjab and

Haryana at Chandigarh by certain of such directors seeking quashing of these proceedings, which was dismissed by the Court of Sessions Judge, Chandigarh pursuant to its order dated March 10, 2018. The proceedings before the Judicial Magistrate are currently pending. Further, certain of the then directors of The LaLit Chandigarh filed a petition under Section 482 of the CrPC on April 16, 2018 before the High Court of Punjab and Haryana at Chandigarh for quashing of proceedings against the management of The LaLiT Chandigarh. The quashing proceedings are also currently pending. The parents of the deceased also filed a suit for damages of ₹5.00 million, along with interest of ₹51,164 before the Civil Judge (Senior Division), Union Territory, Chandigarh on February 3, 2017 against The LaLiT Chandigarh, its management and the security guard. The matters are currently pending. For further details, see "*Outstanding Litigation and Material Developments*" on page 559. The occurrence of any similar events or other incidents or hazards could materially and adversely affect our business, financial condition, results of operations and reputation.

39. Our hospitality school, TLSHS, is subject to several risks common to the education industry.

Hospitality education is a new business initiative for us and we do not have prior experience in operating a hospitality school. Our success depends on our ability to enroll and retain students in our hospitality school, which in turn depends on several factors, including our ability to:

- enhance existing, and develop new, education programs and services to respond to market changes and student demands;
- market our hospitality school and programs to a wide set of prospective students;
- establish, maintain and enhance our reputation as a leading hospitality education provider; and
- manage the potential growth of our hospitality school while maintaining the consistency of our teaching quality and programs.

We cannot assure you that our efforts will be sufficient or successful, and we may fail to enroll and retain the required number of students. In addition, our lease agreement for TLSHS requires us to make domicile based reservation up to 25.00% for students from the State of Haryana in India and also comply with any reservation policy that may be implemented by the Government of the State of Haryana. If our programs and teaching are found to be deficient, our graduates may not be trained to the standards expected in the hospitality industry, which could adversely affect our reputation.

We could also face claims connected with any injuries that our students may suffer during their education or any claims arising from our failure to provide adequate safety and health measures or adequate student supervision. Even if unsuccessful, such claims could affect our reputation, result in substantial expenses and divert the time and attention of our management. Furthermore, the credibility of the programs and qualifications we offer are linked to the National Council for Hotel Management and Catering Technology ("**NCHMCT**"). If NCHMCT suffers damage to its reputation, the credibility and attractiveness of our hospitality school may be adversely affected. If any of these factors materialize, our plans to train our next generation of staff and managers and the related expansion of our hospitality school may be adversely affected, which could in turn materially and adversely affect our business, financial condition, results of operations and prospects.

40. We may face certain risks related to our failure to comply with conditions of affiliation for our hospitality school, TLSHS.

Since 2015, TLSHS has been affiliated on a provisional basis with NCHMCT. NCHMCT offers a three year Bachelor of Science degree in Hospitality and Hotel Administration jointly with the Indira Gandhi National Open University. Under the terms of our agreement dated June 25, 2018 with NCHMCT, such provisional affiliation is valid for a period of one year until the end of the academic year 2018-2019, which the NCHMCT may extend annually for a maximum period of three years. The agreement with NCHMCT requires us to, among other things, comply with minimum quality standards, employ staff fulfilling certain stipulated qualifications and strictly follow NCHMCT's academic calendar, curriculum and rules of examination. We cannot assure you that NCHMCT will extend its affiliation with us for the succeeding academic years or that it will not terminate its affiliation with us in the event of any non-compliance with the stipulations of such affiliation. If we were to lose the NCHMCT affiliation for TLSHS, our business, financial condition, results of operations and prospects may be materially and adversely affected.

41. Our aircraft charter service, The LaLiT Aviation, is subject to several risks common to the aviation industry.

We provide a private aircraft charter services for our customers. A number of factors which are beyond our control could affect our aircraft charter service and therefore our business. Increases in fuel costs could increase our operating costs, and if we are unable to pass on these costs to our customers, our profitability could be adversely affected. If unable to attract customers, our profitability could be adversely affected. In addition, our aircraft charter service is affected by factors such as threatened or actual terrorist attacks as well as adverse weather conditions that may halt our aircraft charter service altogether. If any of our aircrafts were to malfunction or be involved in a significant accident, we could be exposed to material liability or loss if we are unable to obtain sufficient insurance coverage, and our reputation and business could be adversely affected if any of our customers suffer injuries as a result of the accident. An increase in insurance costs for our aircraft could also affect our profitability if we are unable to pass on these costs to our customers. These factors could materially and adversely affect our business, financial condition, results of operations and prospects.

As a provider of non-scheduled air transport services, we are also subject to aviation related laws and regulations and are regulated by, among others, the Ministry of Civil Aviation, GoI ("**MOCA**"), the Director General of Civil Aviation and the Airports Authority of India in relation to this business. The aviation related regulations in India are extensive and complex and set out provisions relating to, among other things, the use, possession and sale of aircrafts, air operator permits and security clearances for directors and other designated personnel. Under the aviation regulations, we are also required to obtain security clearance from the MOCA prior to appointment of any Directors to the Board of our Company. In the event of any non-compliance with, or changes in, the applicable aviation related laws and regulations, we may incur increased costs, be subject to penalties or have our permits revoked, any of which could materially and adversely affect our business, financial condition, results of operations and prospects. Moreover, we cannot assure you that we will not be involved in or subject to any regulatory action, litigation or other proceedings, or be held liable in any litigation or proceedings for non-compliance with such laws and regulations. For further details, see "*Regulations and Policies*" on page 199.

42. We have a large workforce deployed across our hotels which may expose us to service related claims and losses or employee disruptions.

We have a large workforce deployed across India. As at March 31, 2018, we had 3,830 employees across our operations. The risks associated with the utilization of a large workforce include possible claims relating to:

- actions, inactions, errors or malicious acts by our employees;
- deficient services by our employees or absenteeism;
- violation by our employees of security, privacy, health and safety regulations and procedures;
- any failure by us to adequately verify employee backgrounds;
- injury or damages to any guest's person or property due to negligence of our employees; and
- criminal acts, torts or other negligent acts by our employees.

These claims may require us to pay damages or may result in negative publicity and adversely affect our reputation and brand. Any losses that we incur as a result may adversely affect our business, financial condition, results of operations and prospects.

43. Our operations require the services of third parties, which entails certain risks.

We require the services of third parties for our operations. These third parties include contractors, sub-contractors, architects, engineers, suppliers of labor and materials such as linen, furniture, carpeting, food, beverages and other consumables. We have outsourced, and may in the future continue to outsource, several services required in our operations such as banqueting services, valet drivers, housekeeping, engineering, kitchen stewarding, engineering and security services to third parties. Maintaining an inventory of items such as food items or other consumables demands significant logistical effort. If our service providers fail to perform their respective obligations satisfactorily, or if there are shortages, whether caused by factors outside our control or otherwise, we may be unable to deliver our services to our customers within the intended timeframe, at the intended cost, or at all. In such circumstances, any remedial measures that we may undertake may require us to incur additional cost or time, which could result in reduced profits, which may in turn materially and adversely affect our business, reputation, financial condition, results of operations and prospects.

44. The industries in which we operate are highly regulated. Compliance with the applicable regulations or failure to adhere to them, including failure to obtain or maintain regulatory approvals, may increase costs, while the benefits and incentives that we currently enjoy may not continue.

We and our various properties are subject to numerous laws, including those relating to the preparation and sale of F&B, such as health, safety and liquor license laws, food safety laws, laws related to land development and use and environmental regulations. Our properties are also subject to laws governing our relationship with our employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and redundancy of employees, contract labor and work permits, pension and employment termination benefits and work permits. Under various applicable environmental laws and regulations, we, as the owner or operator of hotel properties and other businesses may be liable for failing to maintain air and water pollution within prescribed levels, or for failing to comply with various environmental regulations while constructing and operating our hotels. For further details, see "*Regulations and Policies*" on page 199.

In accordance with these laws and regulations, we require regulatory approvals, sanctions, licenses, registrations and permissions for operating our business, most of which expire in due course from time to time. We generally apply for renewals of such regulatory approvals, sanctions, licenses, registrations and permissions, prior to or upon their expiry. For instance, we have applied to the Ministry of Tourism, GoI (the "**Tourism Ministry**") for star classification for The LaLiT Mangar, to the Maharashtra Pollution Control Board for renewal of our consent to operate for The LaLiT Mumbai and to the Director General of Police, Karnataka Fire and Emergency Services for renewal of the fire certificate for The LaLiT Ashok Bangalore, all of which are currently pending. For further details, see "*Government and Other Approvals*" on page 589.

The General Data Protection Regulation ((EU) 2016/679) recently came into effect from May 25, 2018. We are yet to determine if these EU regulations are applicable to us and have initiated a process for compliance with these regulations if, and to the extent, they are applicable to us.

As a result of non-compliance with, or changes in, the applicable regulations, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could materially and adversely affect our business, financial condition, results of operations and prospects. Moreover, we cannot assure you that we will not be involved in or subject to any regulatory action, litigation or other proceedings, or be held liable in any litigation or proceedings for non-compliance with applicable regulations. For further details, see "*Outstanding Litigation and Material Developments*" on page 559.

Further, we have acquired land and hotel properties in the past and may also acquire land and hotel properties in the future, pursuant to which the existing approvals, licenses, registrations and permissions in the name of the owner or vendor are required or will be required to be transferred to us. For instance, certain approvals in relation to The LaLiT Mangar are still in the name of the Kalakar Trust, which is the owner of the land, and we will file change of name applications with the relevant regulatory authorities at the time of renewal of such approvals. For further details, see "*Government and Other Approvals*" on page 589. However, we cannot assure you that we will obtain all regulatory approvals, sanctions, licenses, registrations and permissions that we may require in the future, or receive renewals or transfers of existing or future approvals, sanctions, licenses, registrations and permissions in the time frames required for our operations or at all, which could adversely affect our business, financial condition and results of operations. For instance, our Subsidiary, Kujjal Builders and our Company had applied for a star classification for The LaLiT Chandigarh and renewal of the star classification for The LaLiT Ashok Bangalore, each of which were rejected by the Tourism Ministry. Subsequently, we had been debarred from filing star classification applications for The LaLiT Ashok Bangalore and The LaLiT Chandigarh, until May 21, 2018 and July 27, 2019, respectively. Pursuant to the introduction of revised guidelines for star classification by the Tourism Ministry that allows debarred hotels to apply for star classification upon payment of an additional fee, our Subsidiary, Kujjal Builders, has applied to the Hotel and Restaurant Approval and Classification Committee of the Tourism Ministry on April 27, 2018 for star classification of The LaLiT Chandigarh. The application is currently pending. Our Company is yet to file its application for star classification of The LaLiT Ashok Bangalore.

Furthermore, the success of our hotel management and development strategies may be dependent upon our obtaining necessary zoning and building permits from local authorities. There are certain incentives and concessions granted or provided by the GoI and the applicable State Governments to the industries in which we currently operate. We cannot assure you that such incentives or concessions will continue, or will not be withdrawn by the GoI or the applicable State Governments, in the future which could increase our costs, thereby reducing the profitability and growth of our businesses and in turn adversely affect our future financial results. Monitoring legal developments and maintaining internal standards and controls in order to abide by rules and regulations applicable to us can be costly and may detract management's attention which could adversely affect our operations. Any failure to comply with these rules and regulations could materially and adversely affect our reputation and the imposition of any fines or penalties may materially and adversely affect our business, financial condition and results of operations.

45. Failure to comply with, or changes in, environmental laws and regulations could expose us to significant risks and liabilities.

We are subject to environmental regulations. Under various applicable environmental laws and regulations, we, as the owner or operator of real property may be liable for failing to maintain air and water pollution within prescribed levels, or for failing to comply with various environmental regulations while constructing and operating our hotels. These laws and regulations include the Environmental Protection Act, 1986, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Act, 1974 and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states.

We are required to conduct an environmental assessment for most of our hotel projects before receiving regulatory approval for these projects. These environmental assessments may reveal material environmental problems, which could result in us not obtaining the required approvals. Additionally, if environmental problems are discovered during or after the development of a project, we may incur substantial liabilities relating to clean-up and other remedial measures and the value of the relevant hotels could be materially and adversely affected. For instance, under the Water (Prevention and Control of Pollution) Act, 1974 and the Environmental Protection Act, 1986, our Company has received notices dated August 30, 2017, January 19, 2018 and April 17, 2018 from the Jammu and Kashmir State Pollution Control Board (the "**J&K PCB**") in relation to non-compliance of our sewage treatment plant at The LaLiT Grand Palace Srinagar with certain parameters. Our Company responded to such notices and as at the date of this Draft Red Herring Prospectus, we had not received any further communication from the J&K PCB in this regard.

Our Company had applied to the Regional Director, Central Ground Water Board, Western Region on May 30, 2017 for a no-objection certificate for extraction of ground water for The LaLiT Jaipur. However, we have not yet been granted such no-objection. Subsequently, the Senior Environmental Engineer, Rajasthan State Pollution Control Board issued a show-cause notice dated November 15, 2017 to The LaLiT Jaipur directing The LaLiT Jaipur to obtain such no-objection certificate by December 31, 2017, failing which, The LaLiT Jaipur could be directed to shut down and appropriate authorities may be directed to stop supplying water and electricity to The LaLiT Jaipur. We have responded to the show-cause notice.

For details, see "*Outstanding Litigation and Material Developments*" on page 559.

The GoI may take steps towards the adoption of more stringent environmental regulations, and we cannot assure you that we will be at all times in full compliance with these regulatory requirements. For example, these regulations can often require us to purchase and install expensive pollution control equipment or make changes to our existing operations to limit any adverse impact or potential adverse impact on the environment, and any violation of these regulations, whether or not accidental, may result in substantial fines, criminal sanctions, revocations of operating permits or a shutdown of our facilities. If there is any change in the environmental regulations we are subject to, we may need to incur substantial capital expenditure to comply with such new regulations. Our costs of complying with current and future environmental laws and any liabilities arising from failure to comply with applicable regulatory requirements may materially and adversely affect our business, financial condition and results of operations.

46. Our insurance policies provide limited coverage and we may not be insured against certain business risks or losses caused by natural disasters.

We have insured our hotels and offices for standard fire and special perils, earthquake and terrorism damage coverage policies, property damage, money-transit, employee and public liability insurance (non-industrial risks) consistent with industry practice in India. In addition, we maintain insurance against burglary, loss to plate glass at our hotel premises, contingencies such as breakdown of electronic equipment and machinery, and loss of money and profit for some of our hotels and offices. For further details, see "*Our Business—Insurance*" on page 193.

Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks such as the occurrence of an accident that causes losses in excess of limits specified under the relevant policy or losses arising from events not covered by the insurance policies. Although we carry insurance on our properties with respect to specified catastrophic events of types and in amounts and with deductibles that we believe is in line with coverage customarily obtained by owners of similar properties, there can be no assurance that our insurance coverage is sufficient to cover potential losses, and there are other types of losses, such as from acts of terrorism, war, nuclear contamination, tsunami and pollution for which we may not be able to obtain insurance at a reasonable cost, or at all. For instance, a claim made by us in relation to our operations at The LaLiT Grand Palace Srinagar was rejected by our insurance provider on the grounds that the claim did not qualify under the scope of the insurance policy.

In the event an uninsured loss or a loss in excess of the insured limits occurs, we could lose all or a portion of the capital invested in a property, as well as the anticipated future revenues from the property. Moreover, we would remain obligated for any bank borrowings or other financial obligations related to the property and the proceeds of any insurance claim may not be sufficient to cover rebuilding costs as a result of inflation, changes in building regulations or environmental issues as well as other factors. If any of these risks materialize, it could materially and adversely affect our business, financial condition, results of operations, prospects and cash flows.

47. We may be exposed to risks arising from the uncertainty of title of the land where our hotel properties are situated.

In India, property records do not provide a guarantee of title to the land. We may not be able to assess or identify all risks and liabilities associated with the land where our hotels are located such as faulty title or irregularities in title, including due to non-execution or non-registration or inadequate stamping of conveyance deeds and other acquisition documents; unregistered encumbrances; adverse possession rights; discrepancies between the area mentioned in the revenue records, the area mentioned in the title deeds and/or the actual physical area of some of our hotel properties; or other defects. As a result, potential disputes or claims over title to land on which our current hotels or hotels we plan to develop are situated may arise. Any defects in or irregularities of title may result in the loss of development or operating rights over the respective land. Property records in India have not been fully computerized and are generally maintained manually through physical records of all land related documents, which are also manually updated. This updating process can take a significant amount of time and can result in inaccuracies or errors and increase the difficulty of obtaining accurate property records.

Additionally, flaws in the title of the lessor or licensor could impact our rights to use the land. Some of our hotels are leased or licensed from third parties where the title to the land may be owned by one or more of such third parties. In such instances, there can be no assurance that the persons with whom we have or may enter into lease or license arrangements have or will have clear title to such land.

The name of our Company has not been entered in the relevant revenue records as the owner of The LaLiT Laxmi Vilas Palace Udaipur, and The LaLiT Laxmi Vilas Palace Udaipur continues to be held in the name of a third party in such records. Certain court proceedings have been initiated by third parties disputing our title to the land on which The LaLiT Jaipur and The LaLiT Laxmi Vilas Palace Udaipur are situated. Further, the title of one of our Promoters, Deeksha Holding Limited, to the land on which The LaLiT Goa Golf & Spa Resort is situated has also been disputed. Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If either we or the owner of the land where our hotels are located are unable to resolve such disputes, we may lose our ability to operate the hotel on such disputed land, which could in turn materially and adversely affect our business, financial condition, results of operations and prospects. For details, see "*Outstanding Litigation and Material Developments*" on page 559.

48. Our Company, our Subsidiaries and LSECT have incurred losses in the past and may incur losses in the future.

Our Company, our Subsidiaries and LSECT have incurred losses in the past. The details of losses suffered by our Company, our Subsidiaries and LSECT during the last three Fiscal Years are set forth below.

Particulars	Fiscal		
	2018	2017	2016
	(₹ *million*)	(₹ *million*)	(₹ *million*)
Our Company (on a consolidated basis)	838.82	(472.33)	(648.10)
AZIL	244.14	(222.07)	(420.69)
Kujjal Builders	176.94	(624.46)	(631.05)
Prime Cellular	(3.97)	(4.58)	(4.41)
Prima Buildwell	1.08	(0.39)	0.71
Jyoti Limited	(1.73)	(2.05)	(2.93)
LSECT	33.43	(29.41)	(7.14)

We cannot assure you that our Company, our Subsidiaries and LSECT will not incur losses in the future, or that such losses will not adversely affect our reputation or our business.

49. Our Company has not provided for a decline in the value of its investments made in its Subsidiaries.

As at March 31, 2018, our Company had invested ₹310.79 million and ₹521.31 million, respectively, in the share capital of our Subsidiaries, Jyoti Limited and AZIL. Our Company had also provided interest free loans aggregating to ₹46.67 million to Jyoti Limited, as a deemed investment. In addition, our Company had also provided an interest free loan to AZIL for a period of 25 years with effect from June 1, 2016 as a result of which, our Company has recognized a deemed investment of ₹3,218.51 million and the carrying balance of this loan to AZIL amounted to ₹291.60 million as at March 31, 2018. Our Company further provided a loan of ₹54.60 million to Prima Buildwell, which in turn has given a loan of ₹Nil to AZIL.

Further, our Company had invested ₹398.40 million in our Subsidiary, Prime Cellular and had provided loans of ₹305.66 million and ₹3,998.61 million, respectively, to our Subsidiaries, Prime Cellular and Kujjal Builders. Out of the loan of ₹3,998.61 million provided to Kujjal Builders, ₹3,674.88 million had been converted into an interest free loan for a period of 25 years with effect from June 1, 2017. Further, our Company has given a loan of ₹44.59 million during the period from June 2017 to March 2018 out of which ₹40.76 million has been converted into an interest free loan. As a result, our Company recognized a deemed investment of ₹3,674.88 million in the form of an interest free loan to Kujjal Builders and the carrying balance of this loan to Kujjal Builders amounted to ₹323.73 million.

During Fiscal 2018, Jyoti Limited had incurred a loss of ₹1.73 million. During that period, Prime Cellular had incurred a loss of ₹3.97 million. Our Company also has an outstanding loan recoverable of ₹36.97 million from Jyoti Limited. No provisions have been made in the Restated Standalone Financial Information of our Company in respect of the decline in the value of investments by our Company in Jyoti Limited, AZIL, Prime Cellular and Kujjal Builders. In the event these entities continue to incur losses, there could be a further decline in the value of, and we may not be able to recover all or a portion of, our investments, which may in turn adversely affect the presentation of our financial condition and the results of operations.

As at March 31, 2018, our Company had an investment of ₹30.10 million and had given a loan of ₹54.60 million to Prima Buildwell for execution of a project to set up a hotel property in Al Furjan, Dubai. The project did not materialize and we decided to exit from a joint venture, Cavern Hotel and Resorts FZCO ("**Cavern**"), entered into by our subsidiary, Prima Buildwell. Al Furjan LLC, the land developer for Al Furjan, Dubai (the "**Developer**") initiated legal proceedings against Cavern alleging non-payment of amounts due for purchase of a plot of land under the terms of the sale and purchase agreement between Cavern and the Developer, which was decided in favor of the

Developer. Cavern thereafter filed an appeal before the Court of Appeal, Dubai which was accepted pursuant to order dated February 27, 2017. Cavern and the Developer filed appeals before the Court of Cassation against the order of the Court of Appeal, wherein Cavern sought nullification of a sale and purchase agreement dated February 10, 2008 (the "**Dubai Land Agreement**") and the Developer sought revocation of the order of the Court of Appeal. By an order dated November 22, 2017, the Court of Cassation upheld the order of the Court of Appeal and rejected appeals by both Cavern and the Developer. For further details, see "*History and Certain Corporate Matters—Joint Venture*" and "*—We may be exposed to risks arising from disputes with our joint venture partners.*" on pages 213 and 47, respectively. The Company had, considering certain legal proceedings, created a provision on March 31, 2018 of ₹30.10 million as provision for diminution against investment and provision of ₹52.90 million against the loan advanced to Prima Buildwell.

For further details, see note 56 to our Restated Standalone Financial Information included in "*Financial Statements*" on page 261.

50. We may be exposed to risks arising from disputes with our joint venture partners.

We have entered in the past, and may enter in the future, in joint ventures for our hotel business. Our joint ventures may involve risks associated with the possibility that our joint venture partners may:

- have economic or business interests or goals inconsistent with ours;
- take actions contrary to our instructions, requests, policies or objectives;
- be unable or unwilling to fulfill their obligations under the relevant joint venture agreements;
- have financial difficulties; or
- have disputes with us as to the scope of their responsibilities and obligations.

Certain of our joint venture agreements include, or may include, covenants in relation to, among other things, transfer of our shares in the joint venture, *veto* rights, representation on the board of directors of the joint venture, exit from the joint venture and resolution of conflict of interest between the joint venture partners. For further details, see "*History and Certain Corporate Matters—Shareholders' agreements*" on page 216. In the event of termination due to a material breach, the non-defaulting party may have the right to invoke buy-out provisions where the defaulting party's interests may be acquired at fair open market value as determined by an independent assessor. As a result, we are exposed to the risk that our joint venture partners may buy-out our interest in the joint venture in the event of a default and we may lose our ownership of assets in relation to asset or property owned by the joint venture. In certain circumstances, our joint ventures may rely on our financial support, and we may lose all or a portion of our investment in such joint ventures.

One such example is Cavern, a joint venture entered into by our subsidiary, Prima Buildwell, our Group Company, Premium Holding Limited and Lost City Development LLC, in order to set up a hotel property in Al Furjan, Dubai. For further details, see "*History and Certain Corporate Matters—Joint Venture*" on page 213. The project for which Cavern was set up did not materialize and we decided to exit Cavern in order to recover the investments of ₹1.08 million and share of loan of ₹66.02 million made by us under the terms of the joint venture agreement. The Developer had initiated legal proceedings against Cavern by filing a suit before the Court of First Instance in Dubai for recovery of the outstanding consideration amount for the sale of land to Cavern for the hotel property pursuant to the Dubai Land Agreement. The Court of First Instance, in its order dated June 20, 2016, directed Cavern to pay the balance consideration along with interest. Cavern filed an appeal before the Court of Appeal in Dubai stating that no such amount was due as the Developer had failed to perform its obligations under the Dubai Land Agreement. In its order dated February 27, 2017, the Court of Appeal allowed the appeal on the grounds, among others, that the claim for recovery by the Developer was premature since the payment terms agreed between Cavern and the Developer required the remaining consideration to be paid once the hotel was constructed and had become operational. The Court of Appeal also found that correspondence between Cavern and the Developer indicated that the parties mutually intended to defer payment of the remaining installments due as at the date of such correspondence, and those to fall due thereafter, until the hotel became operational, which had yet to occur. Cavern and the Developer filed appeals before the Court of Cassation against the order of the Court of Appeal, wherein Cavern sought nullification of the Dubai Land Agreement and the Developer sought revocation of the order of the Court of Appeal.

By an order dated November 22, 2017, the Court of Cassation upheld the order of the Court of Appeal and rejected appeals by both Cavern and the Developer.

In view of these legal proceedings, our Company had created a provision, as at March 31, 2018, of ₹30.10 million for diminution against investment and a provision of ₹52.90 million against the loan advanced. As at the date of the Draft Red Herring Prospectus, we had neither exited Cavern nor recovered the investment amount and the loan amount. We cannot assure you that we will not encounter problems with respect to our joint venture partners, which may materially and adversely affect our business, financial condition, results of operations and prospects.

51. Our acquisition activities and strategic transactions expose us to various risks.

We may, in the future, pursue acquisitions of complementary assets (including land) and properties. We cannot assure you that we will be able to identify additional suitable acquisition opportunities, negotiate favorable terms or successfully acquire identified targets. In addition, we may not have sufficient capital resources or obtain additional financing on favorable terms to complete additional acquisitions in the future. The success of these acquisitions and strategic transactions will depend, in part, on our ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses with our existing businesses. Integrating the acquired businesses or assets with our existing businesses could require substantial time and effort from our management and may also involve unforeseen costs, delays or other operational, technical and financial difficulties that may require a disproportionate amount of management attention and financial and other resources. If our management's attention is diverted or there are any difficulties associated with integrating these businesses, our results of operations could be adversely affected. Any failure by us to successfully incorporate the acquired businesses or assets into our existing operations, to enhance operating efficiencies from consolidation savings, minimize any unforeseen operational difficulties and realize the anticipated benefits on time, or at all, could materially and adversely affect our business, financial condition, results of operations and prospects.

We may, in the future, consider certain strategic transactions involving sale or transfer of certain of our hotel properties. However, the agreements in relation to certain hotel properties contain certain restrictions which may limit our ability to conclude or implement such strategic transactions, or result in delays, which could in turn adversely affect our business, financial condition, results of operations and prospects. For example, the allotment letter issued to us by the Jaipur Development Authority for the lease of The LaLiT Jaipur imposes certain restrictions on sale or transfer of the land and the super structure, among other things, without the prior permission of the Jaipur Development Authority. Similarly, the lease agreement for The LaLiT Ashok Bangalore also restricts us from transferring or sub-letting the premises, among other things, without permission of the lessor, Kumarakruppa Frontier Hotels Private Limited. Further, the allotment letters dated November 11, 2005 and November 17, 2008 issued to us by the Office of the District Collector, Ahmedabad, pursuant to which we purchased our proposed hotel property in Ahmedabad, prohibit any transfer or sale of the land for such property, among other things, without the permission of the Office of the District Collector. In respect of the land owned by our Company for our proposed hotel at Dehradun, the approval granted to our Company by the Uttarakhand government for the purchase of such land prohibits our Company from selling the land other than in certain circumstances and only after obtaining approval from the government.

52. The illiquidity of real estate investments and the lack of alternative uses of some of our hotel properties could significantly limit our ability to respond to adverse changes in the performance of our properties.

Real estate investments are relatively illiquid and therefore our ability to promptly sell one or more of our properties in response to changing economic, financial and investment conditions may be limited. The real estate market is affected by many factors that are beyond our control, and we cannot predict whether we will be able to sell any property for the price or on the terms acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. In addition, hotel properties may not be readily converted to alternative uses if they were to become unprofitable due to regulatory requirements, competition, age of improvements, decreased demand or other factors. The conversion of a hotel to alternative uses would generally require substantial capital expenditure and we cannot assure you that we will be able to finance such expenditure. These factors could materially and adversely affect our business, financial condition and results of operations.

In addition, we may be adversely affected by factors specific to property markets, such as changes in interest rates, availability of financing, the general cost of land and buildings, legislation in the construction industry and hotel location requirements. We cannot assure you that our property interests will retain the price at which they are currently valued or that our investment in such properties can be realized at the values recorded in our financial statements, which could in turn materially and adversely affect our business, financial condition, and results of operations.

53. Our Registered and Corporate Office and certain other sales and representative offices are located on leased or licensed premises which exposes us to certain risks.

Our Registered and Corporate Office and certain other sales and representative offices are located on licensed premises and, and we do not own such premises. Any of these lease or license agreements can be terminated, and any such termination could result in any of these offices being shifted or shut down. There can be no assurance that we will, in the future, be able to retain and renew the lease or license agreements on similar terms, or will be able to find alternate locations for such offices on terms favorable to us, or at all. In the event we fail to find suitable premises for relocation of such offices, in time or at all, our operations may be disrupted which may adversely affect our business, financial condition and results of operations.

54. Our Company has received notices in the past from the BSE, the NSE and the Delhi Stock Exchange for certain non-compliances with the requirements of the then-existing listing agreements. We had also filed for regularization of certain non-compliances under the 1997 Takeover Code.

Our Company had made a public issue of 2,700,000 Equity Shares through a prospectus dated June 8, 1984, and pursuant to the public issue, the Equity Shares were listed on the BSE and the Delhi Stock Exchange in November 1984 and subsequently, on the NSE in May 2000. The Equity Shares remained listed until the voluntary delisting of the Equity Shares by our Company from the BSE, NSE and Delhi Stock Exchange in June 2003. Our Company has, in the past, received notices (including show-cause notices) from such stock exchanges in relation to non-compliance with certain clauses of the then-existing listing agreements, including for failure to provide notice of a board meeting within the prescribed time period, failure to submit quarterly reports for certain quarters and non-disclosure of price sensitive information. Our Company also received a notice dated October 28, 2002 from the NSE for suspension of trading of the Equity Shares with effect from November 11, 2002 due to failure to respond to a show-cause notice dated May 29, 2002 issued by the NSE in relation to certain non-compliances by our Company with the then-existing listing agreement with the NSE. Our Company responded to such notices and submitted relevant documents and information, where required. Our Company had also filed an application under the SEBI Regularization Scheme, 2002 on March 27, 2003, with the BSE, the NSE and the Delhi Stock Exchange for regularization of certain non-compliances under the 1997 Takeover Code.

For details, see "*Outstanding Litigation and Material Developments*" on page 559.

55. A significant portion of the Net Proceeds would be utilized for repayment or pre-payment of loans.

We intend to use the Net Proceeds for the purposes described in "*Objects of the Issue*" on page 121. As at March 31, 2018, our total indebtedness was ₹14,120.78 million. Our finance costs remain high, and therefore, we believe that it is important to reduce our overall indebtedness in order to improve our financial performance. We intend to utilize ₹[●] million, constituting [●]% of the Net Proceeds, towards repayment or pre-payment of certain loans. However, we cannot assure you that the repayment or pre-payment of our debt will improve our financial performance. Furthermore, the use of the Net Proceeds to pay off debt may limit our overall growth plans. In certain cases, we may also be required be pay a prepayment penalty to the relevant lenders. If we are unable to derive significant benefits from repayment or pre-payment of our debt, our business, financial condition, results of operations and prospects could be materially and adversely affected.

56. A portion of the Net Proceeds may be utilized for repayment or pre-payment of loans taken from YES Bank Limited which is an affiliate of one of our BRLMs.

We propose to repay or pre-pay certain loans obtained from YES Bank Limited from the Net Proceeds as disclosed in "*Objects of the Issue*" on page 121. YES Bank Limited is an affiliate of one of our BRLMs, YES Securities

(India) Limited. While the repayment or pre-payment of loans will result in reduction of our total debt, however, such transactions may give rise to current or potential conflicts of interest. For further details, see "*Objects of the Issue*" on page 121. The deployment of the Net Proceeds will be at the discretion of our Board.

57. Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency.

We intend to use the Net Proceeds for the purposes described in "*Objects of the Issue*" on page 121. Our funding requirements are based on management estimates and our current business plans and have not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the proceeds of the Issue in a timely or an efficient manner, it may affect our business and results of operations.

58. We are subject to the risk of failure of, or a material weakness in, our internal controls systems.

We are exposed to risks arising from the inadequacy or failure of internal controls systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal controls environment. We are generally exposed to several types of operational risks, including the risk of fraud or other misconduct by employees, customers or third parties as well as unauthorized transactions by employees and third parties. For instance, in an FIR registered by us on June 4, 2018 with the Karnataka State Police against two of our employees at The LaLiT Ashok Bangalore and two relatives of one such employee, it was alleged that our employees misappropriated funds aggregating to ₹3.05 million received from our customers who are part of our loyalty programs. These employees are currently under investigation. For further details, please see "*Outstanding Litigation and Material Developments*" on page 559. We cannot assure you that funds from our loyalty program customers at The LaLiT Ashok Bangalore or other hotels were not misappropriated during the period during which our loyalty programs have been in force.

Given our high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Our systemic and operational controls may not be adequate to prevent adverse impact from fraud, errors, hacking and system failures. Where internal control weaknesses are identified, our actions may not be sufficient to correct such weaknesses. In addition, several of our collection related processes are yet to be fully automated, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may materially and adversely affect our business, financial condition, results of operations and prospects. Our reputation could also be adversely affected by fraud committed by employees, customers or third parties, or by our perceived inability to properly manage fraud-related risks.

Also see "—*Information technology system failures or breaches of our network security, including with respect to confidential information, could interrupt our operations and adversely affect our business.*" on page 51.

59. Our Promoter Group will continue to retain majority shareholding in us after this Issue which will allow it to exercise significant influence over us.

Our Promoter Group has control over us in terms of their shareholding, through our Board of Directors and through operational control. Accordingly, they will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditure. This concentration of ownership may also delay, defer or even prevent a change in control of us and may make the completion of certain transactions more difficult or impossible. We also cannot control the actions of our Promoter Group, including their non-performance, default or bankruptcy. In order to establish or preserve relationships with our Promoter Group, we may agree to assume risks and contribute resources that are proportionately greater than the returns we expect to receive in such transactions. Such agreements may reduce our income and returns on these investments compared to what we would have received if our assumed risks and contributed resources were proportionate to our returns. Any of these factors could potentially materially and adversely affect our business, financial condition, results of operations and prospects.

60. Our Promoters, Directors and key management personnel have interests in us other than reimbursement of expenses and normal remuneration.

Our Promoters, Directors and key management and senior personnel have interests in us that are in addition to reimbursement of expenses and normal remuneration payable to them. For instance, certain Directors are interested to the extent of Equity Shares held by them and the dividend payable, if any, and other distributions in respect of such Equity Shares and certain key management and senior personnel have been granted employee stock options pursuant to ESOP 2017. Such interests may adversely affect our business, financial condition and results of operations. For further details of such interests, see "*Capital Structure*", "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 101, 219 and 238, respectively.

61. Information technology system failures or breaches of our network security, including with respect to confidential information, could interrupt our operations and adversely affect our business.

We rely on our computer systems and network infrastructure across our operations, including point-of-sale processing at our locations. Our operations depend upon our ability to protect our computer equipment and systems against damage from physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, viruses, worms and other disruptive problems. Any damage to, or failure of, our computer systems or network infrastructure which causes an interruption in our operations, could subject us to litigation or remedial actions by regulatory authorities. In addition, a significant portion of our sales are by credit or debit cards. Other hospitality businesses have experienced security breaches in which credit and debit card information of their customers has been stolen. If this or another type of breach occurs at any of our locations, we may become subject to lawsuits or other proceedings for purportedly fraudulent transactions arising out of the actual or alleged theft of our customers' credit or debit card information. Although we conduct auditing and testing for weaknesses in our systems, controls, firewalls and encryption and intend to maintain and upgrade our security technology and operational procedures to prevent such damage, breaches or other disruptive problems, there can be no assurance that these security measures will be successful. Any claim, proceeding or actions as a result of a breach of our systems or a failure of our operational controls, or any adverse publicity resulting from these allegations, could materially and adversely affect our business, financial condition and results of operations. Also see "—*We are subject to the risk of failure of, or a material weakness in, our internal controls systems.*" on page 50.

62. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and any restrictive covenants in our financing arrangements.

The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. We cannot assure you that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on various factors. Accordingly, realization of a gain on shareholder investments will depend on the appreciation of the price of the Equity Shares. There can be no guarantee that our Equity Shares will appreciate in value.

63. We have experienced negative cash flows with respect to our investment activities as well as financing activities in the last three financial years.

We have experienced negative cash flows with respect to our investment activities as well as financing activities in the last three financial years which are summarized below.

Particulars	Fiscal		
	2018 (₹ *million*)	2017 (₹ *million*)	2016 (₹ *million*)
Net cash generated from/(used in) investing activities	(1,064.09)	(718.68)	(244.44)
Net cash generated from/(used in) financing activities	(1,497.84)	(800.19)	(1,790.25)

For further details, see *"Financial Statements—Annexure IV—Restated Consolidated Statement of Cash Flows"* on page 392.

64. Our Company, our Subsidiaries, LSECT and certain of our Group Companies have loans that may be recalled by their respective lenders at any time.

As at March 31, 2018, our Company, our Subsidiaries and LSECT had availed the following unsecured and secured loans which may be recalled by their respective lenders at any time by giving prior written notice. In the event that any lender seeks the accelerated repayment of any such loan, our business, cash flows, financial condition and prospects may be materially and adversely affected.

Lender	Borrower	Amount Outstanding as at March 31, 2018 (₹ *million*)
Unsecured loans		
Barclays Bank PLC, India	Our Company	494.34
Dr. Jyotsna Suri	AZIL	10.50
Dr. Jyotsna Suri	LSECT	95.50
Dr. Jyotsna Suri	Jyoti Limited	0.30
Eila Builders & Developers Limited	Kujjal Builders	12.28
Deeksha Holding Limited	LSECT	16.00
Responsible Builders Private Limited	AZIL	5.00
Deeksha Holding Limited	AZIL	10.00
Total		**643.92**
Secured loans		
Jammu and Kashmir Bank Limited (loan against fixed deposits)	Our Company	28.00
Axis Bank Limited	Kujjal Builders	58.12
Total		**86.12**

Certain additional unsecured loans have been availed by our Company, Subsidiaries and LSECT subsequent to March 31, 2018.

In addition to the above, certain of our Group Companies have availed of unsecured loans which could be recalled by their respective lenders.

See "*Financial Indebtedness*" on page 517 for details in relation to the loans availed by our Company, our Subsidiaries and LSECT.

65. Our Group Companies have incurred losses during the last three Fiscal Years.

Our Group Companies have incurred losses in the last three fiscal years for which their respective audited financial statements were available, as set forth in the table below.

Particulars	Fiscal		
	2017 (₹ *million, unless otherwise specified*)	2016 (₹ *million, unless otherwise specified*)	2015 (₹ *million, unless otherwise specified*)
Prima Realtors Private Limited	(0.07)	(0.07)	(0.24)
Premium Farm Fresh Produce Limited	(0.43)	(24.81)	(24.87)
Cargo Hospitality Private Limited	(0.03)	(1.06)	(0.01)
Fibcom India Limited	(72.98)	(74.83)	1.96
St. Olave's Limited (*GBP in million*)*	(0.49)	-	-

Godawri Motors Private Limited	(2.37)	(0.57)	(13.06)
Eila Builders & Developers Limited	(0.00)	0.42	(1.02)
Premium Holdings Limited (*USD in million)*	0.33	(0.46)	0.18
L.P. Hospitality Private Limited	2.10	0.20	(15.50)

** Unaudited*

We cannot assure you that our Group Companies will not incur losses in the future, or that such losses will not adversely affect our reputation or our business. For further details, see "*Our Group Companies*" on page 245.

66. Statements as to year in which our proposed hotels are expected to open and the number of rooms expected in such hotels are based on management estimates and have not been independently appraised.

This Draft Red Herring Prospectus includes certain details in relation to our proposed hotels, comprising three hotels under *The LaLiT* brand and four hotels under *The LaLiT Traveller* brand with an estimated aggregate of 598 rooms and 115 cottages, when completed, as well as the addition of 50 rooms to our hotel in Udaipur. These proposed hotels and addition of rooms are at a preliminary stage of planning or development and the related details, including the expected year of opening and the expected number of rooms for such hotels, are based on management estimates and have not been independently appraised. The year of opening, number of rooms, size, acreage and square footage actually developed may differ, based on various factors such as market conditions, modifications of engineering or design specifications, stipulations in the consents and approvals we receive and any inability to obtain required consents and approvals, including any zoning, land use, building, development and occupancy permits. For instance, the land in relation to certain of our proposed hotels comprises agricultural land for which we are yet to obtain a certificate of change in land use. Investors are cautioned to not place undue reliance on these numbers in their evaluation of our business, prospects and results of operation. Also see "*Forward-Looking Statements*" on page 18.

67. This Draft Red Herring Prospectus includes industry related information from an industry report, which we have commissioned from CRISIL.

Market information, statistics and data applied and relied upon by us and/or included in this Draft Red Herring Prospectus are derived from data reports compiled by information from government publications or other external industry sources such as CRISIL, from whom we have commissioned the report titled "*Assessment of hospitality sector in India*" dated June 2018 (the "**CRISIL Report**"). While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us, our Directors, our Promoters, the Book Running Lead Managers or any other person connected with the Issue, and, therefore, we make no representation as to the accuracy, adequacy or completeness of such facts and statistics. Further, industry sources and publications such as the CRISIL Report generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Due to ineffective information collection methods and other problems, the facts and statistics herein may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. We cannot assure you that the facts and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. For further details, see "*Industry*" and "*Presentation of Financial, Industry and Market Data*" on pages 140 and 13, respectively.

68. Certain of our corporate documents, records and regulatory filings are not traceable or have inadvertent errors.

Certain corporate records of our Company are not traceable, including:

(i) the resolution of our Shareholders approving the increase in the authorized share capital on August 25, 1981;
(ii) the resolution of our Board of Directors in respect of the increase in the authorized share capital on November 14, 1983;
(iii) the resolutions of our Shareholders approving the preferential allotment of equity shares on July 12, 1982, July 14, 1982, August 21, 1982, October 22, 1982 and November 17, 1982;
(iv) the resolutions of our Board of Directors approving the preferential allotment of equity shares on March 25, 1983, September 19, 1983 and November 10, 1983; and

(v) the resolution dated March 28, 1990 of our Shareholders in respect of the issue of Equity Shares to Shareholders on rights basis and to employees of the Company on preferential basis, which were issued and allotted by our Company on May 27, 1991.

Despite having conducted a search of our records, our Company has not been able to retrieve the aforementioned documents, and accordingly, have relied on other documents, including our statutory register of members and register of share allotments and certain regulatory filings made with the RoC (such as, certain returns of allotment filed on Form 2 under the Companies Act, 1956).

Further, a number of share transfer forms and underlying documents evidencing certain transfers of equity shares of our Company by or to our Promoters that have been disclosed in "*Capital Structure—Notes to Capital Structure—Details of Build-up, Contribution and Lock-in of Promoters' Shareholding*" on page 104 are not traceable, and for such matters, we have relied on other documents and records, including our statutory register of share transfers and register of members and books of accounts and records of our Promoters. We cannot assure you that the abovementioned documents will be available in the future. We also cannot assure you that we will be able to locate these records, or that we will not be penalized by the relevant supervisory and regulatory authorities in India for not maintaining such records.

In addition, there are certain inadvertent errors in our regulatory filings, including incorrect name of allottees and incorrect description of the nature of consideration for allotment, which errors have not been rectified. We cannot assure you that we will be able to file rectified forms in respect of the aforementioned allotments, or that we will not be subject to any penalty imposed by the competent regulatory authorities in this respect. Further, there are certain inadvertent errors in our secretarial records. For example, in respect of the transfer of 750,000 Equity Shares by late Mr. Lalit Suri to Deeksha Holding Limited on February 11, 1984 that has been disclosed in "*Capital Structure—Notes to Capital Structure—Details of Build-up, Contribution and Lock-in of Promoters' Shareholding*" on page 104, the relevant entry in our statutory register of share transfers erroneously describes the number of Equity Shares transferred as "75,000" instead of "750,000" by inadvertently ignoring the sub-division of our Company's equity shares on November 14, 1983. We have relied on other corporate documents, including our Company's register of split share certificates and annual return for the financial year 1984 in relation to such transfer. We cannot assure you that there will not be similar inadvertent errors in our records and filings in the future.

69. Supporting documents evidencing the details in relation to Dr. Jyotsna Suri's bachelor's degree included in this Draft Red Herring Prospectus are not available with us.

We have been unable to verify details pertaining to the bachelor's degree of Dr. Jyotsna Suri, our Chairperson and Managing Director. While an application has been filed with the relevant educational institution in order to procure a copy of the relevant documents and a report regarding the missing original documents has been filed with the local police authorities, these measures have not yielded results that can assist us to independently verify such information prior to its inclusion in this Draft Red Herring Prospectus. In the absence of the original or relevant duplicate documents, we have placed reliance on the certificates provided by Dr. Jyotsna Suri confirming the authenticity of the information provided to us by her in this regard. We cannot assure you that all information provided by Dr. Jyotsna Suri in relation to her bachelor's degree, as disclosed in "*Our Management*" on page 219, is true and accurate.

EXTERNAL RISK FACTORS

70. Our business and operations may be affected by fluctuations in performance of the economy and general economic activity in the jurisdictions in which we operate.

We are part of the hospitality industry in India and operate in the luxury and mid market segments. Our business and operations are highly dependent on the general economic performance in India and the health of the tourism industry in India and are subject to the changing economic, legal, political and regulatory conditions prevailing for time to time in India that differ in certain significant respects from those prevailing in other countries. Variability of results through some of the cycles in the past has been more severe due to changes in the supply of hotel rooms in given markets or in given categories of hotels.

India has experienced a slowdown in economic growth in prior periods due to a variety of factors, including disruption in global financial and credit markets, global demand and supply patterns, a high current account deficit, capital outflows, exchange rate pressures and escalation in prices of fuel and other commodities as well as recent currency demonetization measures pursuant to which currency notes in denominations of ₹500 and ₹1,000 ceased to be legal tender with effect from November 8, 2016 and were replaced with newly introduced currency notes in denominations of ₹500 and ₹2,000. We may also experience increased competitive pricing pressure during periods of economic downturn. Any significant economic downturns, such as those in 2008 and 2009, in India or in the global markets could affect business and personal discretionary spending levels and lead to a decrease in demand for our services for prolonged periods, which could materially and adversely affect our business, customers and contractual counterparties, especially if such a slowdown were to be continued and prolonged. In periods of high rates of inflation, our operating expenses may increase. Conversely, periods of low inflation may result in lower demand for our services. The occurrence of one or a combination of the above-mentioned factors could materially and adversely affect our business, financial condition, results of operations and prospects.

The business and operations of The LaLiT London is also dependent on the economic and political conditions in the United Kingdom. Significant uncertainty continues as to the general economic conditions in the United Kingdom as a result of the uncertainties surrounding the economic impact from, and a lack of clarity over the process for, the exit of the United Kingdom from the European Union arising from a referendum held in the United Kingdom in June 2016. If the economic growth in the United Kingdom continues to slowdown, this could materially and adversely affect The LaLiT London's operations and as a result, our business, financial condition, results of operations and prospects.

71. Financial instability in other countries may cause increased volatility in Indian financial markets which could adversely affect our business, future financial performance and the trading price of the Equity Shares.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries including India suffered depreciation against the U.S. Dollar owing to among other reasons, the announcement by the U.S. government reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, future financial performance and the prices of the Equity Shares. In addition, an economic slowdown may cause insolvency of contractors resulting in construction delays.

In recent years, the global financial, credit and equity markets, including India, have experienced substantial dislocations, liquidity disruptions and market corrections. In the past, liquidity and credit concerns and volatility in the global credit and financial markets were experienced by major U.S. and European financial institutions. These and other related events may have a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads, diminished liquidity, rating downgrades, declining valuations of certain investments and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects, and therefore, if such liquidity and credit concerns, financial volatility or disruptions occur again, our business, future financial performance and the prices of the Equity Shares could be adversely affected. Further, in the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruptions, our lenders may implement new credit policies, adopt new pre-qualification criteria or procedures, raise interest rates or add restrictive covenants in loan agreements, some or all of which may significantly increase our financing costs. Such conditions could material and adversely affect our business, future financial performance and the trading price of the Equity Shares.

72. *Political instability or a significant change in the Government's economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.*

Our business, customers and assets are located primarily in India and we currently derive a significant portion of our revenues from operations in India. Consequently, our performance and the market price and liquidity of our Equity Shares may be affected by changes in control, government policies, taxation, social and ethnic instability, social/civil unrest and other political and economic developments affecting India. The Indian Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Government policies could adversely affect business and economic conditions in India, as well as our future financial performance and ability to implement our strategy. Our business is also impacted by regulations and conditions in the various states in India where we operate. Since 1991, successive Indian Governments have pursued policies of economic liberalization. The current Government has announced that its general intention is to continue India's current economic and financial sector liberalization and deregulation policies, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector. However, there can be no assurance that such policies will be continued. The rate of economic liberalization could change and specific laws and policies affecting finance companies, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. Any significant change in India's economic liberalization and deregulation policies could materially and adversely affect business and economic conditions in India generally and our business in particular.

73. *Changing laws, rules and regulations and legal uncertainties in relation to the tax regime in India, including adverse application of tax laws and regulations, may adversely affect our business, financial condition and financial performance.*

Changes in the tax laws could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the GoI or State Governments that affect our industry include income tax, central and state goods and services tax ("**GST**") and other levies, duties or surcharges introduced from time to time. The tax scheme in India is complex and subject to change from time to time and any adverse changes in any of the taxes levied by the GoI may adversely affect our competitive position and profitability. We cannot assure you that the GoI may not implement new regulations and policies which will require us to obtain approvals and licenses from the GoI and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and results of operations. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns.

The provisions relating to the general anti-avoidance rules ("**GAAR**") came into effect from April 1, 2017, which intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement the main purpose or one of the main purposes of which is to obtain a tax benefit. If GAAR provisions are invoked, then the tax authorities will have wide powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the impact of these provisions is uncertain.

To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits become no longer available, or are reduced or withdrawn prematurely, or if we are subject to any dispute with the tax authorities in relation to these benefits, or in the event we are unable to comply with the necessary conditions to avail ourselves of each of these benefits. For instance, our hotels in Bekal, Mangar and Chandigarh have availed, and may in the future continue to be eligible for, an accelerated depreciation benefit under Section 35AD of the Income Tax Act, which is available to hotel operators running a hotel in India under a category which is 2-star or above and which we believe enables us to reduce our current tax outflow. However, we cannot assure you that the GoI will continue to make this benefit available to hotel operators and we might be subject to increased taxes if such benefit ceases to become available, which may in turn adversely affect our business, financial condition and results of operations. See "*Statement of Tax Benefits"* on page 137 for details in relation to possible tax benefits available to us. In the event that any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected.

74. Significant differences exist between Ind AS used to prepare our Restated Financial Information and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, with which investors may be more familiar.

On February 16, 2015, the MCA issued the IAS Rules which provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Ind AS converged with IFRS, although any company may voluntarily implement Ind AS for the accounting period beginning from April 1, 2015. In terms of the IAS Rules, we are required to prepare our financial statements in accordance with Ind AS for periods beginning on or after April 1, 2016. Further, the SEBI Ind AS Transition Circular requires us to, for the purposes of disclosure in this Draft Red Herring Prospectus, prepare and present our standalone and consolidated financial statements for the latest three Fiscals (in this case, for Fiscals 2018, 2017 and 2016) in accordance with Ind AS and present our standalone and consolidated financial statements for the earliest two Fiscals (in this case, Fiscals 2015 and 2014) in accordance with the previously applicable Indian GAAP. We transitioned to the Ind AS accounting principles with effect from April 1, 2016 with a transition date of April 1, 2015. Our Restated Standalone Financial Information and our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus have been prepared and presented in accordance with Ind AS. The financial statements as at and for the years ended March 31, 2015 and 2014 have been prepared on a pro forma basis in accordance with the accounting standards prescribed under Ind AS, in compliance with the SEBI Ind AS Transition Circular and the guidance note on reports in company prospectuses issued by the ICAI.

India has adopted the IFRS-converged or IFRS synchronized accounting standards, and not IFRS. Ind AS, therefore, differs in certain significant respects from U.S. GAAP, IFRS and other accounting principles and standards with which investors may be more familiar. We have not made any attempt to quantify the impact of U.S GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. In accordance with the SEBI Ind AS Transition Circular, we have presented the reconciliation from Indian GAAP to Ind AS in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Important Note on Transition from Indian GAAP to Ind AS and its Impact on the Preparation and Presentation of the Restated Financial Statements*" on page 528. However, the degree to which this information will be useful for potential investors is entirely dependent on your level of familiarity with Indian accounting practices. Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with these accounting principles on our financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

75. The transition to Ind AS in India is very recent and there is insufficient clarity on the impact of such transition on us in future financial periods.

The transition to Ind AS in India is very recent. There is not yet a significant body of established practice such as interpretations of the new accounting standards on which to draw in forming judgments regarding the new system's implementation and application. As a result, although we have transitioned to Ind AS, there is insufficient clarity on the impact that such transition will have on us and our financial reporting policies and practices. While we have applied the Ind AS transitional provisions including Ind AS 101, First-Time Adoption of Indian Accounting Standards issued under the IAS Rules, we cannot assure you that there will not be further changes in the manner in which we apply our accounting policies or in the preparation and presentation of our financial statements in the future. Moreover, there is increasing competition for the small number of Ind AS experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. We may encounter further difficulties in the ongoing process of implementing and enhancing our management information systems under Ind AS reporting. Also see " – *Significant differences exist between Ind AS used to prepare our Restated Financial*

Information and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, with which investors may be more familiar." on page 57.

76. Our business and activities are regulated by the Competition Act.

The Competition Act, 2002 (the "**Competition Act**") was enacted for the purpose of preventing practices having an appreciable adverse effect on competition in India and has mandated the Competition Commission of India (the "**CCI**") to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial penalties. Any agreement among competitors which directly or indirectly determines purchase or sale prices, directly or indirectly results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the relevant market or any other similar way, is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. The Competition Act also prohibits the abuse of dominant position by any enterprise. Further, if it is proved that any contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished.

Consequently, all agreements entered into by us may fall within the purview of the Competition Act. Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. The applicability of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, may adversely affect our business, financial condition, results of operations and prospects.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities may differ from those that would apply to a company in another jurisdiction. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other jurisdictions. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such preemptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interest in us would decline.

78. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

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

79. The ability of Indian companies to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under the FEMA and the rules thereunder. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may materially and adversely affect our business, financial condition and results of operations.

80. It may not be possible for investors outside India to enforce any judgment obtained outside India against us or our management or any of our associates or affiliates in India, except by way of a suit in India.

Our Company is incorporated as a public limited company under the laws of India and all our directors and executive officers reside in India. A substantial portion of our assets and the assets of our executive officers and directors are located primarily in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and directors or to enforce judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908, or the Civil Code. The Civil Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment.

We have been advised by our Indian counsel that the United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States within three years from the date of the judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

81. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter Group or other major shareholders may adversely affect the trading price of the Equity Shares.

Our Company had granted employee stock options to applicable employees pursuant to ESOP 2017 on June 11, 2018. Under ESOP 2017, Equity Shares will have to be issued pursuant to the exercise of options. Any future equity issuances by us, including a primary offering or an exercise of options by any of our employees who have been granted employee stock options pursuant to ESOP 2017, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of our Equity Shares by our Promoter Group or other significant shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt or equity financing. In this regard, pursuant to an undertaking provided to the BRLMs, Mr. Jayant Nanda, a member of the Promoter Group, has undertaken not to sell or transfer his shareholding of 19,991,198 Equity Shares in our Company from the date of filing the Draft Red Herring Prospectus until the expiry of three years from the date of Allotment in the Issue, except for: (i) any transfer or sale to any Promoter or any member of the Promoter Group or any trust created for their benefit; or (ii) pursuant to any corporate reorganization involving our Company through a court-approved scheme; or (iii) pursuant to an open offer under the SEBI Takeover Regulations. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares. We cannot assure you that we will not offer Equity Shares or that our shareholders will not dispose of, pledge or otherwise encumber their Equity Shares in the future.

82. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if securities transaction tax ("**STT**") has been paid on the transaction and the amount does not exceed ₹0.10 million. STT will be levied on and collected by an Indian stock exchange on which the equity shares are sold. As such, any gain realized on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of equity shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own countries on gains arising from a sale of the Equity Shares.

83. An active trading market for the Equity Shares may not develop following the completion of the Issue and the Equity Shares' trading price and volume may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.

Following the completion of the Issue, an active trading market may not develop or be sustained. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter.

The trading prices of publicly traded securities may be highly volatile. The trading price and volume of the Equity Shares may fluctuate as a result of several factors, including but not limited to those described in this Draft Red Herring Prospectus and those set out below.

- volatility in the Indian and global securities markets or any developments in the Indian and global luxury and luxury accommodation industry, as well as the mid-market segment in which we plan to expand, and the changing perceptions in the market about economic prospects in the Indian hospitality and tourism sectors in general and us in particular;
- increases and decreases in our customer base or announcements of new services, strategic alliances or agreements by us or our competitors;
- speculation in the press or investment community about, or actual changes in, our business, strategic position, market share, organizational structure, operations, financial condition, financial reporting and results, prospects, or executive team;
- changes in estimates of our performance by financial or securities analysts that elect to research and report on the Equity Shares or guidance provided by us, and variations between actual and estimated financial results;
- significant developments in India's economic liberalization and deregulation policies or significant developments in India's fiscal regulations or adoption or modification of regulations, policies, procedures or programs applicable to our businesses; or

- adverse media reports on us or the Indian tourism or hospitality sector.

General or industry-specific market conditions or stock market performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance may also affect the price of our Equity Shares. If the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. Each of these factors, among others, may materially and adversely affect the trading price of our Equity Shares.

84. We may not receive final listing and trading approvals from the Stock Exchanges and you will not be able to sell immediately on an Indian Stock Exchange any of the Equity Shares you are allotted in the Issue.

Under the SEBI ICDR Regulations, we are permitted to list the Equity Shares within six working days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your dematerialized electronic account with Depository Participants until approximately six working days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your dematerialized electronic account and final listing and trading approvals are received from the Stock Exchanges.

In accordance with Indian law and practice, final listing and trading approval of our Equity Shares will not be applied for, or granted until after those Equity Shares have been offered and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. We cannot assure you that final listing and trading approvals will be obtained from the Stock Exchanges on time or at all. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares.

Further, there can be no assurance that the Equity Shares allocated to you will be credited to your dematerialized electronic account, or that trading in the Equity Shares will commence within the specified time periods. In addition, pursuant to India regulations, certain actions are required to be completed before the Equity Shares can be listed and trading may commence. Investors' book entry or dematerialized electronic accounts with Depository Participants in India are expected to be credited only after the date on which the offer and allotment is approved by our Board of Directors. We cannot assure you that the Equity Shares allocated to prospective Investors will be credited to their dematerialized electronic accounts, or that trading will commence on time after allotment has been approved by our Board of Directors, or at all.

85. Our Equity Shares are quoted in Indian Rupees in India, and therefore investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupee and risks associated with the conversion of Indian Rupee proceeds into foreign currency.

Investors are subject to currency fluctuation risk and convertibility risk since the Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. Fluctuations in the exchange rate between the Indian Rupee and other currencies may affect the value of a non-resident investor's investment in the Equity Shares. A non-resident investor may not be able to convert Rupee proceeds into U.S. Dollar or any other currency or the rate at which any such conversion may occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Indian Rupee, if United States or other non-resident investors analyze our value based on the U.S. Dollar equivalent of our financial condition and results of operations.

Prominent Notes:

1. Initial public offering of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), aggregating up to ₹ 12,000 million. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company. For further details, see "*The Issue*" on page 92.

2. There has been no change of name of our Company since incorporation.

3. Our Company’s net worth as at March 31, 2018, as per our Restated Consolidated Financial Information and Restated Standalone Financial Information was ₹ 5,094.82 million and ₹ 6,674.05 million, respectively. See “*Financial Statements*” on page 261.

4. Our Company’s net asset value per Equity Share as at March 31, 2018, as per our Restated Consolidated Financial Information and Restated Standalone Financial Information was ₹ 67.04 and ₹ 87.83, respectively. See “*Financial Statements*” on page 261.

5. The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Red Herring Prospectus is:

Name of the Promoter	Number of Equity Shares held on the date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share (in ₹)*
Dr. Jyotsna Suri	7,255,935	2.30
Mr. Ramesh Suri	1,219,998	2.51
Deeksha Holding Limited	30,717,301	3.89

** As certified by K M G S & Associates, Chartered Accountants, Firm Registration No. 04730N by way of their certificate dated June 28, 2018. The calculation of average cost of acquisition excludes the value of any Equity Shares that are sold by the Promoters.*

For details, see “*Capital Structure*” from page 101.

6. For details of interests of our Group Companies in our Company, see “*Our Group Companies*”, “*Related Party Transactions*” and “*Financial Statements*” on pages 245, 259 and 261, respectively.

7. For details of related party transactions entered into by our Company with our Group Companies, our Subsidiaries and LSECT during the last financial year, the nature of transactions and the cumulative value of transactions, see “*Related Party Transactions*” and “*Financial Statements*” on pages 259 and 261, respectively.

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

9. Investors may contact the BRLMs or the Registrar to the Issue for any complaints pertaining to the Issue. For details of contact information of the BRLMs and the Registrar to the Issue, see “*General Information*” on page 93.

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

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Unless noted otherwise, the information in this section has been obtained or derived from the report titled "Assessment of hospitality sector in India" dated June 2018 prepared by CRISIL, as well as other industry sources and government publications. None of our Company, the BRLMs and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, adequacy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in "Risk Factors", "Industry" and "Our Business" on pages 20, 140 and 172, respectively.

The industry related information contained in this section is derived from the CRISIL Report prepared by CRISIL except for other publicly available information cited in this section. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither the Company, nor any other person connected with the Issue has independently verified the information in the CRISIL Report or other publicly available information cited in this section. In this regard, also see "Risk Factors—This Draft Red Herring Prospectus includes industry related information from an industry report, which we have commissioned from CRISIL" on page 53.

India's real gross domestic product ("**GDP**") is estimated to grow at 6.60% during Fiscal 2018, down from 7.10% during Fiscal 2017 but well above the world average of 3.10%. India adopted a new base year (Fiscal 2012) to calculate GDP, based on which GDP in nominal terms increased to ₹122 trillion during Fiscal 2017, from ₹87.00 trillion during Fiscal 2012 representing a CAGR of 6.90% during this period, which makes India one of the fastest growing economies in the world, having expanded faster than China since 2015. GDP growth is estimated at 7.50% during Fiscal 2019, supported by consumption, public sector spending in infrastructure and synchronized global recovery. *(Source: CRISIL Report.)*

Growth drivers for the Indian hospitality industry

The Indian hospitality industry is driven by foreign and domestic traveler demand. Certain major growth drivers for the Indian hospitality industry are set forth below.

- strong GDP growth;
- domestic travel demand driven by increasing disposable income;
- low fares and increased connectivity to support growth in domestic air passenger traffic;
- growth in foreign tourist arrivals;
- increasing domestic travel;
- growing demand for commercial space in India;
- development of smart cities;
- Government policies promoting tourism; and
- Growing presence of online travel aggregators.

(Source: CRISIL Report.)

Assessment of the Indian hospitality industry

Market size of the organized and branded hotels industry

CRISIL estimates the market size of the organized Indian hospitality industry comprising of only starred hotels to be approximately ₹ 550.00 billion during Fiscal 2018. The industry has expanded at a CAGR of approximately 13.00% over the last four years between Fiscals 2014 and 2018 due to an increase in demand in both the luxury and the mid-market segments, which accounted for more than 90.00% of the overall organized hotel revenues in India in that period. *(Source: CRISIL Report.)*

Luxury hotel industry to grow at a CAGR of approximately 10.50-11.50% between Fiscals 2019 and 2022

The luxury hotels market has increased at a CAGR of approximately 9.50% between Fiscals 2014 and 2018 primarily due to a growth in supply. CRISIL estimates that the luxury hotels market in India will reach ₹315.00 billion during Fiscal 2018 from ₹200.00 billion during Fiscal 2014. Going forward, CRISIL expects the luxury segment's market size to grow at a CAGR of approximately 10.50-11.50% to reach ₹470.00-490.00 billion by Fiscal 2022 owing to improved demand, comparatively slower additions in room supply and higher ARRs.

Organised starred hotels' market largely driven by luxury hotels

Aggregate revenue of the luxury segment hotel companies grew at a CAGR of approximately 9.00% between Fiscals 2012 and 2017, primarily driven by growth in supply. CRISIL estimates that demand for the luxury hotels, which accounts for approximately 35.00-40.00% of the overall room inventory and more than 55.00% of the overall hotel revenues in India, increased by nearly 11.00% year-on-year during Fiscal 2018. This coupled with relatively moderate growth in supply (approximately 3.00-4.00% during Fiscal 2018) helped Occupancy Rates to recover from its low rates during Fiscal 2014. ARRs, however, remained consistent given the increased competition common in this segment. *(Source: CRISIL Report.)*

Key barriers to entry in the Indian hotel industry

The hotel industry faces several challenges to entry at key locations, principal among which include the availability of land, regulatory approvals, project delays and capital intensive nature of the industry, as well as the availability of skilled manpower. *(Source: CRISIL Report.)*

Luxury-category hotels

Steady growth in demand and low supply addition

CRISIL expects demand in the luxury hotel segment to increase at a CAGR of approximately 6.00% between Fiscals 2018 and 2022. CRISIL also expects ease of travel achieved due to the introduction of facilities such as e-TV, to positively impact domestic tourism growth in the long run (although the impact is likely to be marginal in the short term). During the same period, CRISIL expects supply to increase at a CAGR of approximately 5.00% resulting in an increase in Occupancy Rate to 68.00% during Fiscal 2022 from 64.00% during Fiscal 2018. CRISIL expects ARR to grow at a CAGR of approximately 3.00% during the same period.

Demand in business and leisure destinations expected to increase until Fiscal 2022

Between Fiscals 2014 and 2018, room demand in leisure destinations grew at a CAGR of approximately 7.00% as compared to a CAGR of approximately 8.00% in business destinations. During the same period, supply in business and leisure destinations grew at a CAGR of approximately 6.00% and 4.00%, respectively. Occupancy Rates in business and leisure destinations grew by approximately 6.00% and 7.00%, respectively, between Fiscals 2014 and 2018 which was supported by a larger increase in demand as compared to supply growth.

Inventory of luxury hotel rooms in business destinations is expected to increase by around 18.00% to 68,900 by Fiscal 2022. Bengaluru and NCR are likely to experience an addition of around 2,600 and 2,200 rooms, respectively. Pune, Chennai, Hyderabad and Chandigarh will experience limited supply additions. CRISIL expects that the luxury segment's inventory in leisure destinations will increase to about 20,840 rooms during Fiscal 2022 from about 16,750 rooms during Fiscal 2018.

F&B drives revenue growth

CRISIL estimates the size of F&B revenue for luxury segment hotels to be around ₹125.00-135.00 billion during Fiscal 2018. Over the past four years, i.e., during the period between Fiscals 2014 and 2018, F&B revenues have grown at a CAGR of around 13.00% from ₹82.00 billion during Fiscal 2014. CRISIL further expects the F&B market size to grow at a CAGR of approximately 11.00-12.00% during Fiscal 2022 to ₹195-205 billion.

Mid-market hotels

Mid-market hotel industry estimated at ₹210-215 billion during Fiscal 2018

CRISIL estimates the mid-market hotel industry at ₹210-215 billion during Fiscal 2018. The industry is estimated to have grown at a CAGR of approximately 16.00% over the past four years during the period between Fiscals 2014 and 2018 as a result of rapid expansion in the segment by domestic and international players. During the same period, the overall hotel industry in India is estimated to have grown at a slower pace of approximately 13.00%. *(Source: CRISIL Report.)*

Mid-market hotel industry enjoys around 50.00-55.00% share in room inventory during Fiscal 2018

According to CRISIL, the mid-market hotel industry's room inventory in India is estimated at 120,000-125,000 rooms during Fiscal 2018 (the figure estimated only includes starred hotels' room supply). Considering the overall supply of hotel rooms within the domestic organized sector, the mid-market category enjoys a share of approximately 50.00-55.00%. *(Source: CRISIL Report.)*

RevPAR for mid-market hotels to grow at a CAGR of approximately 5.00%

With around 45,000-50,000 rooms added in the last four years during the period between Fiscals 2014 and 2018 in the segment at pan-India level, the average room rates have remained largely stable at a CAGR of approximately 1.00% between Fiscals 2014 and 2018. Consequently, RevPAR also remained within range during the same period. *(Source: CRISIL Report.)*

Over the medium term, 30,000 to 32,000 new rooms are expected to commence operations across India. Room demand is anticipated to be higher than supply additions. The ARRs are expected to grow at a CAGR of approximately 3.00% between Fiscals 2018 and 2022 as a result of an increase in room inventory by branded hotels in the mid-market segment. As a result, RevPAR is expected to improve at a CAGR of approximately 5.00% to ₹3,000 for mid-market hotels. *(Source: CRISIL Report.)*

SUMMARY OF BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. All figures in this section are derived from our Restated Consolidated Financial Statements, unless specified otherwise.

Investors should note that this is only a summary of the business in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in "Industry", "Our Business" and "Financial Statements" on pages 140, 172 and 261, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see "Risk Factors" on page 20.

The industry related information contained in this section is derived from the CRISIL Report prepared by CRISIL except for other publicly available information cited in this section. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither the Company, nor any other person connected with the Issue has independently verified the information in the CRISIL Report or other publicly available information cited in this section. In this regard, also see "Risk Factors—This Draft Red Herring Prospectus includes industry related information from an industry report, which we have commissioned from CRISIL" on page 53.

Overview

We are one of the leading privately-owned domestic hotel brands in India, according to the CRISIL Report, engaged in the business of operating and managing hotels, palaces and resorts, with a focus on the luxury segment. As at March 31, 2018, we operated 12 luxury hotels, palaces and resorts under *The LaLiT* brand and two mid-market segment hotels under *The LaLiT Traveller* brand across India's key business and leisure travel destinations, offering 2,261 rooms.

In addition, we hold the exclusive rights to provide management consultancy services in connection with the operation and management of a hotel in London, The LaLiT London, which offered 70 rooms as at March 31, 2018.

Our luxury hotels operating across India under *The LaLiT* brand are grouped into the following three categories:

- ***City hotels:*** The LaLiT New Delhi, The LaLiT Mumbai, The LaLiT Ashok Bangalore, The LaLiT Great Eastern Kolkata, The LaLiT Jaipur and The LaLiT Chandigarh.
- ***Palaces:*** The LaLiT Laxmi Vilas Palace Udaipur and The LaLiT Grand Palace Srinagar.
- ***Resorts:*** The LaLiT Golf & Spa Resort Goa, The LaLiT Resort & Spa Bekal (Kerala), The LaLiT Mangar and The LaLiT Temple View Khajuraho.

Going forward, we intend to develop three new hotels under *The LaLiT* brand in Ahmedabad, Mangalore and Dehradun which will, in aggregate, offer 290 rooms and 115 cottages, when completed. We also intend to develop 50 additional rooms at The LaLiT Laxmi Vilas Palace Udaipur.

We also operate two hotels in the mid-market segment under *The LaLiT Traveller* brand, which are The LaLiT Traveller Jaipur and The LaLiT Traveller Khajuraho. We intend to develop four new hotels under *The LaLiT Traveller* brand in Ahmedabad, Pune, Amritsar and Chitrakoot which will, in aggregate, offer 308 rooms, when completed.

Further, in the F&B segment, we operated 45 restaurants, bars and bakery outlets as at March 31, 2018 across our hotels in India. We have developed our own brands, such as *24/7*, *Baluchi*, *OKO*, *The LaLiT Boulangerie*, *Kitty Su* and *The LaLiT Food Truck Company*. As at March 31, 2018:

- 24/7, a multi-cuisine all-day diner serving buffets and a-la-carte meals, was present in five of our hotels;
- Baluchi, an award winning restaurant serving pan-Indian cuisine, was present in six of our hotels;
- OKO, also an award winning restaurant serving pan-Asian cuisine, was present at three of our hotels;
- The LaLiT Boulangerie, our in-house bakery and confectionary outlet, was present at three of our hotels; and

- Kitty Su, a night club, was present at three of our hotels.

The LaLiT Food Truck Company provides outdoor catering services. It also operates food trucks across four cities in India.

We intend to further expand the presence of our F&B brands and establish and operate additional outlets for Kitty Su, Baluchi and OKO at certain of our existing hotels where these F&B outlets are not present as well as at our proposed hotels. We also intend to operate additional food trucks through The LaLiT Food Truck Company at these locations.

As at March 31, 2018, we operated over 50 banquet and conference halls spread across our hotel properties in India, with total banqueting space of over 270,000 square feet, available for MICE events as well as weddings and other social events. We have also developed our own spa brand, *Rejuve*, which operates as a spa, salon and fitness center at several of our hotel properties.

In 2018, we received a number of awards such as "best lounge bar (nightlife)" award from Times Food & Nightlife Awards 2018 for Kitty Ko, a night club at The LaLiT Ashok Bangalore and the customers of Hotels.com rated The LaLiT Resort & Spa Bekal (Kerala) as "outstanding 5.0 out of 5.0". The LaLiT Great Eastern Kolkata received awards in 2018 for its chef, its bakery and its premium dining restaurant. Furthermore, we received the "best card based loyalty program" award at the Customer Loyalty Awards for our loyalty program and the "women at work leadership" award at the Employee Engagement Leadership Awards for The LaLiT Suri Hospitality Group. In 2017, we received a number of awards such as "certificate of excellence" from Trip Advisor for our hotels operating under *The LaLiT* brand in New Delhi, Jaipur, Khajuraho and Chandigarh, the "best luxury hill resort" award at the Outlook Traveller Awards 2017 for The LaLiT Grand Palace Srinagar and the "best beach property" award at the Outlook Traveller Awards - Boutique Hotel Awards 2017 for The LaLiT Resort & Spa Bekal (Kerala). In 2016, The LaLiT New Delhi received the "certificate of excellence" from Trip Advisor. In 2015, The LaLiT Temple View Khajuraho was listed among the "10 best luxury hotels in India" by the Tripoto community. Kitty Su at New Delhi was the only night club from India to feature in DJ Mag's top 100 clubs of the world for the years 2015, 2016 and 2017.

We have a global strategic alliance with Worldhotels for global sales, marketing and distribution of our hotels in New Delhi, Mumbai, Kolkata and Bengaluru. Worldhotels is a global brand bringing together 350 of the world's most unique independent hotels covering over 45 countries and six continents. *(Source: Website of Worldhotels, available on https://www.worldhotels.com/about-us, as at May 31, 2018.)*

We also operate a hospitality school in Faridabad, TLSHS, since 2015 which provides education and training to students intending to pursue a career in the hospitality industry. The development of TLSHS is part of our ongoing investment in the development of human resources and we hire from TLSHS to support our business operations.

Our Strengths

We believe that the following are our key competitive strengths:

Distinctive hotel portfolio across key geographies in India

We have a distinctive mix of city hotels, palaces and resorts spread across key business and leisure travel destinations across India. Having a presence at 12 locations in India has enabled us to offer our customers a consistent, yet customized, hotel experience under *The LaLiT* and *The LaLiT Traveller* brands. As at the date of this Draft Red Herring Prospectus, we operated hotels in nine business and leisure travel destinations in India out of 17 such destinations identified by CRISIL in the CRISIL Report, which we believe enables us to cater more effectively to our corporate clients as well as business and leisure travelers. In addition, we plan to establish and operate new hotels in two additional business destinations Ahmedabad under *The LaLiT* brand, and Ahmedabad and Pune under *The Lalit Traveller* brand.

Business destinations: We are present in New Delhi and Mumbai with over 850 rooms in aggregate in these cities. In addition, we are present in other business destinations such as Bengaluru, Kolkata and Chandigarh with over 575 rooms in aggregate in these cities. Our hotels in these cities are located at conveniently accessible, prime locations within or close to key business and commercial areas as well as tourist attractions in these cities. According to the CRISIL Report, the demand for rooms in business destinations such as New Delhi, Mumbai, Bengaluru, Kolkata and Chandigarh is expected to grow at a CAGR of approximately 6.00% from Fiscal 2018 to Fiscal 2022, while occupancy rates are expected to increase by approximately 4.00% to 68.00%.

Popular tourist destinations: We operate hotels with over 830 rooms in aggregate at key leisure destinations in India, namely, Jaipur, Udaipur, Srinagar, Goa, Bekal (Kerala), Khajuraho and Mangar.

Further, we believe that our hotels, palaces and resorts in certain popular leisure travel destinations are unique. Certain of these properties are able to attract relatively higher ARR due to their location and design as well as the quality of accommodation and service and the holiday experience that these properties offer to our customers. For instance, The LaLiT Golf & Spa Resort Goa is an all-suites resort along a beach on the Arabian Sea and includes the "Goa Golf Greens", a double-tee, 9-hole links golf course. The LaLiT Grand Palace Srinagar, a property designed and built as a palace, is surrounded by the Himalayan mountain range and offers a scenic view of the Dal lake. The LaLiT Laxmi Vilas Palace Udaipur was built as a palace and is located on a hilltop amidst the Aravalli hills, overlooking the Fateh Sagar lake. The LaLiT Great Eastern Kolkata was built in 1841 as the "Auckland Hotel" and is the longest continuously operating luxury hotel in Asia with 165 years of operation until its renovation in 2006, according to the CRISIL Report. The architecture at this hotel is a combination of Victorian, Edwardian and contemporary styles. The LaLiT Resort & Spa Bekal (Kerala) is surrounded by the river Nombili and has an internal lagoon overlooking a white sand beach. The LaLiT Mangar is situated within the Mangar Bani valley.

Presence in the mid-market segment: In order to complement our presence in the luxury segment, we entered the mid-market segment in 2012 through *The LaLiT Traveller* brand. The mid-market segment offers a value-for-money proposition to customers who expect quality service offerings while being relatively conscious about room rates. We operated 50rooms, in aggregate, as at March 31, 2018 within The LaLiT Traveller Jaipur and The LaLiT Traveller Khajuraho in this segment.

Independent brand having an established track record in the Indian hospitality industry

We have been operating in the Indian hospitality industry since 1988. During the last 30 years, we have worked with leading global hospitality chains and have added global best practices in the hospitality industry to our experience. In 2008, we underwent a rebranding exercise in order to marry our learnings from the global hospitality industry with a bespoke Indian hospitality experience. This led to the development of The LaLiT as an independent brand. Since 2006, we have expanded our operations and have opened eight new hotels in India, including two hotels under *The LaLiT Traveller* brand. We believe that *The LaLiT* and the associated logo "THE LaLiT" are recognized in the luxury hotel segment in India and have the ability to attract a wide customer base. We believe that our competently trained, motivated and performance-oriented staff delivers high quality and personalized service to our customers. Our hotel properties, restaurants, night club and spa have won several awards. See "—*Hotel operations*" beginning on page 179 for further details.

We believe that our experience in developing *The LaLiT* brand and our knowledge of the local markets in India has provided us with a platform to grow our hotel business and also diversify into other areas such as F&B by developing various successful F&B brands. Our approach to independently develop our own brands has also allowed us to operate flexibly without any local or international franchisee concerns, such as royalty payments and restrictions on hotel offerings or geographical expansion. Further, our independence allows us to control all the operational aspects of our hotels, thereby ensuring that we deliver a customized luxury experience to our customers across The LaLiT chain of hotels and our F&B outlets.

Set forth below are details of our performance across certain key parameters, for the periods indicated below.

Particulars	**Fiscal**				
	2018	**2017**	**2016**	**2015**	**2014**
Number of available rooms	2,261	2,206	2,207	2,207	2,046
Number of hotels	14	13	13	13	12
ARR (₹)	6,388	6,306	6,320	6,613	7,346
Average Occupancy Rate (%)	62.0	55.0	51.0	45.0	38.0
Average RevPAR (₹)	3,974	3,494	3,200	2,973	2,813
Average TRevPAR (₹)	9,143	8,256	7,679	6,949	6,461

Average expense per room (₹ million)	2.35	2.13	2.01	1.86	1.77
Average staff per room ratio	1.69	1.68	1.66	1.57	1.69
EBITDA (₹ million)	2,242.05	1,954.94	1,777.96	1,227.53	781.54
EBITDA margin (%)	29.71	29.42	28.66	23.04	17.78

Our EDITDA margin during Fiscals 2018 and 2017 was 29.71% and 29.42%, respectively. During Fiscal 2017, the industry average OPBDIT* was 18.0%, according to the CRISIL Report. Our revenue increased to ₹7,545.25 million during Fiscal 2018 from ₹4,394.43 million during Fiscal 2014, representing a CAGR of 14.47% and our EBITDA increased to ₹2,242.05 million during Fiscal 2018 from ₹781.54 million during Fiscal 2014, representing a CAGR of 30.13%.

** Average of OPBDIT of certain hotels identified by CRISIL in the CRISIL Report operating on the basis of an ownership and management contract business model, where OPBDIT is calculated as the ratio of operating profit of such hotels to total operating income and operating profit refers to revenue from operations before accounting for depreciation, interest and tax expenses.*

Diversified sources of revenue

Operating hotel properties involves significant levels of fixed costs which do not vary significantly with Occupancy Rates. Consequently, we have focused on enhancing revenue contribution from areas such as F&B Services, Banqueting Services and Other Services and optimal utilization of available resources. We believe that this mitigates the risks related to exposure to any specific segment, particularly room revenues which are susceptible to a decrease in Occupancy Rates and slower growth in ARR during adverse market conditions or an economic slowdown. This assists us in our efforts to maintain or increase our TRevPAR and provides us with consistent profitable growth, despite high overhead costs experienced in the hospitality business. Our average TRevPAR increased by 41.50% to ₹9,143 during Fiscal 2018 from ₹6,461 during Fiscal 2014, compared with the growth in our average RevPAR, which increased by 41.26% to ₹3,974 from ₹2,813 during this period. Our EBITDA margins also increased during this period to 29.71% from 17.78%.

Our F&B brands are tailored to complement the theme of our hotel properties or targeted at certain identified customer segments. We have developed F&B brands such as *24/7*, *Baluchi*, *OKO*, *The LaLiT Boulangerie*, *Kitty Su* and *The LaLiT Food Truck Company*. Our F&B product offerings and services are designed to provide a dining experience that caters to a broad demographic. We believe that our night club and certain restaurants have developed a strong brand image and customer loyalty. Our award winning restaurants and night club also attract customers not residing at our hotels. For further details, see "*—Hotel operations*" beginning on page 179. Our revenues from F&B outlets were ₹1,738.12 million during Fiscal 2018, which constituted 23.04% of our total revenues during that period, compared to ₹989.92 million during Fiscal 2014, which constituted 22.52% of our total revenues during that period.

We also offer Banqueting Services to our customers. As at March 31, 2018, we operated over 50 banquet and conference halls spread across our hotel properties in India, with total banqueting space of over 270,000 square feet, which we use to target customers in the MICE segment as well as for weddings and other social events. Our revenues from Banqueting Services increased to ₹1,531.75 million during Fiscal 2018, which constituted 20.30% of our total revenues during that period, from ₹838.49 million during Fiscal 2014, which constituted 19.08% of our total revenues during that period. Our revenues from Other Services, which include spa, laundry, telecommunication and internet, business center and limousine services, increased to ₹485.37 million during Fiscal 2018, which constituted 6.43% of our total revenues during that period, from ₹305.63 million during Fiscal 2014, which constituted 6.95% of our total revenues during that period.

Well developed sales and marketing network

Our sales and marketing team is present across 12 locations in India and a few locations outside India. We manage demand, volumes and prices for rooms and other facilities at our hotels based on market conditions and certain other factors. Our dynamic demand management and pricing enables us to manage our room inventory, respond to seasonality and changing customer preferences and attract customers across different categories at various price points, particularly during adverse market conditions. Our average Occupancy Rate increased to 62.00% during Fiscal 2018 from 38.00% during Fiscal 2014. We have focused on diversifying our customer outreach and employ a variety of sales and marketing channels to attract new customers, which involves direct sales as well as online marketing. Our sales, revenue management and reservations teams work together to reach out to various customer segments. Through our relationship with Worldhotels, we have been able to retain our independence and unique brand, while partnering with a global brand with a comprehensive range of products and services to reach customers globally.

Our direct sales team approaches prospective corporate customers and MICE customers. We market bundled travel packages directly to tour operators, aggregators and consortia, travel agents, charter operators and airlines for their customers. We also market our rooms to conference organizers, wedding planners, conference delegates as well as organizers of sports and other events such as music concerts and live performances. Our customers can make reservations with us through our reservation desks, our tele-reservation team or through any of our online sales and marketing channels, which includes our website, online travel agents, travel management companies ("**TMCs**") and the GDS. All of these modes of reservation are connected to a central reservation system which enables us to manage our inventory of rooms in real time.

Experienced leadership team

We were founded by Mr. Lalit Suri and his family. Since Mr. Suri's demise in 2006, our business has been led by Dr. Jyotsna Suri, who was previously the joint managing director of our Company. Dr. Suri oversaw our rebranding exercise in 2008 as our Chairperson and Managing Director. Dr. Suri was the president of FICCI in 2015 and has been the Chairperson of the FICCI Creative Industries Committee since 2015 as well as the Chairperson of the FICCI Tourism Committee since 2006. Dr. Suri has received various industry and other awards such as the "outstanding business woman" award at the PHD Annual Awards for Excellence in 2016, the "women entrepreneur(s)/intrapreneur(s) of the decade" award at the InWENA awards in 2016 and the "best CEO - hospitality sector" award at the Global Women Achievers Awards in 2015.

Further, each of Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri hold executive director positions, lead diverse functions and are actively involved in managing our day-to-day business operations and developing our growth strategies. Our key management personnel and senior personnel team comprises experienced and professional managers with an average experience of nearly two decades in the hospitality industry and includes Ms. Urmil Khurana, Chief Financial Officer, Ms. Poonam Tyagi, Head of Human Resources, Mr. Rakesh Mitra, Group General Manager - Sales & Revenue, Mr. Hemant Khattar, General Manager - IT and Telecom, Mr. Vivek Shukla, General Manager - Corporate Affairs and The LaLiT New Delhi and Mr. Rocky Kalra, General Manager - Operations, Development and Security of our Company, Mr. Himanshu Pandey, Company Secretary and Legal Head and Compliance Officer and Mr. Krishan Kumar, Advisor - Corporate Affairs of our Corporate Promoter, Deeksha Holding Limited. For further details, see "*Our Management*" on page 219.

We believe that our leadership team's comprehensive industry experience and expertise has contributed to the development of our brands over the years. The growth in our business and financial performance in the last few years demonstrates the effectiveness of our leadership team.

Our Strategies

We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

Continue to focus on enhancing our operational performance and the competitiveness of our hotel properties

We intend to continue to focus on enhancing our operational performance and profitability by maintaining high standards of service and quality as well as implementing the initiatives set out below to enhance our brand image and encourage customer loyalty, which will in turn lead to revenue optimization.

- continue to enhance customer relationships, particularly with our corporate and MICE customers, as well as tour operators, travel agents, conference organizers, wedding planners and organizers of sports and other events;

- strengthen our position in markets where we have an established presence and leveraging our presence to expand our market share;
- focus on increasing use of our loyalty programs, LaLiT Connect, LaLiT Plus and LaLiT Engage;
- implement technology to enable use of customer information such as customer recognition and experience at our hotels in order to respond effectively to changing customer preferences;
- focus on effective use of our online distribution channels (including our website) and increase direct bookings through such distribution channels; and
- increase the use of social media and other advertising methods to increase our engagement with existing as well as potential customers and to market our properties and services, particularly our Banqueting Services and F&B Services.

In particular, we intend to continue to focus on improving Occupancy Rates and the related performance parameters, RevPAR and TRevPAR, for our hotels in Jaipur, Kolkata, Chandigarh, Bekal (Kerala), Mangar, Khajuraho and Srinagar, several of which commenced operations between 2009 and 2015, during which period these hotels experienced lower demand due to effects of slower economic growth. These hotels are yet to fully realize our internally adopted benchmarks for financial and operational performance.

Further, we have, in the past, made investments for enhancing the competitiveness of certain of our hotel properties such as our hotels at New Delhi, Mumbai, Goa, Bengaluru, Srinagar and Udaipur by renovating and refurbishing them and by adding F&B outlets and Banqueting Services to these hotel properties. As a result, we believe that we have been able to reposition such hotel properties in our negotiations with various corporate and MICE customers as well as third party agents. We plan to continue to enhance the competitiveness of our hotels by continuing to invest in their renovation and refurbishment.

Continue to improve operating efficiencies

We have made efforts to maintain low operating expenses in order to improve our operational performance and profitability. Our aggregate operating expenses, expressed as a percentage of our total revenue from operations, were 71.86%, 71.72% and 73.89% during Fiscals 2018, 2017 and 2016, respectively, compared to an industry average* operating expense, expressed as a percentage of total operating income, of 82.00% during Fiscal 2016, according to the CRISIL Report. We intend to continue to actively manage our operating costs through the following measures, among others:

- rationalize sourcing costs through centralized planning of our sourcing requirements of consumables utilized by our hotels and develop, wherever possible, long-term relationships with our vendors, which will enable us to negotiate competitive rates with our vendors;
- undertake local procurement of operating supplies and raw materials, which enables efficient logistics management and accordingly, reduces costs for certain items;
- improve staff productivity and efficiency to reduce employee costs per room through the effective use of technology, workforce management systems, comprehensive training and performance-linked compensation;
- implement energy saving initiatives that are cost-efficient and environment friendly; and
- maintain optimum levels for other overheads such as head office operations, sales and marketing, loyalty program expenses, among others, commensurate with the expansion of our hotels.

** Industry average was calculated by CRISIL (and included in the CRISIL Report) using aggregated financials of 19 players in the hospitality industry for the relevant period.*

Expand our operations by developing new hotels under The LaLiT and The LaLiT Traveller brands in select locations

We seek to expand the presence of *The LaLiT* brand and diversify our geographical footprint in order to strengthen our market position and access a more diversified customer base across geographies as well as in order to reduce our exposure to local, seasonal and cyclical fluctuations. Between 2019 and 2022, we intend to complete development of three new hotels under *The LaLiT* brand in Ahmedabad, Mangalore and Dehradun which will, in aggregate, offer 290 rooms and 115 cottages, when completed. We believe that these markets have low inventory levels in the luxury segment and have significant potential for hospitality assets. We also intend to develop 50 additional rooms by 2020 at The LaLiT Laxmi Vilas Palace Udaipur in order to meet the anticipated demand.

According to the CRISIL Report, the mid-market hotel segment constituted approximately 50.00–55.00% of the total room supply across starred hotels in India as at the end of Fiscal 2018 and is expected to grow at a CAGR of approximately 5.00–6.00% by Fiscal 2022. We believe that targeting the mid-market segment complements our presence in the luxury segment and allows us to secure a higher volume of room occupancy from a wider pool of potential customers while keeping our rates competitive. Between 2019 and 2022, we intend to complete the development of four new hotels under *The LaLiT Traveller* brand in Ahmedabad, Pune, Amritsar and Chitrakoot which will, in aggregate, offer 308 rooms, when completed.

See "—*Properties*" on page 194 for details in relation to the ownership, leasehold or other development rights we have acquired in relation to the land parcels over which we intend to develop these hotels.

Expand the operations of our F&B brands

We believe that we are well positioned to leverage the strength of our F&B brands and the relationships we have developed with our customers to drive the continued growth of our F&B Services and Banqueting Services which, we expect, will contribute to increased revenues from these sources and contribute to an increase in our TRevPAR, differentiate us from our competitors and help to hedge our exposure to any slowdown in revenue from rooms.

We intend to establish and operate additional outlets for Kitty Su, Baluchi and OKO at certain of our existing hotels where these F&B outlets are not present as well as at our proposed hotels. We also intend to operate additional food trucks through The LaLiT Food Truck Company at these locations. We plan to establish:

- Kitty Su at our existing hotels in Bengaluru, Kolkata and Goa as well as at our proposed hotels in Mangalore and Pune;
- Baluchi at our existing hotels in Kolkata and Udaipur as well as at our proposed hotels in Ahmedabad, Mangalore, Dehradun, Pune and Amritsar; and
- OKO at our existing hotels in New Delhi, Mumbai, Kolkata and Udaipur as well as at our proposed hotels in Ahmedabad, Mangalore and Pune.

Brand expansion through management contracts

As at the date of this Draft Red Herring Prospectus, we hold the rights to provide management consultancy services in connection with the operation and management of a hotel in London, The LaLiT London, under a management consultancy services agreement and licensing agreement. We intend to leverage our brand, sales and marketing network, expertise and experience of over 30 years in operating and managing hospitality operations in India to evaluate opportunities from time to time to operate and manage additional hotel properties pursuant to management contracts. We may selectively enter into such contracts in circumstances where it is economically and strategically prudent to do so and to further expand our brand in key geographies where we are not present. We may partner with other property management and hospitality companies that will own and/or design and build hotels and will agree to assign the rights to manage and operate these hotels to us. Since management agreements require lower upfront financial investment compared to development of new hotels on owned, leased or licensed land, we believe this strategy will enable us to reduce our capital expenditure, distribute fixed costs, further diversify our sources of revenue, efficiently utilize capital for achieving future growth and add more hotels in a shorter period of time, all of which may assist in achieving an increase in our TRevPAR and EBITDA margins. Additionally, we believe that operating hotels for third parties will increase our experience in, and knowledge of, new markets and enhance our ability to negotiate better terms with vendors.

Continue to invest in human resources to support our expansion and further develop TLSHS

We believe that investing in human resources will support our overall expansion strategy, and particularly, our strategy to expand our brand by entering into management contracts. To this end, we have developed our hospitality school, TLSHS, in Faridabad to provide hospitality education and training. The further development of TLSHS is part of our ongoing investment in the development of human resources and we intend to continue to develop the academic facilities at TLSHS. We hire from TLSHS to support our business operations and believe that hiring from our own hospitality school allows us to ensure consistent quality standards that we require for our operations. We believe that our management team's comprehensive industry experience as well as the readily available talent pool of trained graduates from TLSHS will enable us to take advantage of any current and future market opportunities.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Standalone Financial Information and the Restated Consolidated Financial Information.

The summary financial information presented below should be read in conjunction with the Restated Financial Information, together with notes thereto, and other information as presented in "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages [●] and [●], respectively."

Restated standalone financial information of assets and liabilities

(All amounts in Rupees million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
ASSETS					
Non-Current Assets					
a) Property, plant and equipment	12,086.32	12,181.33	11,510.83	12,171.57	12,934.65
b) Capital work-in-progress	1,879.38	1,493.98	2,180.31	1,949.08	1,389.70
c) Intangible assets	19.04	7.85	12.90	17.51	13.71
d) Financial assets					
(is) Investments	8,170.92	4,290.98	1,277.53	1,277.53	1,277.17
(ii) Loans	1,391.35	3,641.07	4,362.11	3,703.87	3,108.12
(iii) Other non current financial assets	118.46	135.12	116.80	132.59	151.59
e) Non current tax assets (net)	439.61	363.97	365.40	363.00	242.10
f) Other non-current assets	552.76	509.66	515.35	525.71	632.84
Total non current assets	**24,657.84**	**22,623.96**	**20,341.23**	**20,140.86**	**19,749.88**
Current Assets					
a) Inventories	155.74	165.36	176.46	155.28	147.72
b) Financial assets					
(i) Trade receivables	555.99	437.16	394.89	352.01	311.37
(ii) Cash and cash equivalents	192.36	659.79	182.95	655.65	356.05
(iii) Other bank balances	119.30	105.66	54.82	53.65	263.05
(iv) Loans	10.47	10.95	10.67	14.12	14.95
(v) Other current financial assets	164.06	1,157.89	1,622.76	1,147.11	948.08
c) Other current assets	155.57	209.82	222.67	226.63	201.71
Assets classified as held for sale	2.00	163.88	164.88	3.00	3.00
Total current assets	**1,355.49**	**2,910.51**	**2,830.10**	**2,607.45**	**2,245.93**
Total assets	**26,013.33**	**25,534.47**	**23,171.33**	**22,748.31**	**21,995.81**

Restated standalone financial information of assets and liabilities

(All amounts in Rupees million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
EQUITY AND LIABILITIES					
Equity					
a) Equity share capital	759.91	759.91	759.91	759.91	759.91
b) Other Equity	10,252.30	10,037.31	9,739.74	9,313.59	9,567.91
Total equity	**11,012.21**	**10,797.22**	**10,499.65**	**10,073.50**	**10,327.82**
Non-current liabilities					
a) Financial liabilities					
(i) Borrowings	10,275.42	9,586.59	7,776.78	7,367.85	6,971.33
(ii) Other non current financial liabilities	45.06	44.99	41.80	27.29	44.83
b) Provisions	91.66	76.66	68.53	69.29	57.83
c) Deferred tax liabilities (net)	1,259.21	1,273.19	1,214.38	1,215.73	1,319.88
d) Other non-current liabilities	347.50	359.48	372.80	380.67	382.66
Total non current liabilities	**12,018.85**	**11,340.91**	**9,474.29**	**9,060.83**	**8,776.53**
Current liabilities					
a) Financial liabilities					
(i) Borrowings	1,080.16	1,686.89	1,737.91	1,090.83	986.05
(ii) Trade payables	734.85	483.34	400.94	371.74	383.28
(iii) Other current financial liabilities	756.00	841.60	684.48	1,845.60	1,156.93
b) Provisions	83.98	71.60	70.46	89.04	79.93
c) Other current liabilities	327.28	312.91	303.60	216.77	285.27
Total current liabilities	**2,982.27**	**3,396.34**	**3,197.39**	**3,613.98**	**2,891.46**
Total equity and liabilities	**26,013.33**	**25,534.47**	**23,171.33**	**22,748.31**	**21,995.81**

Restated standalone financial information of profit and loss

(All amounts in Rupees million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Revenue					
a) Revenue from operations	6,385.98	5,747.79	5,270.58	4,743.64	4,351.56
b) Other income	69.23	79.51	252.58	80.11	78.41
Total income	**6,455.21**	**5,827.30**	**5,523.16**	**4,823.75**	**4,429.97**
Expenses					
a) Cost of food and beverages consumed	763.59	675.13	627.29	546.19	512.13
b) Purchase of traded goods	5.57	7.46	5.96	7.03	7.87
c) Change in inventories of traded goods	0.53	(2.36)	(0.11)	(1.22)	0.20
d) Excise duty on sale of food	0.58	3.18	2.93	3.08	3.31
e) Employee benefits expense	1,133.65	1,019.70	921.38	917.90	870.10
f) Other expenses	2,663.76	2,347.81	2,282.41	2,212.90	2,236.03
Total expenses	**4,567.68**	**4,050.92**	**3,839.86**	**3,685.88**	**3,629.64**
Earnings before interest, tax, depreciation and amortisation	**1,887.53**	**1,776.38**	**1,683.30**	**1,137.87**	**800.33**
Finance income	228.58	426.25	530.17	494.72	372.67
Finance costs	1,210.73	1,141.84	1,105.62	1,046.93	937.07
Depreciation and amortisation expense	517.90	508.79	545.72	629.17	420.66
Restated Profit/(loss) before exceptional items and tax	**387.48**	**552.00**	**562.13**	**(43.51)**	**(184.73)**
Exceptional items	-	-	-	(77.02)	(277.41)
Restated Profit/(loss) before tax	**387.48**	**552.00**	**562.13**	**33.51**	**92.68**
Tax expense:					
a) Current tax	85.90	125.95	97.13	(31.19)	(3.51)
b) Deferred tax charge/(credit)	7.75	185.13	119.54	34.18	(68.29)
c) MAT credit	(18.58)	(125.95)	(122.81)	(7.26)	-
Total tax expense	**75.07**	**185.13**	**93.86**	**(4.27)**	**(71.80)**
Restated Profit/(loss) for the year	**312.41**	**366.87**	**468.27**	**37.78**	**164.48**

Restated standalone financial information of profit and loss

(All amounts in Rupees million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent years					
a) Remeasurements of the net defined benefit plans	(9.11)	(1.08)	5.54	(7.19)	14.69
b) Income tax effect	3.15	0.37	(1.92)	2.49	(4.99)
	(5.96)	**(0.71)**	**3.62**	**(4.70)**	**9.70**
Restated total comprehensive income/(loss)	**306.45**	**366.16**	**471.89**	**33.08**	**174.18**

Restated standalone statement of changes in equity

A. Equity share capital

	Amount	No. of shares
Equity shares of INR 10 each issued, subscribed and fully paid		
As at 1 April 2013 (Proforma)	**759.91**	**75,991,199**
Changes in equity share capital	-	-
As at 31 March 2014 (Proforma)	**759.91**	**75,991,199**
Changes in equity share capital	-	-
As at 31 March 2015 (Proforma)	**759.91**	**75,991,199**
Changes in equity share capital	-	-
As at 31 March 2016	**759.91**	**75,991,199**
Changes in equity share capital	-	-
As at 31 March 2017	**759.91**	**75,991,199**
Changes in equity share capital	-	-
As at 31 March 2018	**759.91**	**75,991,199**

B. Other equity

(All amounts in Rupees million)

	Attributable to equity holders of Bharat Hotels Limited					
	Reserves and Surplus					
	Securities Premium	**Retained Earnings**	**General Reserve**	**Capital Reserve**	**Debenture Redemption Reserve**	**Total Other Equity**
Balance as at 1 April 2013 (Proforma)	2,903.47	4,334.05	903.33	1,128.50	168.54	**9,437.89**
Profit/(loss) for the year	-	164.48	-	-	-	**164.48**
Other comprehensive income (net of tax)	-	9.70	-	-	-	**9.70**
Total comprehensive income	**-**	**174.18**	**-**	**-**	**-**	**174.18**
Transitions with owners in their capacity as owners :						
Dividends	-	(38.00)	-	-	-	**(38.00)**
Dividend distribution tax (DDT)	-	(6.16)	-	-	-	**(6.16)**
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	88.54	-	(88.54)	**-**
						-
Balance as at 31 March 2014 (Proforma)	**2,903.47**	**4,464.07**	**991.87**	**1,128.50**	**80.00**	**9,567.91**

Restated standalone statement of changes in equity

Balance as at 1 April 2014 (Proforma)	2,903.47	4,464.07	991.87	1,128.50	80.00	**9,567.91**
Profit/(loss) for the year	-	37.78	-	-	-	**37.78**
Other comprehensive income (net of tax)	-	(4.70)	-	-	-	**(4.70)**
Total comprehensive income	**-**	**33.08**	**-**	**-**	**-**	**33.08**
Transitions with owners in their capacity as owners :						
Dividends	-	(38.00)	-	-	-	**(38.00)**
Dividend distribution tax (DDT)	-	(6.46)	-	-	-	**(6.46)**
Amount transferred to general reserve as reduction from depreciation	-	(21.43)	21.43	-	-	**-**
Depreciation on account of adoption of Schedule II of the Companies Act 2013 (net of tax)	-	-	(242.94)	-	-	**(242.94)**
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	40.00	-	(40.00)	**-**
Balance as at 31 March 2015 (Proforma)	**2,903.47**	**4,431.26**	**810.36**	**1,128.50**	**40.00**	**9,313.59**
Balance as at 1 April 2015	2,903.47	4,431.26	810.36	1,128.50	40.00	**9,313.59**
Profit/(loss) for the year	-	468.27	-	-	-	**468.27**
Other comprehensive income (net of tax)	-	3.62	-	-	-	**3.62**
Total comprehensive income	**-**	**471.89**	**-**	**-**	**-**	**471.89**
Transitions with owners in their capacity as owners :						
Dividends	-	(38.00)	-	-	-	**(38.00)**
Dividend distribution tax (DDT)	-	(7.74)	-	-	-	**(7.74)**
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	40.00	-	(40.00)	**-**
Balance as at 31 March 2016	**2,903.47**	**4,857.41**	**850.36**	**1,128.50**	**-**	**9,739.74**
Balance as at 1 April 2016	2,903.47	4,857.41	850.36	1,128.50	-	**9,739.74**
Profit/(loss) for the year	-	366.87	-	-	-	**366.87**
Other comprehensive income (net of tax)	-	(0.71)	-	-	-	**(0.71)**
Total comprehensive income	**-**	**366.16**	**-**	**-**	**-**	**366.16**

Restated standalone statement of changes in equity

Transitions with owners in their capacity as owners :						
Dividends	-	(56.99)	-	-	-	**(56.99)**
Dividend distribution tax (DDT)	-	(11.60)	-	-	-	**(11.60)**
Balance as at 31 March 2017	**2,903.47**	**5,154.98**	**850.36**	**1,128.50**	**-**	**10,037.31**
Balance as at 1 April 2017	2,903.47	5,154.98	850.36	1,128.50	-	10,037.31
Profit/(loss) for the year		312.41	-	-	-	312.41
Other comprehensive income (net of tax)		(5.96)	-	-	-	(5.96)
Total comprehensive income	**2,903.47**	**5,461.43**	**850.36**	**1,128.50**	**-**	**10,343.76**
Transitions with owners in their capacity as owners :						
Dividends		(75.99)	-	-	-	(75.99)
Dividend distribution tax (DDT)		(15.47)	-	-	-	(15.47)
Balance as at 31 March 2018	**2,903.47**	**5,369.97**	**850.36**	**1,128.50**	**-**	**10,252.30**

Restated standalone financial information of cash flows

(All amounts in Rupees Million)

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Profit before tax	387.48	552.00	562.13	33.51	92.68
	Non-cash adjustments to reconcile profit before tax to net cash flows:					
	Depreciation and amortisation expenses	517.90	508.79	545.72	629.17	420.66
	Bad debts, advances and other balances written off	33.58	15.85	23.71	16.31	54.13
	Provision for doubtful debts	11.01	20.62	7.22	4.34	5.73
	Provision for doubtful advances	1.00	16.67	-	30.95	50.00
	Excess provision/ credit balances written back	(44.67)	(42.40)	(99.23)	(31.00)	(20.95)
	Loss/ (profit) on sale of property, plant and equipment	0.47	1.81	(239.14)	0.66	0.88
	Unwinding of discount on security deposits	(3.49)	(2.48)	(2.21)	(1.96)	(1.84)
	Amortisation of deferred lease rent	(3.72)	6.73	6.73	6.74	6.73
	Interest Income	(225.09)	(418.89)	(527.96)	(492.76)	(370.40)
	Interest expense	1,210.73	1,141.84	1,084.53	1,036.01	937.07
	(Profit)/Loss on and sale of investment and aircraft and other assets being classified as held for sale	-	1.00	-	-	(277.41)
	Amortisation of deferred government grant	(3.67)	(4.78)	(4.78)	(4.78)	(4.78)
	Unrealized foreign exchange (gain)/loss	5.30	(23.05)	(13.71)	2.20	23.02
	Operating profit before working capital changes:	**1,886.84**	**1,773.71**	**1,343.01**	**1,229.39**	**915.52**
	Movements in working capital:					
	Decrease/(increase) in loans other financial and other assets	160.57	483.88	(439.44)	(224.34)	(355.83)
	Decrease/(Increase) in trade receivable	(131.50)	(62.88)	(51.04)	(45.72)	(72.87)
	Decrease/(Increase) in inventories	9.63	11.08	(21.15)	(7.58)	(10.23)
	Increase/(Decrease) in trade payable	296.18	124.79	128.43	19.46	3.89
	(Decrease)/Increase in other financial liabilities, other liabilities and provisions	78.52	51.43	50.47	(67.82)	47.08
	Cash Generated from Operations	**2,300.24**	**2,382.01**	**1,010.28**	**903.39**	**527.56**
	Direct tax paid (net)	(161.54)	(124.53)	(99.53)	(89.71)	(86.38)
	Net cash flow from operating activities (a)	**2,138.70**	**2,257.48**	**910.75**	**813.68**	**441.18**

Restated standalone financial information of cash flows

(All amounts in Rupees Million)

Restated standalone financial information of cash flows

(All amounts in Rupees Million)

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
B	**CASH FLOWS FROM INVESTING ACTIVITIES**					
	Purchase of property, plant and equipment including capital work-in-progress and capital advances	(551.91)	(462.26)	(478.39)	(590.60)	(819.13)
	Proceeds from sale of property, plant and equipment	2.36	11.53	692.43	20.10	981.38
	Sale of investment in subsidiaries	-	-	-	-	1,016.00
	Sale of investment in associates	-	-	-	-	0.03
	Loans to subsidiaries	3,244.25	(1,942.30)	(197.92)	(204.27)	(1,274.16)
	Investment in subsidiaries	(3,879.94)	-	-	-	-
	Interest received	53.19	40.34	36.13	57.64	21.17
	(Investment in)/proceeds from bank deposits (net)	3.78	(68.19)	3.32	220.44	(196.84)
	Net Cash flow from/(used in) investing activities (b)	**(1,128.27)**	**(2,420.88)**	**55.57**	**(496.69)**	**(271.55)**
	Proceeds from long term borrowings	1,169.31	2,240.19	3,414.36	4,172.73	2,777.31
	Repayment of long term borrowings	(574.17)	(305.80)	(4,295.80)	(3,163.16)	(2,176.08)
	(Repayment of)/ proceeds from short term borrowings, net	(612.36)	(51.02)	647.08	104.77	121.48
	Interest paid	(1,285.79)	(1,159.45)	(1,199.32)	(1,097.92)	(1,075.53)
	Dividend paid	(75.99)	(56.99)	(38.00)	(38.00)	(38.00)
	Tax on dividend paid	(15.47)	(11.60)	(7.74)	(6.46)	(6.16)
	Net Cash flow from/ (used in) financing activities (c)	**(1,394.47)**	**655.33**	**(1,479.42)**	**(28.04)**	**(396.98)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (a+b+c)		**(384.04)**	**491.93**	**(513.10)**	**288.95**	**(227.35)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**566.62**	**74.69**	**587.79**	**298.70**	**525.85**
Less: Unrealised Loss/(gain) on foreign currency cash and cash equivalents		-	-	-	0.14	0.20
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (for the purpose of cash flows, cash and cash equivalents comprise book overdraft)		**182.58**	**566.62**	**74.69**	**587.79**	**298.70**
COMPONENTS OF CASH AND CASH EQUIVALENTS						
Balances with banks:-						
On current accounts		170.05	636.89	53.25	316.50	126.04
On EEFC Accounts		5.16	6.97	2.28	6.53	3.24
Deposits with original maturity of less than three months		2.36	1.12	114.61	321.40	203.70
Cheques/drafts on hand		4.82	8.92	4.86	4.59	14.32
Cash on Hand		9.97	5.89	7.95	6.63	8.75
Less: Book Overdraft		(9.78)	(93.17)	(108.26)	(67.86)	(57.35)
		182.58	**566.62**	**74.69**	**587.79**	**298.70**

Restated consolidated financial information of assets and liabilities

(All amounts in Rupees million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
ASSETS					
Non-Current Assets					
a) Property, plant and equipment	19,506.19	19,768.29	19,433.79	20,407.80	18,232.69
b) Capital work-in-progress	3,274.76	2,498.02	2,969.03	2,504.67	4,396.42
c) Goodwill	842.55	842.55	842.55	842.55	842.55
d) Other intangible assets	21.83	10.20	18.64	26.90	24.23
e) Financial assets					
(i) Investments	0.36	0.36	0.36	0.36	-
(ii) Loans	63.11	54.46	62.32	58.50	55.45
(iii) Other non-current financial assets	196.23	234.34	203.28	214.28	227.24
f) Non current tax assets (net)	463.91	381.09	383.51	377.65	249.76
g) Other non-current assets	661.03	614.85	628.38	652.91	786.18
Total non current assets	**25,029.97**	**24,404.16**	**24,541.86**	**25,085.62**	**24,814.52**
Current Assets					
a) Inventories	186.14	195.17	199.78	175.90	153.11
b) Financial assets					
(i) Trade receivables	643.85	492.61	436.02	386.11	315.19
(ii) Cash and cash equivalents	218.66	688.30	208.96	670.30	462.98
(iii) Other bank balances	119.30	105.66	54.82	53.64	309.09
(iv) Loans	10.86	11.29	11.01	14.45	16.03
(v) Other current financial assets	83.07	58.25	78.56	49.06	266.96
c) Other current assets	232.22	289.78	304.41	292.32	260.45
Assets classified as held for sale	2.00	163.88	164.88	3.00	3.00
Total current assets	**1,496.10**	**2,004.94**	**1,458.44**	**1,644.78**	**1,786.81**
Total assets	**26,526.07**	**26,409.10**	**26,000.30**	**26,730.40**	**26,601.33**
EQUITY AND LIABILITIES					
Equity					
a) Equity share capital	759.91	759.91	759.91	759.91	759.91
b) Other equity	9,156.67	8,503.83	8,732.94	9,106.61	9,906.63
Equity attributable to owners of Bharat Hotels Limited	**9,916.58**	**9,263.74**	**9,492.85**	**9,866.52**	**10,666.54**
Non Controlling Interest	(296.04)	(384.45)	(72.30)	242.95	409.20
Total Equity	**9,620.54**	**8,879.29**	**9,420.55**	**10,109.47**	**11,075.74**
Non-current liabilities					
a) Financial liabilities					
(i) Borrowings	12,346.31	11,781.07	10,879.74	10,519.78	10,190.89
(ii) Other non current financial liabilities	45.16	44.99	41.80	27.29	44.83
b) Provisions	96.76	80.50	72.65	73.51	60.71
c) Deferred tax liabilities (net)	372.49	1,220.96	1,162.31	1,162.87	1,266.42
d) Other non-current liabilities	389.60	413.80	439.35	459.45	473.67
Total non current liabilities	**13,250.32**	**13,541.32**	**12,595.85**	**12,242.90**	**12,036.52**

Restated consolidated financial information of assets and liabilities

(All amounts in Rupees million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Current liabilities					
a) Financial liabilities					
(i) Borrowings	1,305.19	1,860.20	1,838.68	1,190.26	1,036.35
(ii) Trade payables	865.06	448.96	313.44	348.74	328.21
(iii) Other current financial liabilities	1,003.07	1,163.97	1,323.51	2,438.42	1,686.15
b) Provisions	91.17	78.64	76.09	95.94	85.52
c) Other current liabilities	390.72	436.72	432.18	304.67	352.84
Total current liabilities	**3,655.21**	**3,988.49**	**3,983.90**	**4,378.03**	**3,489.07**
Total equity and liabilities	**26,526.07**	**26,409.10**	**26,000.30**	**26,730.40**	**26,601.33**

Restated consolidated financial information of profit and loss

(All amounts in Rupees million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Revenue					
a) Revenue from operations	7,379.85	6,537.90	5,988.29	5,214.86	4,302.59
b) Other income	165.40	106.32	214.70	113.06	91.84
Total income	**7,545.25**	**6,644.22**	**6,202.99**	**5,327.92**	**4,394.43**
Expenses					
a) Cost of food and beverages consumed	916.95	796.85	743.32	633.72	522.20
b) Purchase of traded goods	6.18	7.72	6.76	7.02	7.88
c) Change in inventories of traded goods	0.24	(2.31)	(0.75)	(1.22)	0.20
d) Excise duty on sale of food	0.87	5.31	4.07	3.08	3.55
e) Employee benefits expense	1,327.13	1,197.59	1,081.73	1,053.77	884.06
f) Other expenses	3,051.83	2,684.12	2,589.90	2,404.02	2,195.00
Total expenses	**5,303.20**	**4,689.28**	**4,425.03**	**4,100.39**	**3,612.89**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**2,242.05**	**1,954.94**	**1,777.96**	**1,227.53**	**781.54**
Finance income	(64.18)	(61.25)	(57.21)	(65.60)	(41.68)
Finance costs	1,377.95	1,451.38	1,496.85	1,165.35	763.85
Depreciation and amortisation expense	847.66	851.07	890.02	881.53	464.65
Loss before exceptional items, share of net loss of investments accounted for using equity method and tax	**80.62**	**(286.26)**	**(551.70)**	**(753.75)**	**(405.28)**
Exceptional Items	-	-	-	(77.02)	(283.18)
Restated profit/(loss) before tax	**80.62**	**(286.26)**	**(551.70)**	**(676.73)**	**(122.10)**
Tax expense:					
a) Current tax	87.08	127.05	98.79	(30.10)	(2.43)
b) Deferred tax charge/(credit)	(826.71)	184.97	120.42	34.80	(78.30)
c) Minimum alternate tax (MAT) credit	(18.58)	(125.95)	(122.81)	(7.26)	-
Total tax expense	**(758.21)**	**186.07**	**96.40**	**(2.56)**	**(80.73)**
Restated profit/(loss) for the year	**838.83**	**(472.33)**	**(648.10)**	**(674.17)**	**(41.37)**
Other comprehensive income (net of taxes)					
Items that will not be reclassified to profit or loss in subsequent years					
a) Remeasurements of the net defined benefit plans	(9.30)	(0.71)	6.75	(7.19)	14.69
b) Income tax effect	3.18	0.37	(1.83)	2.49	(5.08)
	(6.12)	**(0.34)**	**4.92**	**(4.70)**	**9.61**
Total comprehensive income	**832.71**	**(472.67)**	**(643.18)**	**(678.87)**	**(31.76)**

Restated consolidated financial information of profit and loss

(All amounts in Rupees million)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
Profit/(Loss) attributable to :					
Equity holder of parent	750.43	(160.08)	(332.56)	(507.92)	3.70
Non Controlling Interest	88.41	(312.25)	(315.54)	(166.25)	(45.07)
Other comprehensive income/(loss) attributable to :					
Equity holder of parent	(6.12)	(0.44)	4.63	(4.70)	9.61
Non Controlling Interest	-	0.10	0.29	-	-
Total comprehensive income attributable to:					
Equity holder of parent	744.31	(160.52)	(327.93)	(512.62)	13.31
Non Controlling Interest	88.41	(312.15)	(315.25)	(166.25)	(45.07)

Restated consolidated statement of changes in equity

A. Equity share capital

	Amount	No. of shares
Equity share of INR 10 each, issued, subscribed and fully paid up		
As at 31 March 2013 (Proforma)	**759.91**	**75,991,199**
Changes in equity share capital	**-**	**-**
As at 31 March 2014 (Proforma)	**759.91**	**75,991,199**
Changes in equity share capital	**-**	
As at 31 March 2015 (Proforma)	**759.91**	**75,991,199**
Changes in equity share capital	**-**	
As at 31 March 2016	**759.91**	**75,991,199**
Changes in equity share capital	**-**	
As at 31 March 2017	**759.91**	**75,991,199**
Changes in equity share capital		
As at 31 March 2018	**759.91**	**75,991,199**

Restated consolidated statement of changes in equity

B. Other equity

(All amounts in rupees million)

	Attributable to equity holders of Bharat Hotels Limited								
	Reserves and surplus					Other reserves			
	Securities Premium Reserve	**Retained Earnings**	**General Reserve**	**Capital Reserve**	**Debenture Redemption Reserve**	**Foreign Currency Translation Reserve**	**Total Other Equity**	**Non Controlling Interests**	**Total**
For the year ended 31 March 2014 (Proforma)									
Balance as at 1 April 2013 (Proforma)	2,903.47	4,833.64	903.33	1,128.50	168.54	266.84	**10,204.32**	564.05	**10,768.37**
Profit for the year	-	3.70	-	-	-	-	**3.70**	(45.07)	(41.37)
Other comprehensive income (net of tax)		9.61					**9.61**	-	9.61
Movement	-	-					**-**		-
Total comprehensive income	**-**	**13.31**	**-**	**-**	**-**	**-**	**13.31**	**(45.07)**	**(31.76)**
Transactions with owners in their capacity as owners :									
Cash dividends	-	(38.00)	-	-	-	-	**(38.00)**	-	(38.00)
Dividend distribution tax (DDT)	-	(6.16)	-	-	-	-	**(6.16)**	-	(6.16)
Transfer from foreign currency translation reserve	-	-	-	-	-	(266.84)	**(266.84)**	-	**(266.84)**
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	88.54	-	(88.54)	-	**-**	-	**-**
Sale of subsidiary resulting in reduction in non controlling interest	-	-	-	-	-	-	**-**	(109.78)	**(109.78)**
Balance as at 31 March 2014 (Proforma)	**2,903.47**	**4,802.79**	**991.87**	**1,128.50**	**80.00**	**-**	**9,906.63**	**409.20**	**10,315.83**
For the year ended 31 March 2015 (Proforma)									
As at 1 April 2014 (Proforma)	2,903.47	4,802.79	991.87	1,128.50	80.00	-	**9,906.63**	409.20	**10,315.83**
Profit for the year	-	(507.92)	-	-	-	-	**(507.92)**	(166.25)	(674.17)
Other comprehensive income (net of tax)	-	(4.70)	-	-	-	-	**(4.70)**	-	(4.70)
Total comprehensive income	**-**	**(512.62)**	**-**	**-**	**-**	**-**	**(512.62)**	**(166.25)**	**(678.87)**
Transactions with owners in their capacity as owners :									
Cash dividends	-	(38.00)	-	-	-	-	**(38.00)**	-	(38.00)
Dividend distribution tax (DDT)	-	(6.46)	-	-	-	-	**(6.46)**	-	(6.46)
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	40.00	-	(40.00)	-	**-**	-	-
Depreciation on account of adoption of Schedule II of the Companies Act 2013	-	-	(242.94)	-	-	-	**(242.94)**	-	(242.94)
Balance as at 31 March 2015 (Proforma)	**2,903.47**	**4,245.71**	**788.93**	**1,128.50**	**40.00**	**-**	**9,106.61**	**242.95**	**9,349.56**
As at 1 April 2015	2,903.47	4,245.71	788.93	1,128.50	40.00	-	**9,106.61**	242.95	**9,349.56**
Profit for the year	-	(332.56)	-	-	-	-	**(332.56)**	(315.54)	(648.10)
Other comprehensive income (net of tax)	-	4.63	-	-	-	-	**4.63**	0.29	4.92
Total comprehensive income	**-**	**(327.93)**	**-**	**-**	**-**	**-**	**(327.93)**	**(315.25)**	**(643.18)**
Transactions with owners in their capacity as owners :									
Cash dividends	-	(38.00)	-	-	-	-	**(38.00)**	-	(38.00)
Dividend distribution tax (DDT)	-	(7.74)	-	-	-	-	**(7.74)**	-	(7.74)
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	40.00	-	(40.00)	-	**-**	-	-
Balance as at 31 March 2016	**2,903.47**	**3,872.04**	**828.93**	**1,128.50**	**-**	**-**	**8,732.94**	**(72.30)**	**8,660.64**

Restated consolidated statement of changes in equity

As at 1 April 2016	2,903.47	3,872.04	828.93	1,128.50	-	-	**8,732.94**	(72.30)	**8,660.64**
Profit for the year	-	(160.08)	-	-	-	-	**(160.08)**	(312.25)	(472.33)
Other comprehensive income (net of tax)	-	(0.44)	-	-	-	-	**(0.44)**	0.10	(0.34)
Total comprehensive income	**-**	**(160.52)**	**-**	**-**	**-**	**-**	**(160.52)**	**(312.15)**	**(472.67)**
Transactions with owners in their capacity as owners :									
Cash dividends	-	(56.99)	-	-	-	-	**(56.99)**	-	(56.99)
Dividend distribution tax (DDT)	-	(11.60)	-	-	-	-	**(11.60)**	-	(11.60)
Balance as at 31 March 2017	**2,903.47**	**3,642.93**	**828.93**	**1,128.50**	**-**	**-**	**8,503.83**	**(384.45)**	**8,119.38**
As at 1 April 2017	2,903.47	3,642.93	828.93	1,128.50	-	-	8,503.83	(384.45)	8,119.38
Profit for the year	-	750.42	-	-	-	-	750.42	88.41	838.83
Other comprehensive income (net of tax)	-	(6.12)	-	-	-	-	(6.12)	-	(6.12)
Total comprehensive income	**-**	**744.30**	**-**	**-**	**-**	**-**	**744.30**	**88.41**	**832.71**
Transactions with owners in their capacity as owners :									
Cash dividends	-	(75.99)	-	-	-	-	(75.99)	-	(75.99)
Dividend distribution tax (DDT)	-	(15.47)	-	-	-	-	(15.47)	-	(15.47)
Balance as at 31 March 2018	**2,903.47**	**4,295.77**	**828.93**	**1,128.50**	**-**	**-**	**9,156.67**	**(296.04)**	**8,860.63**

Restated consolidated financial information of cash flows

(All amounts in Rupees million)

		For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
A	**Cash flows from operating activities**					
	Profit / (loss) before tax	80.62	(286.26)	(551.70)	(676.73)	(122.10)
	Non-cash adjustments to reconcile profit before tax to net cash flows:					
	Depreciation and amortisation expenses	847.66	851.07	890.02	881.53	464.65
	Bad debts written off	1.97	0.05	0.94	0.73	1.35
	Provision for doubtful debts	11.01	16.67	-	0.95	-
	Provision for doubtful advances	3.81	22.07	7.22	4.34	5.73
	Excess provision/ credit balances written back	(46.72)	(42.52)	(26.29)	(33.93)	(21.09)
	Loss/ (profit) on sale of property, plant and equipment (net)	0.89	1.88	(119.12)	0.66	0.88
	Advances written off	-	1.02	-	0.01	10.31
	Unwinding of discount on security deposits	(3.49)	(2.48)	(2.21)	(1.96)	(1.84)
	Amortisation of deferred lease rent	(3.72)	7.73	9.18	9.19	9.18
	Interest Income	(60.69)	(53.89)	(55.00)	(63.64)	(39.41)
	Interest expense	1,374.09	1,451.38	1,475.76	1,154.43	763.85
	(Profit)/Loss on aircraft being classified as held for sale	-	-	-	-	(283.18)
	Government Grant Income	(15.90)	(17.01)	(17.01)	(17.01)	(13.07)
	Unrealized foreign exchange (gain)	5.32	(23.04)	(13.68)	5.36	25.72
	Operating profit before working capital changes:	**2,194.85**	**1,926.70**	**1,598.11**	**1,263.93**	**800.98**
	Movements in working capital:					
	Decrease in loans other financial and other assets	(13.59)	75.50	3.98	124.07	(132.03)
	(Increase) in trade receivable	(163.92)	(73.29)	(50.85)	(72.62)	(70.93)
	Decrease/(Increase) in inventories	9.03	4.62	(23.88)	(22.80)	(15.62)
	Increase/(Decrease) in trade payable	301.06	178.05	(9.00)	54.44	63.28
	(Decrease)/Increase in other financial liabilities, other liabilities and provisions	25.40	19.15	139.28	(72.00)	138.85
	Cash generated from operations	**2,352.83**	**2,130.73**	**1,657.64**	**1,275.02**	**784.53**
	Tax Paid (net)	(169.90)	(124.68)	(124.69)	(94.31)	(89.05)
	Net cash flow from operating activities (A)	**2,182.93**	**2,006.05**	**1,532.95**	**1,180.71**	**695.48**
B	**Cash flow from/(used in) investing activities**					
	Purchase of property, plant and equipment*	(1,154.34)	(657.71)	(858.76)	(985.85)	(2,141.72)
	Proceeds from sale of property, plant and equipment	2.42	11.58	572.78	20.10	981.39
	Purchase of Investment others	-	-	-	(0.36)	-
	Sale of investment in subsidiaries		-	-	-	1,016.00
	Interest received	60.57	58.23	38.38	59.68	17.77
	(Investment in)/proceeds from bank deposits	27.26	(130.78)	3.16	317.46	(257.64)
	Net Cash flow (used in) investing activities (B)	**(1,064.09)**	**(718.68)**	**(244.44)**	**(588.97)**	**(384.20)**

* Purchase of property, plant and equipment includes capital work in progress and intangible assets

Restated consolidated financial information of cash flows

(All amounts in Rupees million)

		For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
C	**Cash flows from/(used in) financing activities**					
	Proceeeds from long term borrowings	1,206.06	4,087.91	3,589.96	4,237.50	3,177.42
	Repayment of long term borrowings	(735.49)	(3,261.50)	(4,441.40)	(3,219.36)	(2,290.50)
	(Repayment)/proceeds of short term borrowings	(560.64)	21.52	648.42	153.90	171.78
	Interest paid	(1,317.31)	(1,579.53)	(1,541.49)	(1,522.65)	(1,526.98)
	Dividend paid	(75.99)	(56.99)	(38.00)	(37.99)	(38.00)
	Tax on dividend paid	(15.47)	(11.60)	(7.74)	(6.46)	(6.16)
	Net Cash flow used in financing activities (C)	**(1,497.83)**	**(800.19)**	**(1,790.25)**	**(395.07)**	**(512.44)**
Net (decrease)/increase in cash and cash equivalents		**(379.00)**	**487.18**	**(501.74)**	**196.67**	**(201.16)**
Cash and cash equivalents at the beginning of the year		**587.88**	**100.70**	**602.44**	**405.62**	**607.67**
Exchange differences on translation of cash and cash equivalents		-	-	-	0.15	0.20
Adjustment on account of disposal of subsidiary		-	-	-	-	(1.08)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (for the purpose of cash flows, cash and cash equivalents comprise book overdraft)		**208.88**	**587.88**	**100.70**	**602.44**	**405.63**
COMPONENTS OF CASH AND CASH EQUIVALENTS						
Balances with banks:-						
On current accounts		194.96	663.14	77.15	328.33	167.28
On EEFC Accounts		5.16	6.97	2.28	6.53	3.24
Deposits with original maturity of less than three months		2.36	1.12	114.61	321.40	268.70
Cheques/drafts on hand		5.21	10.09	6.66	6.02	14.59
Cash on Hand		10.97	6.98	8.26	8.02	9.17
Less: Book Overdraft		(9.78)	(100.42)	(108.26)	(67.86)	(57.35)
		208.88	**587.88**	**100.70**	**602.44**	**405.63**

THE ISSUE

The following table summarizes the Issue details:

Issue of Equity Shares[(1)]	Up to [●] Equity Shares aggregating up to ₹12,000 million
Of which	
A) QIB Portion[(2)(3)]	Not more than [●] Equity Shares
Of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Of which:	
Available for allocation only to Mutual Funds (5% of the QIB Portion (excluding the Anchor Investor Portion))	At least [●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion[(3)]	Not less than [●] Equity Shares
C) Retail Portion[(3)]	Not less than [●] Equity Shares
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue (as at the date of this Draft Red Herring Prospectus)	75,991,199 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds by our Company	See "*Objects of the Issue*" on page 121

Allocation to all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Allocation to Retail Individual Investors shall be not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For details, see "*Issue Structure*" on page 615. For details of the terms of the Issue, see "*Terms of the Issue*" on page 610. For details of the Issue procedure, see "*Issue Procedure*" on page 617.

(1) *The Issue has been authorized by a resolution of our Board dated August 29, 2017 and a special resolution of our Shareholders in their EGM dated September 25, 2017.*

(2) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, which price shall be determined by our Company, in consultation with the BRLMs. In case of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion will be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Any unsubscribed portion in the Mutual Fund portion will be added to the QIB Portion (excluding the Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Issue Procedure" on page 617.*

(3) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. For further details, see "Issue Procedure" on page 617.*

GENERAL INFORMATION

Our Company was incorporated in New Delhi on January 22, 1981 as Bharat Hotels Limited, a public limited company under the Companies Act, 1956 with the RoC. Our Company obtained the certificate of commencement of business on May 4, 1981 from the RoC. For details in relation to change of registered office of our Company, see "*History and Certain Corporate Matters*" on page 204.

Registered and Corporate Office of our Company

Bharat Hotels Limited

Barakhamba Lane
New Delhi 110 001
India
Tel: +91 11 4444 7777
Fax: +91 11 4444 1234
E-mail: bhlipo@thelalit.com
Website: www.thelalit.com
Corporate Identity Number: U74899DL1981PLC011274
Registration Number: 011274

Address of the Registrar of Companies

Our Company is registered with the RoC at the following address:

Registrar of Companies, National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi 110 019
India
Tel: +91 11 2623 5703/+91 11 2623 5708
Fax: +91 11 2623 5702

Board of Directors

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

Name	Designation	DIN	Address
Dr. Jyotsna Suri	Chairperson and Managing Director	00004603	N-119, Panchsheel Park New Delhi 110 017, India
Ms. Divya Suri Singh	Executive Director	00004559	A1/21, Safdar Jang Enclave New Delhi 110 029, India
Ms. Deeksha Suri	Executive Director	00005367	C5/5, First Floor Vasant Vihar New Delhi 110 057, India
Mr. Keshav Suri	Executive Director	00005370	B-1/3, 2nd Floor Vasant Vihar New Delhi 110 057, India
Mr. Ramesh Suri	Non-Executive Director	00176488	N-119, Panchsheel Park New Delhi 110 017, India
Dr. Mohmmad Yousuf Khan	Independent Director	00751929	S-378, Panchsheel Park, New Delhi 110 017, India
Mr. Vivek Mehra	Independent Director	00101328	B-314, New Friends Colony New Delhi 110 065, India
Mr. Dhruv Prakash	Independent Director	05124958	A-14, Sector 26 Noida 201 301, India
Mr. Ranjan Mathai	Independent Director	07572976	A-1003, Ridgeview IFS Apts

			New IFS CGHS Sector 54, Gurugram 122 011, India
Ms. Shovana Narayan	Independent Director	07957359	T-2, LL-103, CWG Village Near Akshardam Mandir, Laxmi Nagar New Delhi 110 092, India

For brief profiles and further details of our Directors, see "*Our Management*" on page 219.

Company Secretary and Head Legal and Compliance Officer

Mr. Himanshu Pandey
Barakhamba Lane
New Delhi 110 001
India
Tel: +91 11 4444 7777
Fax: +91 11 4444 1234
E-mail: bhlipo@thelalit.com

Investor Grievances

Investors can contact our Company Secretary and Head Legal and Compliance Officer, the BRLMs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All Issue-related grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of submission of the Bid cum Application Form and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted.

Further, the Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned above.

Book Running Lead Managers

HDFC Bank Limited
Investment Banking Group
Unit No. 401 & 402, 4th Floor, Tower B
Peninsula Business Park
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 3395 8021
Fax: +91 22 3078 8584
E-mail: bharathotels.ipo@hdfcbank.com
Website: www.hdfcbank.com
Investor Grievance ID: investor.redressal@hdfcbank.com
Contact person: Mr. Rakesh Bhunatar /Mr. Ronak Shah
SEBI Registration No.: INM000011252

Edelweiss Financial Services Limited
14th Floor, Edelweiss House
Off. C.S.T Road, Kalina
Mumbai 400 098, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
E-mail: bharathotels.ipo@edelweissfin.com
Website: www.edelweissfin.com
Investor Grievance ID:
customerservice.mb@edelweissfin.com
Contact person: Mr. Aditya Menon
SEBI Registration No.: INM0000010650

YES Securities (India) Limited
IFC Tower 1&2
Unit No. 602 A, 6th Floor
Senapati Bapat Marg
Elphinstone Road
Mumbai 400 013

India
Tel: +91 22 3012 6919
Fax: +91 22 2421 4508
E-mail: bharathotelsipo@yessecuritiesltd.in
Website: www.yesinvest.in
Investor Grievance ID: igc@yessecuritiesltd.in
Contact person: Mr. Nikhil Bhiwapurkar/Mr. Pratik Pednekar
SEBI Registration No.: MB/INM000012227

Syndicate Members

[●]

Legal Advisers to our Company as to Indian Law

S&R Associates
64, Okhla Industrial Estate Phase III
New Delhi 110 020
India
Tel: +91 11 4069 8000
Fax: +91 11 4069 8001

Legal Advisers to the BRLMs as to Indian Law

Cyril Amarchand Mangaldas
4th Floor, Prius Platinum
D-3, District Centre, Saket
New Delhi 110 017
India
Tel: +91 11 6622 9000
Fax: +91 11 6622 9009

Legal Advisers to the BRLMs as to International Law

Baker & McKenzie.Wong & Leow
8 Marina Boulevard
#05-01 Marina Bay Financial Centre, Tower 1
Singapore 018981
Tel: +65 6338 1888
Fax: +65 6337 5100

Statutory Auditors of our Company

Walker Chandiok & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram 122 002
India
Tel: +91 124 462 8000
Fax: +91 124 462 8001
E-mail: Ashish.Gupta@in.gt.com
Firm Registration No.: 001076N/N500013
Peer Review No.: 009046

Registrar to the Issue

Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot No.31-32
Gachibowli Financial District
Nanakramguda
Hyderabad 500 032
India
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Website: www.karisma.karvy.com
Investor Grievance ID: bharathotels.ipo@karvy.com
Contact person: Mr. Murali Krishna
SEBI Registration No.: INR000000221

Banker(s) to the Issue
[●]

Bankers to our Company

Axis Bank Limited
Corporate Banking Branch
2nd Floor, Parsvnath Capital Tower
Bhai Veer Singh Marg
Gole Market
New Delhi 110 001
India
Tel: +91 11 4739 6600
Fax: +91 11 4739 6601
E-mail: cbbnewdelhibranchhead@axisbank.com
Website: www.axisbank.com
Contact person: Mr. SD Vashist

ICICI Bank Limited
NBCC Place
Bhishma Pitamah Marg
New Delhi 110 003
India
Tel: +91 11 4221 8112
Fax: +91 11 2439 0070
E-mail: anshul.shrivastava@icicibank.com
Website: www.icicibank.com
Contact person: Mr. Anshul Kumar

YES Bank Limited
48, Nyaya Marg
Chanakyapuri
New Delhi 110 021
India
Tel: +91 11 6656 9000
Fax: +91 11 4168 0144
E-mail: rajiv.anand@yesbank.in
Website: www.yesbank.in
Contact person: Mr. Rajiv Anand

The Jammu & Kashmir Bank Limited
G-40
Connaught Place
New Delhi 110 001
India
Tel: +91 11 2335 2862/+91 750 313 4480/+91 750 313 4481
Fax: +91 11 2335 0834
E-mail: circus@jkbmail.com
Website: www.jkbank.net
Contact person: Mr. NishiKant Sharma

SCSBs

The list of banks that have been notified by the SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, as updated from time to time. For details of the branches of the SCSBs named by the respective SCSBs to receive ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form is provided on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as updated from time to time.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

CDPs

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

Credit Rating

As the Issue is of Equity Shares, the appointment of a credit rating agency is not required.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Issue.

Trustees

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

Monitoring Agency

In terms of Regulation 16(2) of the SEBI ICDR Regulations, our Company will appoint a monitoring agency for the Issue prior to the filing of the Red Herring Prospectus with the RoC. The requisite details shall be included in the Red Herring Prospectus.

Appraising Agency

The objects of the Issue for which the Net Proceeds will be utilized have not been appraised by any agency.

Experts

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

Our Company has received written consent from the Statutory Auditors namely, Walker Chandiok & Co LLP, to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditors on the Restated Consolidated Financial Information and the Restated Standalone Financial Information, each dated June 22, 2018 and the statement of tax benefits dated June 28, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as at the date of filing of this Draft Red Herring Prospectus with the SEBI.

Our Company has received written consent from HCDC Designs, architects registered with the Council of Architecture, to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of its certificates dated June 27, 2018 in relation to verification of conference and banqueting space, spa area and commercial space at certain hotels operated by our Company and such consent has not been withdrawn as at the date of filing of this Draft Red Herring Prospectus with the SEBI.

Inter se Allocation of Responsibilities between the BRLMs

S. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instruments, composition of debt and equity, size of the Issue, etc.	BRLMs	HDFC Bank
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filings of the same.	BRLMs	HDFC Bank
3.	Drafting and approval of statutory advertisements	BRLMs	HDFC Bank
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above, including corporate advertisements, brochure etc.	BRLMs	Edelweiss
5.	Appointment of intermediaries viz., Registrar(s), Printers, Escrow Collection Bank(s), Refund Banker, Public Issue Bank(s), Advertising Agency, Monitoring Agency, etc. and coordinating with them for execution of their respective agreements.	BRLMs	YES Securities
6.	Preparation and finalisation of road-show presentation and FAQs	BRLMs	Edelweiss
7.	International institutional marketing of the Issue, which will cover, inter alia, 1. Finalizing the list and division of investors for one to one meetings; 2. Finalizing the road show schedule and the investor meeting schedules	BRLMs	Edelweiss
8.	Domestic institutional marketing of the Issue, which will cover, inter alia, 1. Finalizing the list and division of investors for one to one meetings; 2. Finalizing the road show schedule and the investor meeting schedules	BRLMs	HDFC Bank
9.	Retail and Non-institutional marketing of the Issue, which will cover *inter alia*: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media and public relations strategy; • Finalizing center for holding conferences for press and brokers, etc.; • Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; and • Finalizing collection centres	BRLMs	Edelweiss
10.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	Edelweiss
11.	Coordination with Stock-Exchanges for Book building software, Bidding terminals and mock trading	BRLMs	YES Securities
12.	Post Issue activities including Anchor Investor related activities for post Issue, which shall involve essential follow-up steps including Anchor coordination, follow up steps including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Issue activities for the Issue will involve essential follow up steps, which include the finalization of basis of allotment, finalisation of basis of allotment advertisement, dispatch of refunds, demat and delivery of shares, finalization of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Issue, Escrow Collection Banks and Self Certified Syndicate Banks and regular monitoring of investor grievances for redressal. No-objection certificate from SEBI and release of 1% security deposit, handling of investor grievances for redressal and media compliance report.	BRLMs	YES Securities

The Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our

Company, in consultation with the BRLMs, and shall be advertised in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi, where our Registered and Corporate Office is located), each with wide circulation, and advertised at least five Working Days prior to the Bid/Issue Opening Date. The Issue Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Issue Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Investors bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see "*Issue Structure*" and "*Issue Procedure*" on pages 615 and 617, respectively.

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

Illustration of Book Building Process and Price Discovery Process

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI, which are subject to change from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

For an illustration of the Book Building Process and the price discovery process, see "*Issue Procedure – Part B – Basis of Allocation*" on page 649.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the registration of the Prospectus with the RoC, our Company intends to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before the Prospectus is filed with the RoC)

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

The above-mentioned underwriting commitments are indicative and will be finalized after determination of the Issue Price and Basis of Allotment, subject to the provisions of the SEBI ICDR Regulations.

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

Our Company's share capital, as at the date of this Draft Red Herring Prospectus, is set forth below:

(in ₹ , except share data)

		Aggregate value at face value	Aggregate value at Issue Price
A	**AUTHORIZED SHARE CAPITAL**		
	100,000,000 Equity Shares of face value of ₹ 10 each	1,000,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	75,991,199 Equity Shares of face value of ₹ 10 each	759,911,990	-
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**(1)		
	Issue of up to [●] Equity Shares of face value of ₹ 10 each	[●]	Up to 12,000,000,000
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of face value of ₹ 10 each	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	2,903,473,154	
	After the Issue	[●]	

(1) *The Issue has been authorized by a resolution of our Board dated August 29, 2017 and a special resolution of our Shareholders in their EGM dated September 25, 2017.*

Since the incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

Date of shareholders' resolution	Changes in authorized share capital
August 25, 1981	The initial authorized share capital of our Company of ₹ 10,000,000 comprising 100,000 equity shares of ₹ 100 each was increased to ₹ 50,000,000 comprising 500,000 equity shares of ₹ 100 each
January 27, 1982	The authorized share capital of our Company of ₹ 50,000,000 comprising 500,000 equity shares of ₹ 100 each was increased to ₹ 100,000,000 comprising 1,000,000 equity shares of ₹ 100 each
November 14, 1983	The authorized share capital of our Company was altered by way of sub-division to ₹ 100,000,000 comprising 10,000,000 equity shares of ₹ 10 each, whereby one equity share of ₹ 100 each was sub-divided into 10 equity shares of ₹ 10 each. The authorized share capital of ₹ 100,000,000 comprising 10,000,000 equity shares of ₹ 10 was increased to ₹ 125,000,000 comprising 12,500,000 equity shares of ₹ 10 each
September 28, 1994	The authorized share capital of our Company of ₹ 125,000,000 comprising 12,500,000 equity shares of ₹ 10 each was increased to ₹ 131,000,000 comprising 13,100,000 equity shares of ₹ 10 each
March 4, 1995	The authorized share capital of our Company of ₹ 131,000,000 comprising 13,100,000 equity shares of ₹ 10 each was increased to ₹ 140,000,000 comprising 14,000,000 equity shares of ₹ 10 each
December 18, 1995	The authorized share capital of our Company of ₹ 140,000,000 comprising 14,000,000 equity shares of ₹ 10 each was increased to ₹ 400,000,000 comprising 40,000,000 equity shares of ₹ 10 each
September 6, 2004	The authorized share capital of our Company of ₹ 400,000,000 comprising 40,000,000 equity shares of ₹ 10 each was increased to ₹ 1,000,000,000 comprising 100,000,000 equity shares of ₹ 10 each

In relation to certain of our corporate records that are not traceable, see "*Risk Factors – Certain of our corporate documents, records and regulatory filings are not traceable or have inadvertent errors*" on page 53.

Notes to Capital Structure

1. **Share Capital History of our Company**

(a) The following is the history of the equity share capital of our Company:

Date of allotment of equity shares	Number of equity shares allotted	Face value (₹)	Issue price per equity share (₹)	Nature of consideration	Reason for/nature of allotment	Cumulative number of equity shares	Cumulative issued and paid-up equity share capital (₹)
January 30, 1981	70	100	100	Cash	Subscription to Memorandum of Association(1)	70	7,000
July 12, 1982	29,909	100	100	Cash	Preferential allotment(2)	29,979	2,997,900
July 14, 1982	15,021	100	100	Cash	Preferential allotment(3)	45,000	4,500,000
August 21, 1982	160	100	100	Cash	Preferential allotment(4)	45,160	4,516,000
October 22, 1982	429,840	100	100	Cash	Preferential allotment(5)	475,000	47,500,000
November 17, 1982	8,700	100	100	Cash	Preferential allotment(6)	483,700	48,370,000
March 25, 1983	96,600	100	100	Cash	Preferential allotment(7)	580,300	58,030,000
September 19, 1983	7,860	100	100	Cash	Preferential allotment(8)	588,160	58,816,000
November 10, 1983	112,139	100	100	Cash	Preferential allotment(9)	700,299	70,029,900
On November 14, 1983, each equity share of face value of ₹100 each of our Company was sub-divided into 10 equity shares of face value of ₹10 each and consequently, the issued share capital of our Company was reclassified from ₹70,029,900 divided into 700,299 equity shares of ₹100 each to ₹70,029,900 divided into 7,002,990 Equity Shares of face value of ₹10 each.							
October 15, 1984	1,997,010	10	10	Cash	Public issue(10)	9,000,000*	90,000,000*
May 27, 1991	3,500,000	10	10	Cash	Allotment to Shareholders on rights basis and to employees of our Company on preferential basis(11)	12,500,000	125,000,000
May 23, 1996	2,600,000	10	262.50	Cash	Issue of Global Depository Receipts (12)	15,100,000	151,000,000
November 8, 1996	1,500,000	10	-	Other than cash	Allotment pursuant to a scheme of amalgamation(13)	16,600,000	166,000,000
January 17, 1997	5,533,333	10	-	Other than cash	Bonus issue(14)	22,133,333	221,333,330
August 8, 2003	1,830,400	10	650	Cash	Preferential allotment(15)	23,963,733	239,637,330
December 4, 2004	47,927,466	10	-	Other than cash	Bonus issue(16)	71,891,199	718,911,990
June 12, 2007	4,100,000	10	400	Cash	Preferential allotment(17)	75,991,199	759,911,990

** Of the 1,997,010 Equity Shares allotted on October 15, 1984, certain Equity Shares were partly paid-up on such date. Such partly paid-up shares were subsequently made fully paid-up, except for 117,500 Equity Shares which were forfeited on account of non-payment of calls pursuant to resolution dated December 31, 1990 adopted by the share transfer committee of our Board of Directors in accordance with the provisions of our Articles of Association and subsequently reissued at par pursuant to resolution dated March 5, 1991 adopted by the share transfer committee of our Board of Directors in the following manner: Mr. Yogender Singh (100 Equity Shares), Responsible Builders Private Limited (113,800 Equity Shares), Mr. Arvind Sachdev (200 Equity Shares), Mr. V.K. Verma (200 Equity Shares), Col. V.S. Kapoor (200 Equity Shares), Mr. Sanjiv Pabrai (200 Equity Shares), Mr. Suvan Murari (200 Equity Shares), Mr. Anil Dhawan (200 Equity Shares), Mr. Sunil Ghadiok (200 Equity Shares), Mr. Naveen Chandok and Ms. Madhu Chandok (200 Equity Shares), Mr. R.S. Ramrakhiani (200 Equity Shares), Mr. A.M. Puri (200 Equity Shares), Mr. Ajit Mathur (200 Equity Shares), Mr. Mukesh Sharma (200 Equity Shares), Mr. J.L. Sharma (200 Equity Shares), Mr. Pravesh Sethi (200 Equity Shares), Mr. R.S. Yadav (200 Equity Shares), Mr. V.K. Khanna (200 Equity Shares), Mr. Meher M. Bharucha (200 Equity Shares) and Mr. Arjun Mehta (200 Equity Shares).*

(1) *Allotment of 70 equity shares of ₹100 each in the following manner: Mr. Ganga Sagar Suri (10 equity shares); Mr. Ramesh Suri (10 equity shares); Mr. Lalit Suri (10 equity shares); Ms. Shama Suri (10 equity shares); Ms. Ritu Suri (10 equity shares); Dr. Jyotsna Suri (10 equity shares); and Mr. Ujval Sagar Suri (10 equity shares) was completed on January 30, 1981. Date of subscription to the Memorandum of Association is January 1, 1981.*

(2) *Allotment of 29,909 equity shares of ₹100 each in the following manner: Ms. Nandita Suri (10 equity shares); Mr. Narender Suri (10 equity shares); Mr. Yusuf Khan (10 equity shares); Mr. Hanuwant Singh (3,010 equity shares); Mr. S.L. Dhingra (50 equity shares); Ms. Renu Dhingra (50 equity shares); Ms. Ram Devi Dhingra (50 equity shares); Mr. Ravi Dhingra (50 equity shares); Ms. Shashi*

Gupta (100 equity shares); Mr. Lalit Suri (3,800 equity shares); Ms. Deeksha Suri (750 equity shares); Ms. Niharika Singh (100 equity shares); Ms. Devender Kaur (50 equity shares); Mr. Ramesh Suri (2,090 equity shares); Ms. Komal Malhotra (50 equity shares); Ms. Neelam Deo (50 equity shares); Ms. Shama Suri (4,990 equity shares); Ms. Ritu Suri (100 equity shares); Dr. Jyotsna Suri (1,570 equity shares); Ms. Divya Suri Singh (1,410 equity shares); Justice F.S. Gill (100 equity shares); Mr. Y.P. Jolly (8,000 equity shares); Mr. Sandeep Puri (100 equity shares); Ms. Shanta Jolly (1,358 equity shares); Mr. Roshan Suri (51 equity shares); and Delhi Auto & General Finance Private Limited (2,000 equity shares).

(3) Allotment of 15,021 equity shares of ₹100 each in the following manner: Mr. G. Sagar Suri (6,521 equity shares); and Delhi Automobiles Private Limited (8,500 equity shares).

(4) Allotment of 160 equity shares of ₹100 each in the following manner: Mr. Ravi Malhotra (50 equity shares); and Mr. B. Garg and Ms. Mithles Garg (jointly) (110 equity shares).

(5) Allotment of 429,840 equity shares of ₹100 each in the following manner: G. Sagar Suri & Sons HUF (7,000 equity shares); Mr. G. Sagar Suri (150,840 equity shares); Ms. Shama Suri (1,000 equity shares); Mr. Ramesh Suri (31,000 equity shares); Mr. Lalit Suri (75,000 equity shares); Mr. Ujval Sagar Suri (34,000 equity shares); Mr. Narender Suri (31,000 equity shares); and Continental Construction Private Limited (100,000 equity shares).

(6) Allotment of 8,700 equity shares of ₹100 each in the following manner: Mr. Ashwini Suri (1,250 equity shares); Mr. Lalit Suri (450 equity shares); Dr. Jyotsna Suri (4,000 equity shares); and Delhi Auto & General Finance Private Limited (3,000 equity shares).

(7) Allotment of 96,600 equity shares of ₹100 each in the following manner: Mr. Lalit Suri (2,000 equity shares); Ramesh Suri (HUF) (3,000 equity shares); Delhi Automobiles Private Limited (91,500 equity shares); and Ms. Kamla Mishra (100 equity shares).

(8) Allotment of 7,860 equity shares of ₹100 each in the following manner: G. Sagar Suri & Sons HUF (4,000 equity shares); Mr. Lalit Suri (2,500 equity shares); Mr. B.D. Gulati (100 equity shares); Mr. Narain Singh (100 equity shares); Mr. Sobat Singh (100 equity shares); Mr. Mohan Singh (100 equity shares); Mr. Subash Arora (100 equity shares); Mr. Kedar Nath Talwar & Mr. Pran Talwar (jointly) (110 equity shares); Ms. Mohinder Kaur Bawa (50 equity shares); Mr. Inderjeet Singh Bawa (50 equity shares); Mr. A. Ashok Rao (50 equity shares); Mr. A. Sanjaya Rao (50 equity shares); Mr. A. Kishore Rao (50 equity shares); Mr. Rakesh Jain (50 equity shares); Mr. Anoop Jain (50 equity shares); Mr. Satinder Singh (100 equity shares); Mr. B.D. Anand (100 equity shares); Mr. Mahesh Inder Singh Sodhi (150 equity shares); Ms. Benu Nath (50 equity shares).

(9) Allotment of 112,139 equity shares of ₹100 each in the following manner: Divya International Private Limited (75,639 equity shares); and Delhi Automobiles Private Limited (36,500 equity shares).

(10) Public issue of the Equity Shares of our Company, pursuant to which 1,997,010 fresh Equity Shares were allotted. For further details on the public issue and the subsequent delisting, see "History and Certain Corporate Matters – Other details regarding our Company – Capital raising activities through equity or debt – Initial Public Issue and Rights Issue of Equity Shares" on page 208.

(11) Allotment of 3,333,334 Equity Shares to Shareholders and their nominees on rights basis in the ratio of 1:3 and allotment of 166,666 Equity Shares to employees of our Company (including Indian Directors/workers) on preferential basis. For further details on, see "History and Certain Corporate Matters – Other details regarding our Company – Capital raising activities through equity or debt – Initial Public Issue and Rights Issue of Equity Shares" on page 208.

(12) Issue of Global Depository Receipts (GDRs) amounting to US$ 19.5 million (then equivalent to ₹682,500,000) comprising of 1,300,000 GDRs for US$15 per GDR with 2,600,000 underlying Equity Shares (two Equity Shares per GDR) of our Company. The underlying Equity Shares were allotted to Bankers Trust Company as depository with Industrial Credit and Investment Corporation of India as custodian subject to the terms of the offering memorandum dated May 16, 1996. For further details on the issue, listing and delisting of the GDRs, see "History and Certain Corporate Matters – Other details regarding our Company – Capital raising activities through equity or debt – GDR Issuance" on page 208.

(13) Pursuant to a scheme of amalgamation with Malbros Hotels Limited. 1,500,000 Equity Shares were allotted to Deeksha Holding Limited and Jyotsna Holding Private Limited in the following manner: Deeksha Holding Limited (900,000 Equity Shares) and Jyotsna Holding Private Limited (600,000 Equity Shares). The swap ratio for the merger was 500 Equity Shares for one equity share of ₹100 each of Malbros Hotels Limited. For further details on the scheme of amalgamation, see "History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets – Schemes of Amalgamation – Scheme of Amalgamation with Malbros Hotels Limited" on page 215.

(14) Bonus issue of Equity Shares in the ratio of 1:3 to holders of Equity Shares as at the record date of December 20, 1996. An aggregate of 5,533,333 Equity Shares were allotted to the then existing Shareholders of our Company by way of such bonus issue pursuant to the approval of our Shareholders granted at their AGM held on October 11, 1996. These Equity Shares were issued by capitalization of the profits of our Company.

(15) Allotment of 1,830,400 Equity Shares to Richmond Enterprises SA.

(16) Bonus issue of Equity Shares in the ratio of 2:1 to holders of Equity Shares as at the record date of October 18, 2004. An aggregate of 47,927,466 Equity Shares were allotted to the then existing Shareholders of our Company by way of such bonus issue pursuant to the approval of our Shareholders granted at their AGM held on September 6, 2004. These Equity Shares were issued by capitalization of the securities premium account of our Company.

(17) Allotment of 4,100,000 Equity Shares to Dubai Ventures Limited.

In relation to certain of our corporate records and regulatory filings that are not traceable and inadvertent errors in our regulatory filings, including incorrect name of allottees and incorrect description of the nature of consideration for allotment, see "*Risk Factors – Certain of our corporate documents, records and regulatory filings are not traceable or have inadvertent errors*" on page 53.

(b) As at the date of this Draft Red Herring Prospectus, our Company does not have any authorized, issued, subscribed or paid-up preference share capital.

2. **Issue of Equity Shares for Consideration other than Cash**

Our Company has issued Equity Shares in the past without consideration pursuant to bonus issues and a scheme of amalgamation, the details of which are set out below:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reason for allotment	Allottees	Benefits accrued to our Company
November 8, 1996	1,500,000	10	-	Allotment pursuant to a scheme of amalgamation*	Deeksha Holding Limited; and Jyotsna Holding Private Limited	Consideration for transfer of the undertaking of Malbros Hotels Limited pursuant to a scheme of amalgamation*
January 17, 1997	5,533,333	10	-	Bonus issue in the ratio 1:3 pursuant to capitalization of profits	Holders of Equity Shares as at the record date of December 20, 1996	-
December 4, 2004	47,927,466	10	-	Bonus issue in the ratio 2:1 pursuant to capitalization of securities premium account	Holders of Equity Shares as at the record date of October 18, 2004	-

** For further details on the scheme of amalgamation, see "History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets – Schemes of Amalgamation – Scheme of Amalgamation with Malbros Hotels Limited" on page 215.*

In relation to certain inadvertent errors in our regulatory filings, including incorrect description of the nature of consideration for allotment, see "*Risk Factors – Certain of our corporate documents, records and regulatory filings are not traceable or have inadvertent errors*" on page 53.

Our Company has not issued any Equity Shares out of revaluation reserves.

3. **Details of Build-up, Contribution and Lock-in of Promoters' Shareholding**

As at the date of this Draft Red Herring Prospectus, our Promoters hold 39,193,234 Equity Shares, constituting 51.58% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) *Capital build-up of our Promoters' equity shareholding in our Company*

Date of allotment/ transfer	Number of equity shares	Face value (₹)	Issue/transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/allotment/transfer	Percentage of pre-Issue equity share capital (%)	Percentage of post-Issue equity share capital (%)
Deeksha Holding Limited							
February 11, 1984	750,000	10	10	Cash	Transfer from Lalit Suri	0.99	[●]
May 28, 1984	236,200	10	10	Cash	Transfer from Divya International Private Limited	0.31	[●]
October 15, 1984	5,500	10	10	Cash	Transfer from Divya International Private Limited	0.01	[●]
March 29, 1988	1,000,000	10	10	Cash	Transfer from Ramesh Suri	1.32	[●]
April 29, 1988	30,000	10	10	Cash	Transfer from Hanuwant Singh	0.04	[●]
August 20, 1988	1,000,000	10	10	Cash	Transfer from Continental	1.32	[●]

Date of allotment/ transfer	Number of equity shares	Face value (₹)	Issue/transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/allotment/transfer	Percentage of pre-Issue equity share capital (%)	Percentage of post-Issue equity share capital (%)
					Construction Limited		
August 20, 1988	1,700	10	11	Cash	Transfers(1)	0.00*	[●]
August 20, 1988	500	10	10.25	Cash	Transfers(2)	0.00*	[●]
August 20, 1988	(780,000)	10	10.25	Cash	Transfers(3)	(1.03)	[●]
December 13, 1988	2,249,000	10	10.25	Cash	Transfer from R.R. Holdings Private Limited	2.96	[●]
January 31, 1989	450	10	10	Cash	Transfers(4)	0.00*	[●]
May 27, 1991	1,699,350	10	10	Cash	Allotment (rights issue)	2.24	[●]
November 8, 1996	900,000	10	33.5(5)	Other than cash	Allotment pursuant to a scheme of amalgamation(6)	1.18	[●]
January 17, 1997	2,364,232	10	-	Other than cash	Allotment (bonus issue)	3.11	[●]
October 9, 2000	101	10	33.5	Cash	Secondary market purchase through the stock exchanges	0.00*	[●]
January 22, 2001	13,200	10	51.29	Cash	Secondary market purchase through the stock exchanges	0.02	[●]
January 25, 2003	116,242	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted(7)	0.15	[●]
January 27, 2003	335,337	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted(7)	0.44	[●]
March 27, 2003	44,804	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted(7)	0.06	[●]
April 22, 2003	83,974	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted(7)	0.11	[●]
April 24, 2003	1,154	10	28	Cash	Transfers from offerees under the	0.00*	[●]

Date of allotment/ transfer	Number of equity shares	Face value (₹)	Issue/transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/allotment/transfer	Percentage of pre-Issue equity share capital (%)	Percentage of post-Issue equity share capital (%)
					open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted[(7)]		
April 29, 2003	6,591	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted[(7)]	0.01	[●]
May 16, 2003	37,557	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted[(7)]	0.05	[●]
June 20, 2003	39,677	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted[(7)]	0.05	[●]
July 1, 2003	22,057	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted[(7)]	0.03	[●]
July 21, 2003	28,338	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted[(7)]	0.02	[●]
August 14, 2003	2,609	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted[(7)]	0.00*	[●]
November 29, 2003	11,870	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted[(7)]	0.02	[●]

Date of allotment/ transfer	Number of equity shares	Face value (₹)	Issue/transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/allotment/transfer	Percentage of pre-Issue equity share capital (%)	Percentage of post-Issue equity share capital (%)
January 16, 2004	11,179	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted(7)	0.02	[●]
September 15, 2004	14,483	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted(7)	0.02	[●]
October 21, 2004	8,679	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted(7)	0.01	[●]
November 3, 2004	1,983	10	28	Cash	Transfers from offerees under the open/exit offer made by Deeksha Holding Limited pursuant to which the Equity Shares were delisted(7)	0.00*	[●]
December 4, 2004	20,473,534	10	-	Other than cash	Allotment (bonus issue)	26.94	[●]
May 28, 2018	7,000	10	571.43	Cash	Transfer from Ms. Shuna Sachdev on invocation of pledge(8)	0.01	[●]
SUB TOTAL (A)	**30,717,301**					**40.42**	**[●]**
Dr. Jyotsna Suri							
January 30, 1981(9)	10	100	100	Cash	Subscription to Memorandum of Association	0.00*	[●]
July 12, 1982	1,570	100	100	Cash	Preferential allotment	0.02	[●]
November 17, 1982	4,000	100	100	Cash	Preferential allotment	0.05	[●]
On November 14, 1983, each equity share of ₹ 100 each of our Company was sub-divided into 10 equity shares of ₹ 10 each and consequently, the 5,580 equity shares of face value of ₹ 100 each held by Dr. Jyotsna Suri were sub-divided into 55,800 Equity Shares of face value of ₹ 10 each.							
August 20, 1988	400,000	10	10.25	Cash	Transfer from Deeksha Holding Limited	0.53	[●]
December 13, 1988	10,000	10	11	Cash	Transfers(10)	0.00*	[●]
May 27, 1991	75,000	10	10	Cash	Allotment (rights issue)	0.10	[●]
December 20, 1996	12,000	10	128.33	Cash	Secondary market purchase through the stock exchanges	0.02	[●]

Date of allotment/ transfer	Number of equity shares	Face value (₹)	Issue/transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/allotment/transfer	Percentage of pre-Issue equity share capital (%)	Percentage of post-Issue equity share capital (%)
January 17, 1997	184,266	10	-	Other than cash	Allotment (bonus issue)	0.24	[●]
January 20, 1997	2,200	10	82.27	Cash	Secondary market purchase through the stock exchanges	0.00*	[●]
March 13, 2001	111,111	10	31	Cash	Transfer from Divya Suri Singh	0.15	[●]
September 13, 2004	149,623	10	10	Cash	Transfer from Deeksha Suri	0.20	[●]
December 4, 2004	2,000,000	10	-	Other than cash	Allotment (bonus issue)	2.63	[●]
November 15, 2006	4,247,538	10	-	Other than cash	Transmission of Equity Shares held by late Mr. Lalit Suri	5.59	[●]
February 7, 2013	(1)	10	10	Cash	Transfer to Divya Suri Singh	0.00*	[●]
February 7, 2013	(1)	10	10	Cash	Transfer to Deeksha Suri	0.00*	[●]
August 7, 2013	399	10	10	Cash	Transfer from Hanuwant Singh	0.00*	[●]
May 28, 2018	8,000	10	562.50	Cash	Transfer from Ms. Shuna Sachdev on invocation of pledge(11)	0.01	[●]
SUB TOTAL (B)	**7,255,935**					**9.55**	[●]
Mr. Ramesh Suri							
January 30, 1981(9)	10	100	100	Cash	Subscription to the Memorandum of Association	0.00*	[●]
July 12, 1982	2,090	100	100	Cash	Preferential allotment	0.03	[●]
October 22, 1982	31,000	100	100	Cash	Preferential allotment	0.41	[●]
April 16, 1983	(31,000)	100	100	Cash	Transfer to Divya International Private Limited	(0.41)	[●]
On November 14, 1983, each equity share of ₹ 100 each of our Company was sub-divided into 10 equity shares of ₹ 10 each and consequently, the 2,100 equity shares of face value of ₹ 100 each held by Mr. Ramesh Suri were sub-divided into 21,000 Equity Shares of face value of ₹ 10 each.							
November 13, 1987	210,000	10	25.7	Cash	Transfer from Shama Suri	0.28	[●]
	121,300	10	25.7	Cash	Transfer from Narender Suri	0.16	[●]
	142,500	10	25.7	Cash	Transfer from Ashwini Suri	0.19	[●]
	50,000	10	25.7	Cash	Transfer from Delhi Auto & General Finance Private Limited	0.07	[●]
	110,000	10	25.7	Cash	Transfer from G. Sagar Suri (HUF)	0.14	[●]
	116,900	10	25.7	Cash	Transfer from Mascot Wines Private Limited	0.15	[●]
	20,000	10	25.7	Cash	Transfer from Ashwini Suri	0.03	[●]

Date of allotment/ transfer	Number of equity shares	Face value (₹)	Issue/transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/allotment/transfer	Percentage of pre-Issue equity share capital (%)	Percentage of post-Issue equity share capital (%)
					(HUF)		
	20,000	10	25.7	Cash	Transfer from Ujval Sagar Suri (HUF)	0.03	[●]
	1,000,000	10	25.7	Cash	Transfer from Delhi Automobiles Private Limited	1.32	[●]
March 29, 1988	(1,000,000)	10	10	Cash	Transfer to Deeksha Holding Limited	(1.32)	[●]
June 10, 1988	(790,700)	10	10	Cash	Transfer to Jyotsna Holding Private Limited	(1.04)	[●]
January 31, 1989	500	10	10	Cash	Transfer from Chhabra Jagdish Raj and Dhawan Pinky	0.00*	[●]
	500	10	10	Cash	Transfer from Dhawan Pinky and Chhabra Jagdish Raj	0.00*	[●]
March 8, 1990	200,000	10	10	Cash	Transfer from Jyotsna Holding Private Limited	0.26	[●]
May 27, 1991	83,000	10	10	Cash	Allotment (rights issue)	0.11	[●]
January 17, 1997	101,666	10	-	Other than cash	Allotment (bonus issue)	0.13	[●]
December 4, 2004	813,332	10	-	Other than cash	Allotment (bonus issue)	1.07	[●]
SUB TOTAL (C)	**1,219,998**					**1.61**	[●]
TOTAL (A) + (B) + (C)	**39,193,234**					**51.58**	[●]

** Negligible*

(1) *Transfer of an aggregate of 1,700 Equity Shares to Deeksha Holding Limited by the following transferors at a transfer price of ₹ 11 per Equity Share: Vijay Kumar Punwar (100 Equity Shares); Sudarshan Aggarwal and P.R. Aggarwal (150 Equity Shares); Prema Rao (200 Equity Shares); K. Vishvanath Rao and Prema Rao (200 Equity Shares); Hamed Abdul Cader (100 Equity Shares); Ram Kumar Bansal and Pritam Kumar Bansal (200 Equity Shares); Anil Kumar (100 Equity Shares); M.K. Khanna (50 Equity Shares); Santosh Khanna (50 Equity Shares); Mukesh Bathak (100 Equity Shares); Subhash Chand (100 Equity Shares); Ajay Jain (100 Equity Shares); Hina Mahawar and Jaya Mahawar (100 Equity Shares); and Ajai Kumar Aggarwal (150 Equity Shares).*

(2) *Transfer of an aggregate of 500 Equity Shares to Deeksha Holding Limited by the following transferors at a transfer price of ₹ 10.25 per Equity Share: J.N. Prabhakar (250 Equity Shares); and Vimla Prabhakar (250 Equity Shares).*

(3) *Transfer of an aggregate of 780,000 Equity Shares by Deeksha Holding Limited to the following transferees at a transfer price of ₹ 10.25 per Equity Share: Lalit Suri (380,000 Equity Shares); and Dr. Jyotsna Suri (400,000 Equity Shares).*

(4) *Transfer of an aggregate of 450 Equity Shares to Deeksha Holding Limited by the following transferors at a transfer price of ₹ 10 per Equity Share: Ajitpal Singh Pasricha (200 Equity Shares); Kailash Rani (50 Equity Shares); Baijnath Marwaha (50 Equity Shares); Jugal Kishore (50 Equity Shares); and Ishwar Chandra Sharma and Manjula Sharma (100 Equity Shares).*

(5) *The amount of ₹ 30.15 million is the carrying cost which is the amount of investment made by Deeksha Holding Limited for purchase of shares of Malbros Hotel Limited. Malbros Hotel Limited was amalgamated with our Company pursuant to a scheme of amalgamation, whereupon 900,000 Equity Shares of our Company were allotted to Deeksha Holding Limited in lieu of 1,800 equity shares of ₹ 100 each of Malbros Hotel Limited.*

(6) *For further details on the scheme of amalgamation, see "History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets – Schemes of Amalgamation – Scheme of Amalgamation with Malbros Hotels Limited" on page 215.*

(7) *For further details on the delisting of our Equity Shares, see "History and Certain Corporate Matters – Other details regarding our Company – Capital raising activities through equity or debt – Initial Public Issue and Rights Issue of Equity Shares" on page 208.*

(8) *Invocation of pledge of 7,000 Equity Shares provided as security for loan granted to Mr. Arvind Sachdev (the deceased husband of Ms. Shuna Sachdev) of ₹ 4,000,000 by Deeksha Holding Limited pursuant to deed of pledge dated November 13, 2017.*

(9) *Date of subscription to the Memorandum of Association is January 1, 1981.*

(10) *Transfer of an aggregate of 10,000 Equity Shares to Dr. Jyotsna Suri by the following transferors at a transfer price of ₹ 11: Rajender Kumar Rishi and Nirmala Rishi (5,000 Equity Shares); and J.K. Rishi and Sushma Rishi (5,000 Equity Shares).*

(11) *Invocation of pledge of 8,000 Equity Shares provided as security for loan granted to Mr. Arvind Sachdev (the deceased husband of Ms. Shuna Sachdev) of ₹ 4,500,000 by Dr. Jyotsna Suri pursuant to deed of pledge dated November 13, 2017.*

In relation to certain of our corporate documents and records that are not traceable and inadvertent error in certain of our regulatory filings and records, including our statutory register of share transfer, see "*Risk Factors – Certain of our corporate documents, records and regulatory filings are not traceable or have inadvertent errors*" on page 53.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition/allotment of such Equity Shares. None of the Equity Shares held by our Promoters are pledged. For details of certain non-disposal undertakings provided by our Promoters in respect of certain Equity Shares held by them, see "– *Notes to Capital Structure – Shareholding Pattern of our Company*" on page 112.

(b) *Details of Promoters' contribution locked in for three years*

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of at least 20% of the post-Issue Equity Share capital of our Company held by our Promoters shall be considered as the minimum Promoters' contribution and is required to be locked-in for a period of three years from the date of Allotment.

The Equity Shares that are being locked-in are not ineligible for computation of minimum Promoters' contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard, our Company confirms that:

(i) The Equity Shares offered towards minimum Promoters' contribution have not been acquired during the immediately preceding three years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

(ii) The Equity Shares offered towards minimum Promoters' contribution have not been acquired by our Promoters during the one year immediately preceding the date of this Draft Red Herring Prospectus, at a price lower than the Issue Price; and

(iii) The Equity Shares offered towards minimum Promoters' contribution are not subject to pledge with any creditor.

Our Company has not been formed by the conversion of a partnership firm into a company. The Equity Shares held by our Promoters and members of our Promoter Group, all the Equity Shares held by them are in dematerialized form as at the date of this Draft Red Herring Prospectus.

The details of the Equity Shares of our Promoters locked-in as minimum Promoters' contribution are given below.

Number of equity shares locked-in	Date of allotment/transfer of equity shares and when made fully paid-up	Nature of transaction	Face Value (₹)	Issue/acquisition price per equity share (₹)	Percentage of pre-Issue equity share capital (%)	Percentage of post-Issue expanded equity share capital* (%)	Date up to which the Equity Shares are subject to lock-in
Deeksha Holding Limited							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
TOTAL							
Dr. Jyotsna Suri							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	
TOTAL							
Mr. Ramesh Suri							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	
TOTAL							

**As at the date of this Draft Red Herring Prospectus, there are no outstanding vested options.*

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as promoters under the SEBI ICDR Regulations.

(c) *Details of share capital locked-in for one year*

In addition to the Equity Shares proposed to be locked-in as part of the minimum Promoters' contribution as stated above and other than the Equity Shares that are held by any VCF or AIF (category I or category II) or FVCI subject to the conditions set out in Regulation 37 of the SEBI ICDR Regulations, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment of Equity Shares in the Issue or as prescribed under the SEBI ICDR Regulations.

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

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the Equity Shares locked-in for one year held by our Promoter may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that the pledge of shares is one of the terms of sanction of the loan.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by shareholders other than our Promoters which are locked-in in accordance with Regulation 37 of the SEBI ICDR Regulations, may be transferred to any other person holding shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

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

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

4. **Shareholding Pattern of our Company**

The table below presents the equity shareholding of our Company as on June 27, 2018:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying depository receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered* (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No of voting rights			Total as a % of (A+B+C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total share s held (b)	
								Class e.g.: equity	Class e.g.: others	Total								
(A)	**Promoter & Promoter Group**	18#	73,675,112	0	0	73,675,112	96.96	73,675,112	0	73,675,112	96.96	0	0		0		0*	73,675,112
(B)	**Public**	7,213#	2,316,087	0	0	2,316,087	3.04	2,316,087	0	2,316,087	3.04	0	0		0		0	1,875,608
(C)	**Non Promoter-Non Public**	0	0	0	0	0	0.00	0	0	0	0.00	0	0		0		0	0
(C1)	**Shares underlying DRs**	0	0	0	0	0	0.00	0	0	0	0.00	0	0		0		0	0
(C2)	**Shares held by Employee Trusts**	0	0	0	0	0	0.00	0	0	0	0.00	0	0		0		0	0
	Total	7,231#	**75,991,199**	**0**	**0**	**75,991,199**	**100.00**	**75,991,199**	**0**	**75,991,199**	**100.00**	**0**	**0**		**0**		**0**	**75,550,720**

** Certain of our Promoters and members of our Promoter Group have provided non-disposal undertakings ("**NDUs**") in respect of certain Equity Shares held by them to certain lenders of our Company or our Subsidiaries. The aforementioned NDUs shall be terminated/released prior to Allotment and shall be re-executed after imposition of the statutory lock-in under the SEBI ICDR Regulations.*

 # The number of Shareholders has been computed based on the folio numbers in our Company's register of members and the records of the Company's share transfer agent.

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI Listing Regulations one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on the respective websites of the Stock Exchanges before the commencement of trading of the Equity Shares.

5. **Details of the shareholding of our Promoters, members of our Promoter Group and directors of our corporate Promoter, Deeksha Holding Limited**

Details of the shareholding of the Promoters, members of our Promoter Group and directors of our corporate Promoter as on June 27, 2018 are set forth below:

Name of the Shareholder	Number of pre- Issue Equity Shares	Percentage of pre-Issue capital (%)	Percentage of post-Issue capital (%)
Promoters			
Deeksha Holding Limited	30,717,301	40.42	[●]
Dr. Jyotsna Suri*	7,255,935	9.55	[●]
Mr. Ramesh Suri*	1,219,998	1.61	[●]
Total Holding of the Promoters (A)	**39,193,234**	**51.58**	**[●]**
Promoter Group			
Mr. Jayant Nanda	19,991,198	26.31	[●]
Responsible Builders Private Limited	7,106,400	9.35	[●]
Mr. Keshav Suri*	3,880,596	5.11	[●]
Jyotsna Holding Private Limited	3,024,039	3.98	[●]
Lalit Suri (HUF)	202,950	0.27	[●]
Ramesh Suri HUF	159,999	0.21	[●]
Ms. Ritu Suri	68,400	0.09	[●]
Ms. Raj Kumari Nanda	19,998	0.03	[●]
Premium Exports Limited	18,000	0.02	[●]
Mercantile Capital and Financial Services Private Limited	6,198	0.01	[●]
Ms. Santosh Chanana	4,098	0.01	[●]
Ms. Divya Suri Singh*	1	0.00#	[●]
Ms. Deeksha Suri*	1	0.00#	[●]
Total holding of Promoter Group (other than the Promoters) (B)	**34,481,878**	**45.38**	[●]
Total Holding of Promoter, Promoter Group and directors of our corporate Promoter, Deeksha Holding Limited (A+B)	**73,675,112**	**96.96**	[●]

** Also a director of our corporate Promoter, Deeksha Holding Limited.*
 # Negligible.

6. **Details of the shareholding of our Directors, Key Management Personnel and Senior Personnel**

The following table sets forth the shareholding of our Directors, Key Management Personnel and Senior Personnel as on June 27, 2018:

Name	Number of pre-Issue Equity Shares	Percentage of pre-Issue capital (%)	Percentage of post-Issue capital (%)
Directors			
Dr. Jyotsna Suri	7,255,935	9.55	[●]
Mr. Keshav Suri	3,880,596	5.11	[●]
Mr. Ramesh Suri	1,219,998	1.61	[●]
Ms. Divya Suri Singh	1	0.00#	[●]

Name	Number of pre-Issue Equity Shares	Percentage of pre-Issue capital (%)	Percentage of post-Issue capital (%)
Ms. Deeksha Suri	1	0.00#	[●]
Total Holding of Directors (A)	**12,356,531**	**16.27**	[●]
Key Management Personnel			
-	-	-	-
Total Holding of Key Management Personnel (B)	-	-	-
Senior Personnel			
Mr. Krishan Kumar	600	0.00#	[●]
Total Holding of Senior Personnel (C)	**600**	**0.00**	**[●]**
Total Holding of Directors, Key Management Personnel and Senior Personnel (A+B+C)	**12,357,131**	**16.27**	**[●]**

 # Negligible.

7. Other than Equity Shares acquired by our Promoters, Dr. Jyotsna Suri and Deeksha Holding Limited from Ms. Shuna Sachdev pursuant to invocation of pledge, as disclosed in "-*Details of Build-up, Contribution and Lock-in of Promoters' Shareholding - Capital build-up of our Promoters' equity shareholding in our Company*" on page 104 and except as disclosed below, no securities of our Company have been purchased or sold by our Promoters, directors of our corporate Promoter, members of our Promoter Group and/or our Directors and/or the immediate relatives of our Directors within the six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI. 4,100,000 Equity Shares were transmitted by Groves Universal Group S.A. pursuant to its dissolution on March 7, 2018 and 5,491,200 Equity Shares were transmitted by Richmond Enterprises S.A. pursuant to its dissolution on April 13, 2018 in favor of Mr. Jayant Nanda on May 24, 2018.

8. **Equity Shares held by the top 10 Shareholders:**

(a) On June 27, 2018:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage (%)
1.	Deeksha Holding Limited	30,717,301	40.42
2.	Mr. Jayant Nanda	19,991,198	26.31
3.	Dr. Jyotsna Suri	7,255,935	9.55
4.	Responsible Builders Private Limited	7,106,400	9.35
5.	Mr. Keshav Suri	3,880,596	5.11
6.	Jyotsna Holding Private Limited	3,024,039	3.98
7.	Mr. Ramesh Suri	1,219,998	1.61
8.	Investor Education and Protection Fund*	350,698	0.46
9.	Lalit Suri (HUF)	202,950	0.27
10.	Ramesh Suri (HUF)	159,999	0.21
TOTAL		73,909,114	97.27

** Such Equity Shares were transferred to the Investor Education and Protection Fund in accordance with Section 124(6) of the Companies Act, 2013 and relevant rules framed thereunder, pursuant to a resolution dated November 23, 2017 adopted by the Stakeholders Relationship Committee of our Board of Directors.*

(b) 10 days prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage (%)
1.	Deeksha Holding Limited	30,717,301	40.42
2.	Mr. Jayant Nanda	19,991,198	26.31
3.	Dr. Jyotsna Suri	7,255,935	9.55

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage (%)
4.	Responsible Builders Private Limited	7,106,400	9.35
5.	Mr. Keshav Suri	3,880,596	5.11
6.	Jyotsna Holding Private Limited	3,024,039	3.98
7.	Mr. Ramesh Suri	1,219,998	1.61
8.	Investor Education and Protection Fund*	350,698	0.46
9.	Lalit Suri (HUF)	202,950	0.27
10.	Ramesh Suri (HUF)	159,999	0.21
TOTAL		73,909,114	97.27

** Such Equity Shares were transferred to the Investor Education and Protection Fund in accordance with Section 124(6) of the Companies Act, 2013 and relevant rules framed thereunder, pursuant to a resolution dated November 23, 2017 adopted by the Stakeholders Relationship Committee of our Board of Directors.*

(c) Two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage (%)
1.	Deeksha Holding Limited	30,710,301	40.41
2.	Mr. Jayant Nanda	10,399,998	13.69
3.	Dr. Jyotsna Suri	7,247,935	9.54
4.	Responsible Builders Private Limited	7,106,400	9.35
5.	Richmond Enterprises S.A.	5,491,200	7.23
6.	Groves Universal Group S.A.	4,100,000	5.40
7.	Mr. Keshav Suri	3,880,596	5.11
8.	Jyotsna Holding Private Limited	3,024,039	3.98
9.	Mr. Ramesh Suri	1,219,998	1.61
10.	Lalit Suri (HUF)	202,950	0.27
TOTAL		73,383,417	96.59

9. Employee Stock Option Plan

Our Board of Directors has approved the ESOP 2017 pursuant to its resolution dated October 16, 2017 and our Shareholders have approved the ESOP 2017 pursuant to special resolutions passed at their EGM dated January 8, 2018. The ESOP 2017 contemplates that the total number of Equity Shares to be issued pursuant to exercise of options under the ESOP 2017 shall not exceed 3,795,000 Equity Shares. The ESOP 2017 is compliant with the SEBI ESOP Regulations.

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>As on the date the Company has granted 700,600 options; the details of such grants are disclosed below.
<table><tr><th>Financial Year/Period</th><th>Total No. of Options Granted</th></tr><tr><td>2018</td><td>Nil</td></tr><tr><td>During the period April 1, 2018 to June 28, 2018</td><td>700,600</td></tr><tr><td>Total</td><td>700,600</td></tr></table></td></tr>
<tr><td>Maximum options to be granted under ESOP 2017</td><td>3,795,000</td></tr>
<tr><td>Pricing formula</td><td>Equity value: Comparable Companies Multiple methodology

Option value: Black Scholes methodology</td></tr>
<tr><td>Exercise price of options in ₹ (as on date of grant of options)</td><td>The options shall be priced at ₹ 383.28 per option</td></tr>
<tr><td>Vesting period</td><td>Though the maximum period for vesting is five years but vesting of the options, as approved by Nomination & Remuneration committee, which has been approved by Board to administer and implement the ESOP scheme, shall take place over four years from the date of grant</td></tr>
</table>

Options vested	Total options vested as on the date of this Draft Red Herring Prospectus is Nil.
Options exercised	Total options exercised as on the date of this Draft Red Herring Prospectus is Nil.
Total number of Equity Shares arising as a result of exercise of options	The total number of Equity Shares arising as a result of exercise of options is Nil
Options forfeited/ lapsed/ cancelled	Total options forfeited/ lapsed/ cancelled as on the date of this Draft Red Herring Prospectus is Nil.
Variation of terms of options	N.A.
Money realized by exercise of options	Nil
Total number of options in force	700,600
Employee-wise detail of options granted to :	
i. Directors	--Nil--
ii. Senior managerial personnel	(see table below)
iii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil

Name of senior / Key managerial personnel	No. of Options		
	Granted	**Exercised**	**Outstanding**
Urmila Khurana	10,000	N.A.	10,000
Poonam Tyagi	7,000	N.A.	7,000
Rakesh Mitra	10,000	N.A.	10,000
Hemant Khattar	10,000	N.A.	10,000
Vivek Shukla	10,000	N.A.	10,000
Rocky Kalra	10,000	N.A.	10,000
Himanshu Pandey	7,000	N.A.	7,000

<table>
<tr><td>iv. Identified employees who were granted options, during any one year, equal to/ exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td>Nil</td></tr>
<tr><td>Lock-in</td><td>N.A.</td></tr>
<tr><td>Fully-diluted EPS pursuant to issue of Equity Shares on a pre-Issue basis on exercise of options in accordance with the relevant accounting standard</td><td><table>
<tr><th>Particulars</th><th>March 31, 2018 (Amount in ₹)</th></tr>
<tr><td>Reported Diluted EPS as per Standalone Restated Financial Information</td><td>4.11</td></tr>
<tr><td>Reported Diluted EPS as per Consolidated Restated Financial Information</td><td>9.88</td></tr>
<tr><td colspan="2">The options being anti-dilutive, are ignored in the calculation of diluted EPS</td></tr>
</table></td></tr>
<tr><td>Method of Accounting followed for stock options granted to employees</td><td>Employee stock options granted is accounted under the “Fair Value” as per Ind AS 102 ‘share based payments’, notified under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The same is in accordance with the SEBI ESOP Regulations.</td></tr>
<tr><td>Impact on profit and EPS of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed</td><td>For Financial Year 2018: Nil

During the period April 1, 2018 to June 28, 2018: Nil

No impact since the Company has not adopted Intrinsic Valuation Method.</td></tr>
<tr><td>Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, difference if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options</td><td>N.A.</td></tr>
<tr><td>Impact on the profits of the Company (₹ in millions) and on the EPS arising due to the difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)</td><td>N.A.</td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td><table>
<tr><th>Year</th><th>Weighted average exercise price as on the date of grant</th><th>Weighted average fair value as on the date of grant</th></tr>
<tr><td>April 1, 2018 to June 28, 2018</td><td>₹ 383.28</td><td>₹ 33.65</td></tr>
</table></td></tr>
</table>

<table>
<tr><td>Method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in the market at the time of grant of the option</td><td><table>
<tr><th>Particulars</th><th>From April 1, 2018 to June 28, 2018</th></tr>
<tr><td>Weighted average share price</td><td>₹ 383.28</td></tr>
<tr><td>Exercise Price</td><td>₹ 383.28</td></tr>
<tr><td>Volatility</td><td>46.10%</td></tr>
<tr><td>Life of the options granted in years</td><td>1.5 years to 4 years</td></tr>
<tr><td>Average risk-free interest rate</td><td>7.3% to 7.92 %</td></tr>
</table></td></tr>
<tr><td>Intention of the holders of Equity Shares allotted on exercise of options under ESOP 2017 to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Offer</td><td>Employees may sell the Equity Shares received on exercise of options within three months of listing of the Equity Shares on the Stock Exchanges except to the extent of any Equity Shares locked-in post the Offer under applicable law.</td></tr>
<tr><td>Intention to sell Equity Shares arising out of the ESOP 2017 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares under the ESOP 2017 amounting to more than 1% of the issued capital of our Company (excluding outstanding warrants and conversions)</td><td>Not Applicable</td></tr>
</table>

10. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements or any safety net arrangement for purchase of Equity Shares to be issued pursuant to the Issue.

11. Our Company has not issued any Equity Shares during the period of one year immediately preceding the date of this Draft Red Herring Prospectus, which may have been issued at a price which may be lower than the Issue Price.

12. No financing arrangements have been entered into by our Promoters, the members of our Promoter Group, directors of our corporate Promoter, our Directors, or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI.

13. Our Company has in the past allotted Equity Shares pursuant to a scheme of amalgamation approved under Sections 391-394 of the Companies Act, 1956. For details of the Equity Shares allotted pursuant to such scheme, see "- *Notes to Capital Structure – Share Capital History of Our Company*" and "*History and Certain Corporate Matters – Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets – Schemes of Amalgamation – Scheme of Amalgamation with Malbros Hotels Limited*" on pages 101 and 215, respectively.

14. Neither of the BRLMs nor any associates (determined as per the definition of "associate company" under Section 2(6) of the Companies Act, 2013) of the BRLMs hold any Equity Shares in our Company as at the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

15. There are no partly paid-up Equity Shares as at the date of this Draft Red Herring Prospectus. All Equity Shares Allotted in the Issue will be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

16. There will not be any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be, other than in connection with the Issue and/or pursuant to the ESOP 2017.

17. Other than options granted under the ESOP 2017, as at the date of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into Equity Shares.

18. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly, Equity Shares) on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placement; provided, however, that the foregoing restrictions do not apply to (i) the issuance of any Equity Shares pursuant to the Issue; or (ii) any issuance of options and/or Equity Shares pursuant to the ESOP 2017. However, during such period or at a later date, our Company may, subject to necessary approvals, issue Equity Shares, convertible securities or other equity linked securities in relation to any acquisition, merger, joint venture or strategic alliance or for regulatory compliance or for any scheme of arrangement.

19. The Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

20. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category (other than the QIB Portion), would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.

21. Oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

22. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

23. Our Company shall comply with such disclosure and accounting norms as may be specified by the SEBI from time to time.

24. A Bidder cannot make a Bid for more than the number of Equity Shares offered in the Issue and will be subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

25. As on June 27, 2018, the total number of holders of the Equity Shares is 7,231*.

* *The total number of Shareholders has been computed based on the folio numbers in our Company's register of members and the records of the Company's share transfer agent.*

26. Our Promoters and members of our Promoter Group will not participate in the Issue. Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), our Promoters, members of our Promoter Group or any persons related to our Promoters or members of our Promoter Group can apply in the Offer under the Anchor Investor Portion.

27. Our Company shall ensure that transactions in Equity Shares by our Promoters and members of our Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transaction.

28. No person connected with the Issue, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group and Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid except for fees or commission for services rendered in relation to the Issue.

OBJECTS OF THE ISSUE

The Issue comprises an issue of [●] Equity Shares for cash of up to ₹ 12,000 million.

Objects of the Issue and Requirement of Funds

Our Company proposes to utilize the Net Proceeds from the Issue towards the following objects:

1. Repayment or pre-payment of certain loans availed by our Company; and
2. General corporate purposes (collectively, referred to as the "**Objects**").

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's brand name and creation of a public market for the Equity Shares in India.

The main objects clause and the objects incidental or ancillary to the main objects as set out in our Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

Issue Proceeds and Net Proceeds

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

Particulars	Amount (in ₹million)(1)
Gross proceeds of the Issue	12,000
(Less) Issue related expenses(1)	[●]
Net Proceeds	[●]

(1)*To be finalized upon determination of the Issue Price and updated in the Prospectus at the time of registration with the RoC.*

Utilization of Net Proceeds and Means of Finance

The proposed utilization of the Net Proceeds is set forth in the table below:

Particulars	Amount (in ₹million)
Repayment or pre-payment of certain loans availed by our Company	9,000
General corporate purposes(1)	[●]
Total Net Proceeds	[●]

(1)*To be finalized upon determination of the Issue Price and updated in the Prospectus at the time of registration with the RoC. The amount shall not exceed 25% of the gross proceeds of the Issue.*

The fund requirements for the Objects are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals, as required under Regulation 4(2)(g) of the SEBI ICDR Regulations.

The fund requirements for the Objects are based on management estimates and financing and other related agreements entered into by our Company. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges, which may not be within the control of the management of our Company.

Appraising Entity

The fund requirements for the Objects have not been appraised by any bank or financial institution or other independent agency.

For further details, see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency*" on page 50.

Schedule of Deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(in ₹ million)

Particulars	Amount to be funded from the Net Proceeds(1)	Estimated Utilization of Net Proceeds (Fiscal 2019)
Repayment or pre-payment of certain loans availed by our Company	9,000	9,000
General corporate purposes(1)	[●]	[●]
Total	[●]	[●]

(1)To be finalized upon determination of the Issue Price and updated in the Prospectus at the time of registration with the RoC.

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described herein during Financial Year 2019. In the event of the estimated utilization of the Net Proceeds in Financial Year 2019 is not undertaken in its entirety, the remaining Net Proceeds shall be utilized in subsequent Financial Years, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as: (i) economic and business conditions; (ii) timely completion of the Issue; (iii) market conditions outside the control of our Company; (iv) changes in interest rates and finance charges; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company in accordance with applicable laws.

This may entail rescheduling the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For further details, see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency*" on page 50.

Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilization towards any of the stated objects is lower than the proposed deployment, the balance remaining may be utilized towards future growth opportunities, and/or towards funding any of the other for any other purpose, and/or general corporate purposes, subject to applicable laws.

Details of the Objects of the Issue

1. Repayment or pre-payment of certain loans availed by our Company

Our Company has entered into various financing arrangements with banks and financial institutions. Arrangements entered into by our Company include borrowings in the form of secured loans, unsecured loans, long term facilities and short term facilities. For details of these financing arrangements including the terms and conditions, see "*Financial Indebtedness*" on page 517. As at May 31, 2018, the amounts outstanding under the loan agreements entered into by our Company was ₹ 14,145.27 million (including foreign currency loans of ₹ 1,604.84 million, converted at 1 USD = ₹ 67.45 as at May 31, 2018).

Our Company intends to utilize ₹ 9,000 million from the Net Proceeds towards partial or full repayment or pre-payment of certain loans availed by our Company. We believe that such repayment or pre-payment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

The selection of borrowings proposed to be repaid or pre-paid will be based on various factors, including (i) any conditions attached to the borrowings restricting our ability to repay or pre-pay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such conditions, (ii) receipt of consents for pre-payment from or waiver of such conditions by the respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any repayment or pre-payment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding, the remaining tenor of the loan and the due date for making payment of a loan instalment. Some of our Company's loan agreements provide for the levy of pre-payment penalties or premia. We will take such provisions into consideration while deciding the loans to be pre-paid from the Net Proceeds. Payment of such pre-payment penalty, if any, shall be made out of the Net Proceeds. In the event that the Net Proceeds are insufficient for such payment of pre-payment penalty, the payment shall be made from the existing internal accruals of our Company. We may also be required to provide notice to some of our lenders prior to pre-payment.

The following table provides details of certain loans availed by our Company, of which any or all of the loans may be repaid or pre-paid, in full or in part, from the Net Proceeds, without any obligation to any particular bank/financial institution:

S. No.	Name of the Lender	Particulars of documentation*	Nature of Borrowing	Amount Sanctioned	Amount outstanding as at May 31, 2018 (in ₹ million)	Interest Rate (% per annum)	Purpose for which loan was sanctioned and utilized	Repayment Schedule	Prepayment Penalty/Conditions
1.	Axis Bank Limited ("**Axis Bank**")	1. 1. Sanction letter dated September 28, 2016 2. Term loan agreement dated September 30, 2016	Term loan	₹ 400.00 million	380.09	One year Marginal Cost of Lending Rate ("**MCLR**") of Axis Bank plus 2.20%	General corporate purpose which includes regular maintenance and refurbishment of existing properties incurred in FY 2016 and FY 2017 till date	Repayment in 42 unequal quarterly installments starting after one year from the date of first disbursement	Prepayment of loan will be accepted on the terms and conditions to be decided by the bank
2.	Axis Bank	1. Sanction letter dated September 30, 2014 2. Addendum sanction letter dated September 30, 2014 3. Addendum sanction letter dated October 10, 2014 4. Addendum sanction letter dated November 3, 2014 5. Loan agreement dated November 5, 2014	Term loan	₹ 1,500.00 million	1,323.45	Axis Bank's MCLR plus 2.20%	• Takeover of existing term loan of ₹ 1,125.00 million from YES Bank • Regular maintenance/refurbishment/ capex at 10 hotels (Delhi, Mumbai, Goa, Bengaluru, Bekal, Khajuraho, Srinagar, Jaipur, Udaipur and Mangar)	Repayment in 44 quarterly installments commencing after 12 months from the date of first disbursement	Prepayment penalty of 1.00% in case of takeover and nil in case of prepayment out of internal accruals
3.	ICICI Bank Limited ("**ICICI Bank**") (Bahrain Branch)	1. Credit arrangement letter dated October 19, 2011 2. Facility Agreement for Syndicated Facilities dated December 17, 2011 3. Letter from the RBI dated December 21, 2011 allotting the loan registration number	Term loan (External Commercial Borrowing)	USD 30.00 million/₹1,350.00 million	721.74^	Six months USD LIBOR plus the applicable margin (5.00%), in relation to drawdown until March 31, 2012. Pricing following such date to be decided at the time of each drawal	Capital expenditure requirements for development of hotels in Jaipur and Ahmedabad	Repayment in 33 quarterly installments starting seven quarters after the first drawdown.	• Subject to the prevailing guidelines issued by RBI in respect of ECB, Company may prepay in whole or in part (if in part, minimum amount of USD 1.00 million, or a higher amount, which is in integral multiples of USD 1.00 million or entire outstanding facility) upon 15 business days' prior written notice to the lender (along with the prepayment penalty of

S. No.	Name of the Lender	Particulars of documentation*	Nature of Borrowing	Amount Sanctioned	Amount outstanding as at May 31, 2018 (in ₹ million)	Interest Rate (% per annum)	Purpose for which loan was sanctioned and utilized	Repayment Schedule	Prepayment Penalty/Conditions
									2.00% of the amount to be prepaid) • Prepayment premium to be charged for the weighted average residual maturity of the loan as on the date of prepayment on the amount being prepaid, subject to extant RBI guidelines. Prepayment premium or penalty would be in addition to break cost (break cost being for the prepayment being made on date other than interest reset date and for the LIBOR element of the interest rate till the end of next interest period) • Prepayments made at dates other than at the end of an interest period shall be subject to break cost • Any amount prepaid may not be redrawn • **Mandatory Prepayment of Loans**: Subject to the prevailing guidelines issued by RBI in respect of ECB, our Company shall on the last day of every interest period, prepay the whole or any part of any loan from proceeds of any insurance

S. No.	Name of the Lender	Particulars of documentation*	Nature of Borrowing	Amount Sanctioned	Amount outstanding as at May 31, 2018 (in ₹ million)	Interest Rate (% per annum)	Purpose for which loan was sanctioned and utilized	Repayment Schedule	Prepayment Penalty/Conditions
									received by it, any capital raised by it, whether through issuance of equity shares or preference shares or whether through conversion of any instrument or facility into equity shares or preference shares of our Company and any disposal of any of its assets, received during the interest period, subject to the following exceptions: (i) Insurance proceeds shall be used for prepayment only if such proceeds, whether in aggregate in the financial year or individually, are in an amount which is in excess of USD 0.50 million and have not used for replacement of the asset pursuant to which they were received; (ii) Proceeds from disposal of assets shall be used for prepayment only if such proceeds, whether in aggregate in the financial year or individually, are in an amount which is in excess of USD 0.50 million and have not been used for replacement of the asset pursuant to which they were received

S. No.	Name of the Lender	Particulars of documentation*	Nature of Borrowing	Amount Sanctioned	Amount outstanding as at May 31, 2018 (in ₹ million)	Interest Rate (% per annum)	Purpose for which loan was sanctioned and utilized	Repayment Schedule	Prepayment Penalty/Conditions
4.	ICICI Bank	1. Credit Arrangement Letter dated March 19, 2015, as amended on March 23, 2015 2. Corporate Rupee Loan Facility Agreement dated June 9, 2015	Term loan	₹360.00 million	319.98	I-base (ICICI Bank Base Rate) plus spread. The bank may reset the spread at the end of every 12 months from the date of first disbursement	Routine capital expenditure at various hotel properties of our Company	Repayments of principal amount in 40 quarterly installments after a moratorium of eight quarters. First principal payment would start from the end of ninth quarter	• Prepayment allowed without any prepayment penalty within 45 day of reset of the spread provided notice of prepayment is given within 15 days of such reset • Our Company may prepay the facility at any time with pre-payment penalty of 1.00% and with 15 days prior notice to the bank
5.	Jammu & Kashmir Bank Limited ("**J&K Bank**")	1. Sanction letter dated February 4, 2017, as amended on February 15, 2017 2. Loan agreement dated March 9, 2017	Term loan	₹ 1,500.00 million	1,497.20	One year MCLR of J&K Bank plus 1.20% MCLR subject to annual reset	General corporate purpose including capex/renovation/repair etc.	Repayment after expiry of moratorium period of two years; Principal installments shall be repaid in 32 quarterly ballooning installments	• Prepayment penalty of 1.00% if prepayment through refinance/takeover by some other bank/financial institution. No penalty to be levied if the payment is through internal sources or sale of assets by our Company or any group companies
6.	Kerala State Industrial Development Corporation Limited ("**KSIDC**")	1. Sanction letter dated April 11, 2007 2. Loan Agreement dated April 29, 2009	Term loan from financial institution	₹ 150.00 million	22.82	9.00% compound interest on the amount of loan outstanding compounded quarterly. KSIDC has the right to enhance the interest rate provided that the rate so increased shall not	To part finance the setting up of a 5 Star Deluxe resort at Bekal, Kasaragod District at an estimated total cost of ₹ 400.00 million	Repayment of the loan shall be in 32 quarterly installments after an initial moratorium of 24 months from first disbursement or 12 months from the date of commercial operation, whichever is earlier	No prepayment of outstanding principal amount of the loans without obtaining the prior approval of the bank (which may be granted conditionally). Our Company is required to give notice of at least 30 days of its intention to repay in advance

S. No.	Name of the Lender	Particulars of documentation*	Nature of Borrowing	Amount Sanctioned	Amount outstanding as at May 31, 2018 (in ₹ million)	Interest Rate (% per annum)	Purpose for which loan was sanctioned and utilized	Repayment Schedule	Prepayment Penalty/Conditions
						exceed the rate fixed by IDBI for refinance scheme plus 2.00%			
7.	Tamilnad Mercantile Bank Limited ("**TMB**")	1. Sanction letter dated March 19, 2015 2. Assignment agreement dated July 20, 2015	Term loan	₹ 250.00 million	231.82	11.60% per annum payable monthly linked to the TMB's Base Rate Interest rate will be revised if our Company's internal or external ratings are downgraded	• Refinancing existing loans from other banks/financial institutions • Funding/reimbursing capital expenditure incurred or renovation and maintenance capital expenditure	Repayment in 44 structured quarterly installments after a moratorium of 12 months from the date of first disbursement	Prepayment allowed without any penalty
8.	YES Bank Limited ("**YES Bank**")	1. Sanction letter dated March 6, 2018 2. Addendum dated March 6, 2018 3. Loan agreement dated March 7, 2018	Term loan	₹ 600.00 million	580.60	0.75% over YES Bank's yearly MCLR	• Refinancing earlier credit facility from other bank • Ongoing maintenance and renovation, capital expenditure/repairs and maintenance/operating expenditures • Transaction charges	Repayment by way of 40 structured quarterly installments.	Prepayment subject to prior written approval of YES Bank, which may be given subject to such terms and conditions, and for payment of such premium as may be stipulated by YES Bank
9.	YES Bank	1. Sanction letter dated September 30, 2014 2. Addendum Facility Letter dated February 24, 2015 3. Addendum Facility Letters, each dated April 21, 2016 4. Addendum to Credit Facility Letter dated August 29, 2017 5. Loan agreement dated October 13, 2014	Term loan	₹ 6,000.00 million (₹ 250.00 million transferred to Tamilnad Mercantile Bank Limited)	5,107.95	1.15% over the YES Bank one year MCLR	Towards refinancing the existing bank loans/loans from financial institutions; funding/reimbursement of capital expenditure incurred/renovation and maintenance capital expenditure; and refinancing the unsecured loans/inter-corporate deposits infused in the borrower.	Repayment by way of 44 structured quarterly installments after a moratorium of 12 months from the date of first disbursement	Prepayment allowed without any prepayment penalty

S. No.	Name of the Lender	Particulars of documentation*	Nature of Borrowing	Amount Sanctioned	Amount outstanding as at May 31, 2018 (in ₹ million)	Interest Rate (% per annum)	Purpose for which loan was sanctioned and utilized	Repayment Schedule	Prepayment Penalty/Conditions
10	YES Bank	1. Sanction letter dated August 5, 2016 2. Addendum dated August 5, 2016 3. Letter dated November 15, 2016 4. Addendum to Credit Facility Letter dated August 29, 2017 5. Loan agreement dated October 17, 2016	Term loan	₹600.00 million	532.89	0.75% over YES Bank's one year MCLR	• Refinancing existing credit facility from other bank • Ongoing maintenance and renovation, capital expenditure/repairs and maintenance/operating expenditure • Transaction charges	Repayment by way of 52 structured quarterly installments from the date of first disbursement	Prepayment allowed without any prepayment penalty

* *Our Company has also executed security documents including hypothecation agreements, corporate guarantees and undertakings of our Promoters or members of our Promoter Group as per the loan agreements/sanction letters for the purpose of securing the loans availed.*
^As at May 31, 2018, 1 USD = ₹ 67.45 (Source: rbi.org.in)

The Statutory Auditors have issued a certificate dated June 28, 2018 regarding the utilization of the above facilities for the purposes for which they were sanctioned. The Statutory Auditors have relied on the reports issued under the Companies Auditors Reports Order for the years in which loans were disbursed.

Given the nature of these borrowings and the terms of repayment or pre-payment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are repaid or pre-paid or further drawn-down prior to the completion of the Issue, we may utilize Net Proceeds towards repayment or pre-payment of such additional indebtedness.

2. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the gross proceeds of the Issue, in compliance with Regulation 4(4) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize the Net Proceeds include, without limitation, working capital requirements, strengthening our sales and marketing, enhancement and upkeep of our properties, strategic initiatives, partnerships and joint ventures, meeting exigencies and expenses incurred by our Company in the ordinary course of business and any other purpose as may be approved by our Board or a duly appointed committee thereof from time to time, subject to compliance with the Companies Act.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of our Board, shall have flexibility in utilizing surplus amounts, if any.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as amended as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as at the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Issue Expenses

The total Issue related expenses are estimated to be approximately ₹ [●] million. The Issue related expenses include listing fees, selling commission and brokerage, fees payable to the BRLMs, Banker(s) to the Issue, legal counsels, Registrar to the Issue, including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses in relation to the Issue will be borne by our Company. The break-down of the estimated Issue expenses are as follows:

Activity	Amount(1) (₹ in million)	As a % of total estimated Issue related expenses(1)	As a % of Issue size(1)
Payment to the BRLMs	[●]	[●]	[●]
Brokerage and selling commission for members of the Syndicate, Registered Brokers, RTAs and CDPs, as applicable(2)	[●]	[●]	[●]
Commission and processing fees for SCSBs(2)	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Fees payable to Banker(s) to the Issue	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others: i. Listing fees; ii. SEBI, BSE and NSE processing fees; iii. Fees payable to legal counsels; and iv. Miscellaneous.	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) *To be finalized upon determination of Issue Price and updated in the Prospectus at the time of registration with the RoC*
(2) *Will be finalized prior to the registration of the Red Herring Prospectus with the RoC*

Monitoring Utilization of Funds

In terms of Regulation 16 of the SEBI ICDR Regulations, our Company shall appoint a monitoring agency for monitoring the utilization of the Net Proceeds prior to registering the Red Herring Prospectus with the RoC in accordance with the SEBI ICDR Regulations. The Monitoring Agency shall submit its report to our Company in the manner and in format specified under the SEBI ICDR Regulations. Our Company shall comply with the requirements in this respect under the SEBI ICDR Regulations and SEBI Listing Regulations.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee the uses and application of the Net Proceeds, on a quarterly basis. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds from the objects of the Issue as stated above and details of category-wise variation in the actual utilization of the Net Proceeds from the objects of the Issue as stated above. The information will also be published in newspapers simultaneously with the submission of such information to the Stock Exchanges, after placing the same before the Audit Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by our Shareholders by way of a special resolution. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act, 2013. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to any Shareholder who does not agree to such proposal to vary the objects of the Issue, subject to the provisions of the Companies Act, 2013 and in accordance with the terms and conditions, including with respect to pricing of the Equity Shares, as prescribed in Chapter VI-A of the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, members of our Promoter Group, our Directors, our Key Management Personnel, Senior Personnel or our Group Companies except in the normal course of business and in compliance with applicable laws. There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoters, members of our Promoter Group, our Directors, our Key Management Personnel, Senior Personnel or our Group Companies.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Managers on the basis of an assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also see *"Our Business", "Risk Factors" and "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 172, 20, 261 and 520, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for the Issue Price are:

- distinctive hotel portfolio across key geographies in India;
- independent brand having an established track record in the Indian hospitality industry;
- diversified sources of revenue;
- well developed sales and marketing network; and
- Experienced leadership team.

For further details, see "*Our Business*" and "*Risk Factors*" on pages 172 and 20 respectively.

Quantitative Factors

Some of the information presented below relating to our Company has been derived from the Restated Consolidated Financial Information and Restated Standalone Financial Information. For details, see "*Financial Statements*" on page 261.

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

1. **Basic and Diluted Earnings per Equity Share ("EPS")**

As per our Restated Consolidated Financial Information:

For the year ended	Basic EPS# (Consolidated)	Diluted EPS* (Consolidated)	Weight
March 31, 2018	9.88	9.88	3
March 31, 2017	(2.11)	(2.11)	2
March 31, 2016	(4.38)	(4.38)	1
Weighted average	**3.51**	**3.51**	

As per our Restated Standalone Financial Information:

For the year ended	Basic EPS# (Standalone)	Diluted EPS* (Standalone)	Weight
March 31, 2018	4.11	4.11	3
March 31, 2017	4.83	4.83	2
March 31, 2016	6.16	6.16	1
Weighted average	**4.69**	**4.69**	

 # Basic earnings per share (₹) = Net profit as restated, attributable to equity shareholders/weighted average number of equity Shares

** Diluted earnings per share (₹) = Net profit as restated, attributable to equity shareholders/weighted average number of dilutive equity shares*

Notes:

1. *The face value of the Equity Share of the Company is ₹ 10 each.*
2. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the*

number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.

3. *The above ratios have been computed on the basis of the Restated Consolidated Financial Information and Restated Standalone Financial Information.*

2. **Return on Net Worth ("RONW")**

As per our Restated Consolidated Financial Statements:

For the year ended	RONW (Consolidated)	Weight
March 31, 2018	14.73%	3
March 31, 2017	(3.60%)	2
March 31, 2016	(7.12%)	1
Weighted Average	**4.98%**	

As per our Restated Standalone Financial Statements:

For the year ended	RONW (Standalone)	Weight
March 31, 2018	4.68%	3
March 31, 2017	5.68%	2
March 31, 2016	7.60%	1
Weighted Average (1)	**5.50%**	

Note: The RONW = Net profit as restated, attributable to equity shareholders/ Net worth at the end of the year / period. "Net Worth" includes Equity share capital and Other equity and excludes revaluation reserve existing as on April 01, 2013 and Capital Reserve.

3. **Minimum Return on Increased Net Worth required to maintain pre-Issue EPS for the year ended March 31, 2018:**

To maintain pre-Issue Basic EPS

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

To maintain pre- Issue Diluted EPS

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

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

For the year Ended	NAV (Consolidated)	NAV (Standalone)
March 31, 2018	67.04	87.83
March 31, 2017	58.45	85.00
March 31, 2016	61.47	81.08
After the Issue	[●]	[●]

Note: Net Asset Value per Equity Share represents net worth, as restated, divided by the number of Equity Shares outstanding at the end of the period. "Net Worth" includes Equity share capital and other equity and excludes revaluation reserve existing as on April 01, 2013 and Capital Reserve.

5. **Price/Earning (P/E) ratio in relation to Issue Price of ₹ [●] per Equity Share of ₹ 10 each:**

Particulars	P/E (Standalone)		P/E (Consolidated)	
	P/E at the Floor Price	P/E at the Cap Price	P/E at the Floor Price	P/E at the Cap Price
P/E ratio based on Basic EPS for the financial year ended March 31,	[●]	[●]	[●]	[●]

Particulars	P/E (Standalone)		P/E (Consolidated)	
	P/E at the Floor Price	P/E at the Cap Price	P/E at the Floor Price	P/E at the Cap Price
2018				
P/E ratio based on Diluted EPS for the financial year ended March 31, 2018	[●]	[●]	[●]	[●]

Industry P/E ratio (on consolidated basis**):**

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 417.22, the lowest P/E ratio is 51.43, the average P/E ratio is 171.36.

Source: For Industry P/E ratio, P/E figures for the peers are computed based on closing market price as on June 22, 2018, of such peers, on BSE (available at www.bseindia.com) divided by basic EPS (on consolidated basis) based on consolidated financials from the filings made by the respective peers for Fiscal 2018 on BSE or as mentioned below.

6. **Comparison with Industry Peers:**

S no.	Name of the Company	For the year ended March 31, 2018						
		Face Value (₹)	Standalone/Consolidated	Revenue from operations (1) (in ₹ million)	Basic EPS(2) (₹)	P/E(3)	RONW(4) (%)	NAV(5) (₹)
1	Bharat Hotels Limited#	10	Standalone	6,385.98	4.11	[●]	4.68%	87.83
			Consolidated	7,379.85	9.88	[●]	14.73%	67.04
	Peer Group##							
2	Lemon Tree Hotels Limited	10	Standalone	2,310.84	0.28	268.21	2.30%	12.22
			Consolidated	4,842.61	0.18	417.22	1.74%	10.36
3	Hotel Leelaventure Limited	2	Standalone	7,185.40	(0.43)	NM	NM	0.80
			Consolidated	7,185.40	(0.43)	NM	NM	0.80
4	EIH Limited	2	Standalone	13,502.80	1.96	82.40	3.99%	49.27
			Consolidated	15,988.40	3.14	51.43	6.22%	50.44
5	Indian Hotels CO. Ltd.	1	Standalone	25,839.50	1.34	100.90	3.36%	36.95
			Consolidated	4,1035.50	0.91	148.57	2.41%	35.16
6	TAJGVK Hotels & Resorts Limited	2	Standalone	2,882.50	3.38	66.18	5.52%	60.72
			Consolidated	2,882.50	3.28	68.20	5.52%	58.88

NM: Denoted as NM in table above as a) EPS is negative, resulting in a negative P/E ratio or b) Net loss after tax for Fiscal March 31, 2018 is leading to a negative RONW

Notes:

 # Based on the Restated Standalone Financial Information and Restated Consolidated Financial Information for the year ended March 31, 2018.

##Based on standalone and consolidated financials from the filings made by the respective companies for Fiscal 2018 on BSE/corporate websites

(1) Based on income from operations (net) as reported in company filings, excluding other income

(2) Basic EPS (on standalone and consolidated basis wherever applicable) as reported in company filings

(3) Price earnings ratio calculated by dividing the closing price of equity shares of the company as on June 22, 2018 on BSE, by the basic EPS of the company for Fiscal 2018

(4) RONW has been computed as Net profit after tax, attributable to Equity Shareholders, for Fiscal 2018 divided by the net worth as at March 31, 2018

(5) Net asset value (NAV) per equity share has been computed as net worth, attributable to Equity Shareholders, as at March 31, 2018 divided by the total number of equity shares outstanding as at March 31, 2018

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

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs on the basis of assessment of market demand from investors for the Equity Shares through the Book-Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 20, 261 and 520, respectively, to have a more informed view.

The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "*Risk Factors*" on page 20 or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
Bharat Hotels Limited
Barakhamba lane,
New Delhi 110001

Dear Sirs,

Sub: Proposed Initial Public Offering (IPO) of the equity shares of the Bharat Hotels Limited (the "Company"), pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations") and the Companies Act, 2013, as amended.

1. This report is issued in accordance with the terms of our engagement letter dated 15 September 2017 and addendum dated 05 April 2018.

2. The accompanying Statement of Special Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "the Statement") under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2018 (hereinafter referred to as the "Income Tax Regulations") has been prepared by the management of the Company in connection with the proposed Offer, which we have initialed for identification purposes.

Management's responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus (the "Offer Document") is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 22 June 2018 for the purpose set out in paragraph 12 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's responsibility

4. Our work has been carried out in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

5. Pursuant to the SEBI Regulations and the Companies Act 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the special tax benefits available as of 28 June 2018 to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations and GST Regime as at the date of our report.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Offering.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, ‘Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,’ issued by the ICAI

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information

9. Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive

10. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue

    Further, we give no assurance that the Revenue authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

11. In our opinion, the Statement prepared by the Company presents, in all material respects, the special tax benefits available as of 28 June 2018, to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.

    Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

    (i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or

    (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

12. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Document, prepared in connection with the Offer to be filed by the Company with the SEBI and the concerned stock exchanges.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Ashish Gupta
Partner
Membership No: 504662

Place: Noida
Date: 28 June 2018

Annexure

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The information provided below sets out the Special direct tax benefits available to the shareholders of an Indian company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Access of all or any part of this Statement by any person is on the basis that, to the fullest extent permitted by law, Walker Chandiok & Co LLP does not accept any duty of care or liability of any kind to such person, and any reliance on this Statement by any person is at his own risk.

Considering the activities and the business of the Company, the following benefits may be available to them.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. **Section 35AD of the Act** - In accordance with section 35AD of the Act, the Company is eligible to claim 100% deduction of capital expenditure incurred for the purpose of construction of a new hotel of two star or above category on or after 1st day of April, 2010 in the previous year in which the company commences business operations, subject to compliance with prescribed conditions.

   Capital expenditure for the purposes of this section does not include any expenditure incurred on acquisition of land or goodwill or financial instruments. Further, any payment (or aggregate of payments) made to a person in a day, in excess of INR 10,000, otherwise than by way of an account payee cheque / bank draft or use of electronic clearing system is also not deductible under the provisions of this section.

   However, as per Section 115JB of the Act, the Company shall be required to pay Minimum Alternate Tax ("MAT") at the rate of 18.5% (plus applicable surcharge, education cess and secondary & higher education cess) on book profits as computed under the said Section, irrespective of the tax benefits available under Section 35AD of the Act.

II. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders under the provisions of the Tax Laws.

Notes:

1) The above benefits are as per the current tax law as amended by the Finance Act, 2018.

2) The above Statement of Special direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;

3) The above Statement of Special direct tax benefits sets out the Special tax benefits available to the Company and its shareholders under the current Tax Laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Tax Laws; This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY

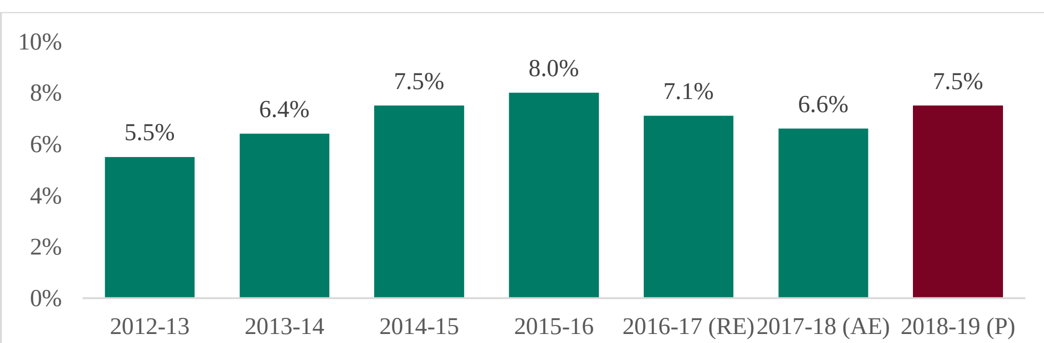
*The information in this section includes extracts from publicly available information, data and statistics and has been derived from certain government publications and industry sources, including a report dated June 2018 and titled "Assessment of hospitality sector in India" (the "**CRISIL Report**") that has been prepared by CRISIL Research, a division of CRISIL Limited ("**CRISIL**"). Neither we nor the Book Running Lead Managers nor any of our or their respective affiliates or advisors has independently verified this information, and none of these parties makes any representation as to the accuracy of this information. The data included in the CRISIL Report may have been re-classified by us for the purposes of presentation in this Draft Red Herring Prospectus. The information in this section may not be consistent with other information compiled by third parties within or outside India.*

*Industry sources and publications generally state, and CRISIL has stated in respect of the CRISIL Report, that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. CRISIL has provided a disclaimer for inclusion in this Draft Red Herring Prospectus. For further details, see "*Presentation of Financial, Industry and Market Data*" on page 13. Industry sources and publications are also prepared based on information as at specific dates, or for specific periods, and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. Figures used in this section are as presented in the original sources and have not been adjusted, restated or rounded off for presentation. Statements in this section that are not statements of historical fact constitute "forward-looking statements", which are subject to various risks, assumptions and uncertainties and certain factors could cause actual results or outcomes to differ materially. For further details, see "Forward-Looking Statements" and "Risk Factors—This Draft Red Herring Prospectus includes industry related information from an industry report, which we have commissioned from CRISIL." on pages 18 and 53, respectively.*

Overview of the Indian economy

India's real gross domestic product ("**GDP**") is estimated to grow at 6.60% during Fiscal 2018, down from 7.10% during Fiscal 2017 but well above the world average of 3.10%. India adopted a new base year (Fiscal 2012) to calculate GDP, based on which GDP in nominal terms increased to ₹122 trillion during Fiscal 2017, from ₹87.00 trillion during Fiscal 2012 representing a CAGR of 6.90% during this period, which makes India one of the fastest growing economies in the world, having expanded faster than China since 2015. Private consumption, the largest contributor to India's GDP, is estimated to grow at 6.10% over a high base of 7.30% between Fiscals 2017 and 2018. This growth is supported by interest rate reduction, unexpressed demand, implementation of pay commission recommendation by the states and moderate inflation. *(Source: CRISIL Report.)*

With a gradual improvement in India's macroeconomic position over the last three years, there has been an improvement in the country's growth-inflation mix. More prudent fiscal and monetary policies have focused on raising the quality, and not just the rate, of growth. The GoI has adopted an inflation targeting framework that provides an institutional framework for inflation control, while modernizing central banking. India's fiscal policy has also managed to stay mildly growth-focused while overseeing a gradual reduction in fiscal deficit. GDP growth is estimated at 7.50% during Fiscal 2019, supported by consumption, public sector spending in infrastructure and synchronized global recovery. *(Source: CRISIL Report.)*



(Source: CRISIL Report.)

Share of hotels and restaurants in India's Gross Value Added Growth

Hotels and restaurants accounted for 1.00% of the share of India's gross value added ("**GVA**") growth from

Fiscals 2012 to 2016.

Item	Fiscals						
	2012	2013	2014	2015	2016*	2017*	2018**
GVA at basic prices (₹ billion)	81,069	85,463	90,636	97,190	105,033	112,476	119,645
Trade, hotels, transport, communication and services related to broadcasting (₹ billion)	14,131	15,511	16,521	18,009	19,936	21,371	23,139
Percentage share of GVA (%)	17.00	18.00	18.00	19.00	19.00	19.00	19.00
Hotels and restaurants (₹ billion)	899	930	926	984	1,125	-	-
Share of hotels and restaurants in trade, hotels, transport, communication and services related to broadcasting (at constant prices) in GVA (%)	1.10	1.10	1.00	1.00	1.10	-	-

** Revized estimates.*
*** Advanced Estimates.*
(Source: CRISIL Report.)

Overview of the Indian tourism industry

Hotel industry is dependent on rising demand from tourism

GoI's initiatives to boost tourism in India have benefited the hospitality industry and improved direct and indirect employment. The Tourism Ministry, in collaboration with other ministries, has launched schemes such as "*Swadesh Darshan*", National Mission on Pilgrimage Rejuvenation and Spiritual Augmentation Drive ("**PRASAD**") and e-tourist visa ("**e-TV**"). PRASAD is aimed towards the integrated development of 25 religious sites and has been allocated a budget of US$51.00 million. The 2017-2018 Union Budget has made various provisions by introducing five special tourism zones under a special purpose vehicle model and developing the next phase of the "*Incredible India*" campaign for the sector. *(Source: CRISIL Report.)* Certain other key initiatives that the GoI has taken to develop and promote tourism in India include:

- promotion and publicity, including market development assistance;
- assistance to hospitality educational institutes; and
- capacity building for service providers.

(Source: CRISIL Report.)

Foreign tourist arrivals ("FTAs") have grown at a CAGR of approximately 7.00% from 2007 to 2017

The FTAs in India continued to increase from 1.30 million during 1981 to 1.70 million during 1991, and 2.50 million during 2001 to reach 8.00 million during 2015. In 2016, FTAs in India increased by approximately 9.70% during the year as compared to approximately 4.5% during the year in 2015. As per the Tourism Ministry statistics, FTAs grew by approximately 16.00% year over year to 10.20 million during 2017. *(Source: CRISIL Report.)*

FTAs during 2017

The top 15 countries' share of tourist arrivals to India was 73.00% of the total FTAs during 2017. FTAs in India from Bangladesh were the highest (21.30%) during 2017, followed by the United States (13.70%), the United Kingdom (9.80%), Canada (3.30%), Australia (3.20%), Malaysia (3.20%), Sri Lanka (2.90%), Germany (2.70%), Russian Federation (2.50%), France (2.50%), China (2.50%), Japan (2.20%), Singapore (1.40%), Nepal (1.20%) and Afghanistan (0.90%). *(Source: CRISIL Report.)*

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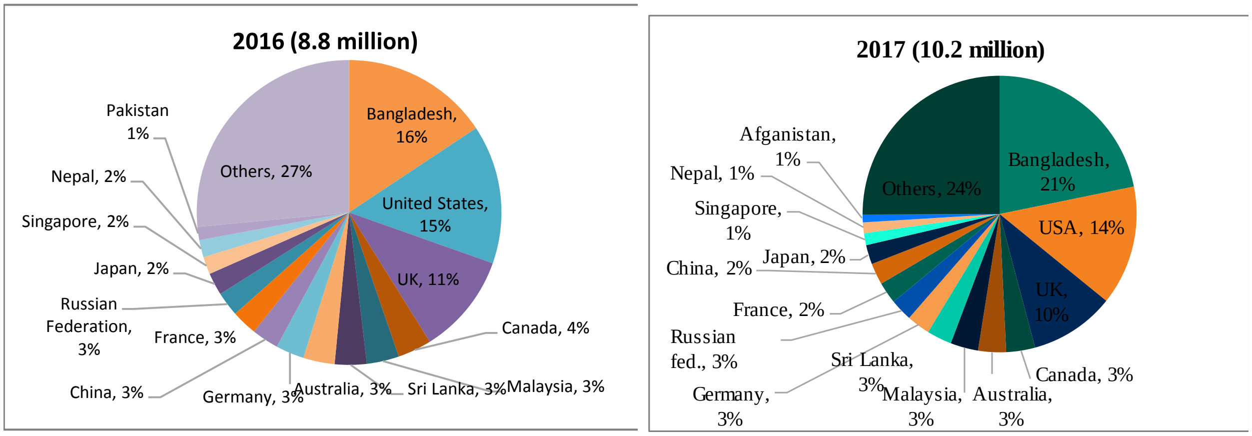
Top 15 countries' share in FTAs in India during 2016 and 2017



(Source: CRISIL Report.)

Domestic and foreign tourist visits rose during 2016

The number of domestic tourist visits increased by approximately 13.00% year-on-year to 1,614 million during 2016 from 1,432 million during 2015. The number of foreign tourist visits increased by approximately 6.00% year-on-year to 25 million during 2016 from 23 million during 2015. *(Source: CRISIL Report.)*

Overview of the Indian travel industry

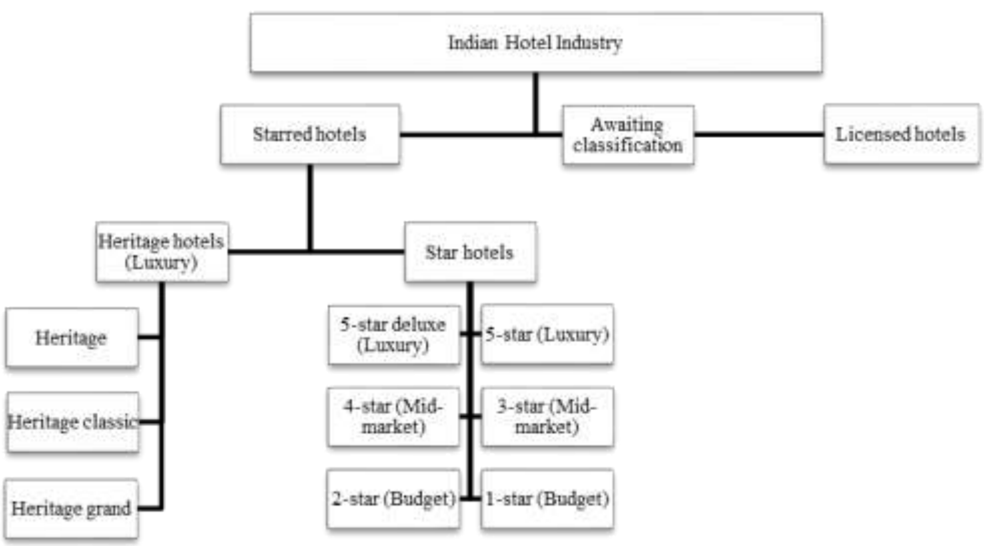
Low air travel penetration to aid long-term passenger traffic growth

During Fiscal 2017, domestic passenger traffic grew due to economic growth, competitive fares (as compared to railways), launch of new routes and lower crude oil prices. CRISIL expects domestic fares to increase by 3.00% to 5.00% due to an expected rise in crude oil price during Fiscal 2019.

Overview of the Indian hospitality industry

Classification and hotel concepts

The illustration below sets forth the various categories of hotels in the Indian hospitality industry.



(Source: CRISIL Report.)

Starred hotels: Starred hotels include those classified by the Tourism Ministry as heritage hotels and hotels with 5-star deluxe, 5-star, 4-star, 3-star, 2-star and 1-star ratings. CRISIL defines luxury hotels as those with heritage, 5-star deluxe and 5-star ratings. Mid-market hotels are those with 3-star and 4-star ratings. The budget category consists of hotels with 1-star and 2-star ratings. Certain leading names among luxury and mid-market hotel chains in India are set out below.

Leading hotel chains in the luxury segment	Luxury segment brands
Indian Hotel Company	Taj, Vivanta by Taj
ITC	ITC hotels, WelcomHotel, WelcomHeritage
EIH	Trident, The Oberoi
Hotel Leela Venture	The Leela and The Leela Palace
Bharat Hotels	The LaLiT
Royal Orchid Hotels	Royal Orchid
Concept Hospitality	The Fern
Marriott International*	Marriott Hotels &Resorts, JW Marriott Hotels &Resorts, Renaissance, Ritz-Carlton, Westin, Sheraton, W Hotels, St. Regis, Le Meridien
Carlson Rezidor	Park Plaza, Radisson Blu, Radisson hotel, Radisson Red
Accor	Sofitel, Fairmont, Swissotel, Pullman, Grand Mercure

Leading hotel chains in the mid-market segment	Mid-market segment brands
Indian Hotel Company	Gateway by Taj
ITC	Fortune Hotels
Bharat Hotels	The LaLiT Traveller
Lemon Tree Hotels	Lemon Tree, Lemon Tree Premier
Royal Orchid Hotels	Royal Orchid Central, Regenta
Concept Hospitality	The Fern Residency
Park Hotels	Zone by The Park
Marriott International*	Courtyard by Marriott, Fairfield by Marriott, Four Points by Sheraton, Aloft
Carlson Rezidor	Country Inns &Suites, Park Inn
Accor	Mercure, Novotel

** Marriott International includes Starwood hotels.*
(Source: CRISIL Report.)

Heritage hotels: Heritage hotels include old palaces, forts and *havelis* that have been converted into hotels. To be classified as a heritage hotel, the structure should have a minimum of 50.00% of the floor area built before 1950 and no substantial change must have been made to the facade. Certain examples of heritage hotels are The Oberoi Udaivilas, Taj Lake Palace, The LaLiT Laxmi Vilas Palace, Hotel Fatehgarh Palace and Umaid Bhavan Palace. *(Source: CRISIL Report.)*

Heritage hotels are further classified into:

- *heritage basic***:** This category covers residences, *havelis*, hunting lodges, castles, forts and palaces built prior to 1950 and subsequent to 1935. The hotel should have a minimum of five rooms (i.e., 10 beds); and
- *heritage grand and heritage classic*: This category covers residences, *havelis*, hunting lodges, castles, forts and palaces built prior to 1935. The hotel should have a minimum of 15 rooms (i.e., 30 beds).

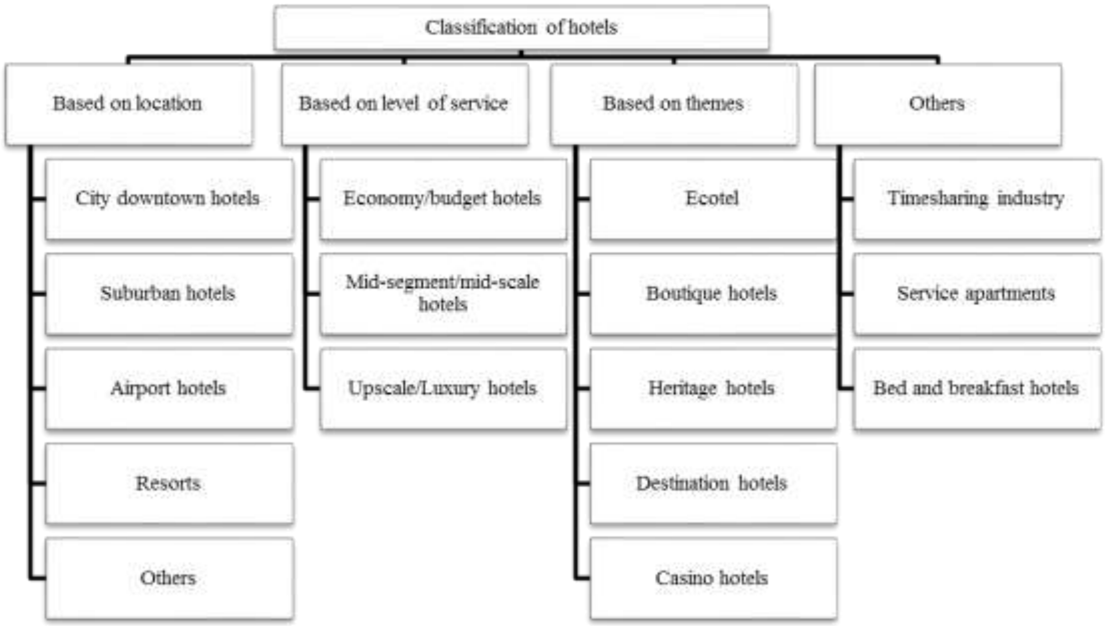
(Source: CRISIL Report.)

Approved (awaiting classification) hotels: These are hotels that have been approved by the Tourism Ministry but have not been classified under any star category. *(Source: CRISIL Report.)*

Licensed hotels: These are hotels that have acquired a license from the local municipal authorities to commence operations. *(Source: CRISIL Report.)*

Other classifications

Apart from ratings, hotels can also be classified based on certain characteristics such as location, level of service, theme and others, as set forth below. *(Source: CRISIL Report.)*



(Source: CRISIL Report.)

Based on location

City downtown hotels: These hotels are located near the city's central business district. Due to its location, these properties typically charge high average room rates ("**ARRs**"). Further, Occupancy Rates are generally higher on weekdays because of a higher number of business travelers.
Suburban hotels: These are located in suburban areas, catering to customers traveling for business or leisure.

Airport hotels: These hotels are located near an airport and act as transit hotels for guests who need a place to stay between flights.

Resorts: Resorts are usually located at hill stations or near beaches. As these places are frequented for the purpose of relaxation or recreation, Occupancy Rates in resorts are generally higher on weekends and public holidays.

Others: Other hotels include motels, floatels, rotels, boatels and tented hotels.

(Source: CRISIL Report.)

Based on level of service

Economy or budget hotels: These hotels offer fewer amenities to guests and charge lower prices. Budget hotels provide services equivalent to 1- or 2-star hotels.

Mid-segment or mid-scale hotels: Mid-segment hotels provide simple and comfortable services to guests. Mid-segment hotels provide services equivalent to 3- or 4-star hotels.

Upscale or luxury hotels: Upscale or luxury hotels have a 5-star rating or above and house multi-cuisine restaurants and lounges. These hotels provide services equivalent to 5- or 5-star deluxe hotels.

(Source: CRISIL Report.)

Based on themes

ECOTEL: ECOTEL is an environmental certification specifically meant for hospitality services. The ECOTEL certification is an evaluation of how environmentally-friendly a hotel is based on five parameters: energy and water conservation, solid waste management, employee environmental education and environmental commitment.

Boutique hotels: Boutique hotels differentiate themselves from larger chain or branded hotels and motels by providing personalized accommodation, services and facilities.

Heritage hotels: Heritage hotels are old palaces and *havelis* that have been converted into hotels.

Destination spas: Destination spas are resorts providing fitness activities, healthy spa cuisine, life coaching or classes, nutritional guidance, a range of body and beauty treatments.

Casino hotels: A casino hotel is an establishment consisting of a casino with lodging provided in an on-premises hotel.

(Source: CRISIL Report.)

Other concepts

Timesharing industry: A timeshare is a form of ownership or right to the use of a property. Instead of booking a week or two at a resort every year, or purchasing a holiday property, timeshare offers buyers the ability to buy rights of occupancy within a property, typically in multiples of one week, for a set period.

Service apartments: A service apartment is a furnished apartment available to a customer for short- and long-term stays. These provide amenities for daily use, which include household utilities and appliances, kitchen or kitchenette, and facilities and services such as housekeeping, room service, fitness facilities and a swimming pool.

Bed and breakfast hotels: A bed and breakfast ("**B&B**") hotel is a small lodging establishment that offers overnight accommodation and includes breakfast, but usually does not offer other meals.

(Source: CRISIL Report.)

Ownership models

The hotel industry follows a combination of ownership, management contract, and franchise and lease/ license models. The management contract model is a preferred model for expansion by established players in the hotels industry. However, new entrants typically adopt full ownership or lease or license models to establish their brand identity.

Full ownership: Full ownership requires substantial capital and involves the most risk, but it offers high returns due to the owner's ability to influence margins by driving RevPAR and managing operating expenses. The full ownership model has a high fixed-cost structure that results in greater financial leverage. Profits from a full ownership model increase at a higher rate by increasing room rates than increasing Occupancy Rates since there are incremental costs associated with higher number of guests.

Franchise: Franchisers license their brands to a hotel owner, giving the hotel the right to use the brand name, logo, operating practices, and reservations systems in exchange for a fee and an agreement to operate the hotel in accordance with the brand standards. Under a franchise agreement, the hotel pays the franchiser an initial fee, a royalty fee as a percentage of revenue and a marketing or reservation reimbursement. A franchiser's revenue is dependent on the number of rooms in its system and the revenue performance of those hotels. Earnings drivers include increase in RevPAR, unit growth and effective royalty rate improvement. Franchisers enjoy significant operating leverage in their business model as it costs little to add a new hotel franchise to an existing system.

Management contract: Management companies operate hotels for owners who do not have the expertise and/or the desire to self-manage. These companies collect management fees predominantly based on revenue earned and/or profits generated. Similar to franchising activities, the key drivers of revenue-based management fees are RevPAR and unit growth, and similar to ownership activities, profit-based fees are driven by improved hotel margins and RevPAR growth. The operator handles the day-to-day working of the hotel and is responsible for all the additional activities such as maintenance, front office, housekeeping, handling food and beverages and sales at the hotel, which benefits the owner. Typically, the initial term of a management contract is around 20 years. The base fee charged by the operator generally remains 2.00-3.00% of revenue earned. Other fees such as incentive, sales and marketing, and technical service fees vary from operator to operator and are mostly charged as a percentage of the operating profits.

Lease/ License: Under the lease/ license agreement, the hotel property owner or lessor/ licensor will lease or sub-lease or license or sub-license the property on a long-term basis. The lessor will specify a proportion of gross revenue to be paid and minimum rent for the premises.

(Source: CRISIL Report.)

Growth drivers for the Indian hospitality industry

The Indian hospitality industry is driven by foreign and domestic traveler demand. Certain major growth drivers for the Indian hospitality industry are set forth below.

(i) Strong GDP growth

India is one of the fastest growing economies. Both fiscal and monetary policies are more prudent, focusing on raising the quality of growth and not just the rate of growth. The Indian economy is expected to continue growing in an environment of subdued global growth and weak domestic investments. A GDP growth of 7.50% is anticipated during Fiscal 2019, driven by consumption. *(Source: CRISIL Report.)*

(ii) Domestic travel demand driven by increasing disposable income

India's per capita income growth is expected to continue increasing. India's per capita net national income increased by 9.60% to ₹ 103,870 during Fiscal 2017 from ₹ 94,731 during Fiscal 2016. India's per capital net national income increased by 8.6% to ₹ 112,764 during Fiscal 2018 from ₹ 103,870 during Fiscal 2017. Rising disposable income will be driven by factors such as the implementation of the "one rank one pension scheme" and sustained low inflation, thus enabling higher domestic consumption. A higher disposable income may lead to an increase in domestic travel demand and is therefore an important factor for the Indian hospitality sector. *(Source: CRISIL Report.)*

Per capita GDP and net national income trend

Item	Growth at constant prices (%)				
	Fiscals				
	2014	2015	2016	2017	2018*
Per Capita GDP	*5.20*	*5.80*	*6.60*	*5.80*	*5.20*
Per Capita net national income	*4.80*	*5.80*	*6.60*	*5.70*	*5.40*

**Advanced estimate.*

(Source: CRISIL Report.)

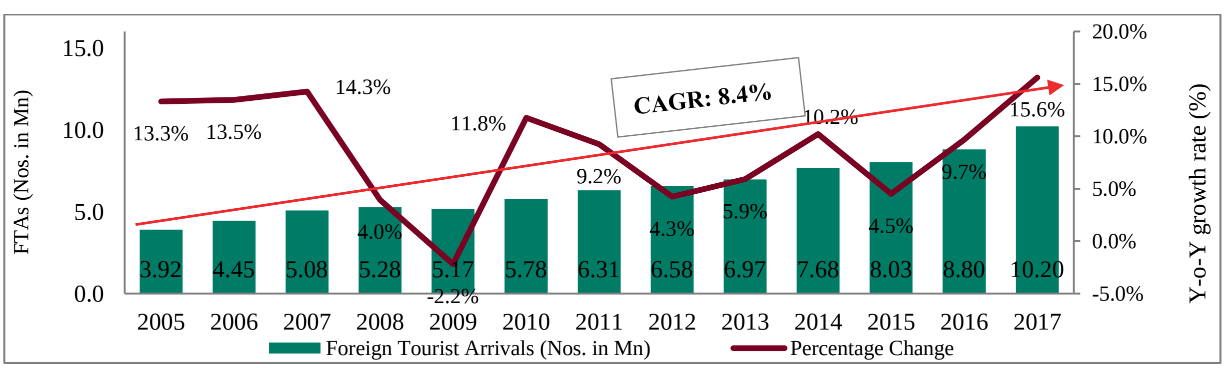
(iii) Low fares and increased connectivity to support growth in domestic air passenger traffic

Domestic passenger traffic has increased at a CAGR of approximately 16.00% over the last five years between Fiscals 2013 and 2018. CRISIL expects the domestic passenger traffic to grow at a CAGR of approximately 12.00% to 14.00% between Fiscals 2019 and 2023 driven by economic growth, low air travel penetration and increasing connectivity. *(Source: CRISIL Report.)*

(iv) Growth in foreign tourist arrivals

Between 2005 and 2017, FTAs in India grew at a CAGR of approximately 8.00%, resulting in growth in hospitality services demand.

Foreign tourist arrivals in India



(Source: CRISIL Report.)

More foreign tourist arrivals as a result of an increase in e-tourist visas issued

The GoI has simplified the visa process for tourists. As of December 2017, the e-TV facility is available to citizens of 163 countries. The number of FTAs on e-TV in India grew to 1.70 million during 2017 from 1.08 million during 2016. *(Source: CRISIL Report.)*

Tourists coming to India for medical purposes have increased between 2014 and 2016

The "medical visa and medical attendant visa" has been created by the GoI to facilitate the entry of medical tourists in India. The National Medical and Wellness Tourism Board has also been formed to promote medical and wellness tourism. The number of tourists coming to India especially for medical purposes increased at a CAGR of around 50.00% to 427,014 during 2016 from 184,298 during 2014. *(Source: CRISIL Report.)*

(v) Increasing domestic travel

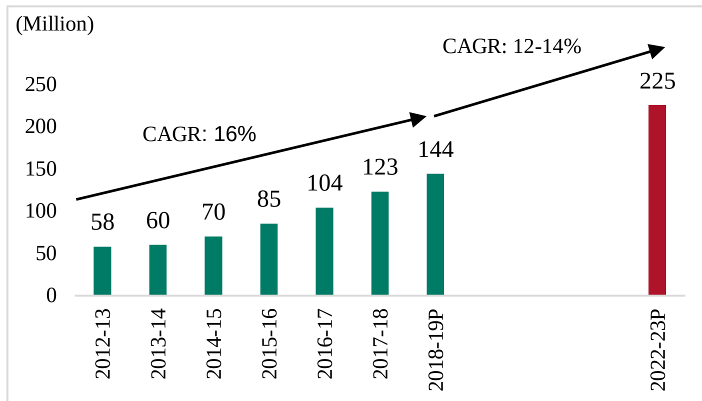
Low fares and higher connectivity to drive India's domestic air passenger traffic

Domestic air travel is expected to increase as a result of economic growth and improved connectivity to Tier II and Tier III cities. *(Source: CRISIL Report.)*

Improved air connectivity across non-metro routes to boost domestic passenger traffic

The *Ude Desh ka Aam Nagrik* scheme aims to provide connectivity to un-served and under-served Indian airports. It also aims to develop the regional aviation market and make flying affordable. The launch of new routes between Tier II and Tier III cities and higher flight frequency in existing non-metro routes are key drivers for passenger traffic growth. *(Source: CRISIL Report.)*

Strong growth likely in domestic passenger traffic



Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

(vi) Growing demand for commercial space in India

The commercial office space market in India has shifted to the suburbs and peripheral areas of the cities from the central city areas. This shift is attributable to the rising lease rentals and shortage of large spaces. Co-working spaces have started to gain popularity in India with entrepreneurs, freelancers, start-ups, artists, small businesses as well as divisions of large corporations increasingly opting for it. *(Source: CRISIL Report.)*

With regard to upcoming supply, developers have announced office spaces totaling nearly 163.00 million square feet across the top eight cities, of which nearly 84.00 million square feet is expected to be ready by 2020. NCR, Bengaluru, Hyderabad and Mumbai are expected to account for nearly 75.00% of the estimated supply until 2020. Growing demand for commercial spaces supports the hospitality segment for both business and leisure travel. *(Source: CRISIL Report.)*

Business travel spending was ₹ 726.60 billion during 2017 and is expected to increase at a CAGR of approximately 7.20% to ₹ 1,453.50 billion during 2027. (*Source: CRISIL Report.*)

(vii) Development of Smart Cities

In June 2015, the Ministry of Urban Development, GoI laid down the operational guidelines for formulation, approval and execution of projects under the Smart Cities Mission. The purpose of the mission was to drive economic growth and improve the quality of life by enabling local area development and harnessing technology. The core infrastructure elements in a smart city would include adequate water supply, assured electricity, sanitation, efficient public transport, affordable housing, robust IT connectivity and digitization. The mission will cover 100 cities from Fiscals 2016 to 2020. This mission is expected to act as a growth driver for the hospitality industry as a result of increased commercial activity in cities. *(Source: CRISIL Report.)*

(viii) Government policies promoting tourism

National Tourism Policy

A National Tourism Policy ("**NTP**") was formulated during 2002 by the Tourism Ministry. A new draft NTP has been formulated and is yet to be approved. Key features of the new draft NTP include:

- a focus on employment generation and community participation in tourism development;
- the vision of developing and positioning India as a "must experience" and "must re-visit" destination for global travelers, whilst encouraging Indians to explore their own country;
- development and promotion of varied tourism products including the rich culture and heritage of India, as well as niche products such as medical and wellness, MICE, adventure and wildlife;
- development of core infrastructure (airways, railways, roadways and waterways) as well as tourism infrastructure;
- development of quality human resources in the tourism and hospitality sectors across the spectrum of vocational to professional skills development and opportunity creation;
- creation of an enabling environment for investment in tourism and tourism-related infrastructure, with an emphasis on technology-enabled development in tourism; and
- a focus on domestic tourism as a major driver of tourism growth.

(Source: CRISIL Report.)

The development of new tourist destinations such as Bekal, Mahabalipuram and Pondicherry is a result of Tourism Ministry's promotion of new tourism products. This in turn generates a demand for quality hospitality, thereby providing hospitality companies with opportunities to set up hotel properties in these new tourist destinations. *(Source: CRISIL Report.)*

Make in India initiative

The "Make in India" initiative was a part of the GOI's various initiatives between 2014 and 2016 to promote tourism in India through policy interventions and infrastructure development. South Asia recorded 8.00% increase in international tourist arrivals during 2016. With a 10.00% growth in international tourists, India was the top destination in South Asia. It is expected that India will be one of the 10 fastest growing destination for leisure-travel spending between 2016 and 2026. *(Source: CRISIL Report.)*

(ix) Growing presence of online travel aggregators

Online travel portals have increasingly become a centralized facility for all travel-related services such as the booking of flight tickets, hotels rooms and travel packages. These websites are connected to global distribution systems ("**GDS**") and computer reservation systems, which enable them to offer the lowest prices in the distribution network. Though relatively new in India, online travel portals are witnessing a substantial increase in transactional traffic. Hotels actively market their products on online travel websites and offer discounts to attract customers to achieve higher Occupancy Rates. They are able to sell off distressed inventory by offering last-minute deals and discounts, which cannot be usually offered in other distribution networks. *(Source: CRISIL Report.)*

Assessment of the Indian hospitality industry

Market size of the organized and branded hotels industry

CRISIL estimates the market size of the organized Indian hospitality industry comprising of only starred hotels to be approximately ₹550.00 billion during Fiscal 2018. The industry has expanded at a CAGR of approximately 13.00% over the last four years between Fiscals 2014 and 2018 due to an increase in demand in both the luxury and the mid-market segments, which accounted for more than 90.00% of the overall organized hotel revenues in India in that period. The macro-economic environment in India as well as globally is gradually improving and the hotel industry's prolonged cyclical downturn is reaching its peak.

Luxury hotel industry to grow at a CAGR of approximately 10.50-11.50% between Fiscals 2019 and 2022

The luxury hotels market has increased at a CAGR of approximately 9.50% between Fiscals 2014 and 2018 primarily due to a growth in supply. CRISIL estimates that the luxury hotels market in India will reach ₹315.00

billion during Fiscal 2018 from ₹200.00 billion during Fiscal 2014. Going forward, CRISIL expects the luxury segment's market size to grow at a CAGR of approximately 10.50-11.50% to reach ₹470.00-490.00 billion by Fiscal 2022 owing to improved demand, comparatively slower additions in room supply and higher ARRs.

Organised starred hotels' market largely driven by luxury hotels

Aggregate revenue of the luxury segment hotel companies grew at a CAGR of approximately 9.00% between Fiscals 2012 and 2017, primarily driven by growth in supply. CRISIL estimates that demand for the luxury hotels, which accounts for approximately 35.00-40.00% of the overall room inventory and more than 55.00% of the overall hotel revenues in India, increased by nearly 11.00% year-on-year during Fiscal 2018. This coupled with relatively moderate growth in supply (approximately 3.00-4.00% during Fiscal 2018) helped Occupancy Rates to recover from its low rates during Fiscal 2014. ARRs, however, remained consistent given the increased competition common in this segment. *(Source: CRISIL Report.)*

Key barriers to entry in the Indian hotel industry

The hotel industry faces several challenges to entry at key locations, principal among which are:

- *Availability of land:* Availability of suitable land at suitable locations is a challenge for the hospitality industry because of city center congestion and existing developments. This often results in a shortage of land which may lead to the development of a hotel with limited supply.
- *Regulatory approvals:* The process of obtaining star ratings and approvals and licenses including those pertaining to sale of food and beverages can be time consuming, which can delay the timely commencement of a hotel project.
- *Project delays and capital intensive nature of the industry:* The hotel industry is susceptible to construction-related delays which may result in cost overruns and impact developers' financial profiles. A luxury hotel typically takes more than five years to break even and therefore has significant capital requirements and needs sufficient cash flows to repay loans and fund the hotel operations.
- *Availability of skilled manpower:* The Indian hotel industry is facing a shortage of skilled and experienced manpower to run operations. A new entrant (independently owned hotel) faces an even greater challenge of acquiring skilled staff and managers for operating their property.
- *Competition from existing brands:* Establishing a new hotel company and entering a market is high risk. A brand that is already recognized carries substantial advantages over a newly opened hotel. However, competition from online aggregators typically impacts lower end mid-market hotels and budget hotels. They do not pose any threat to the hotels in the luxury segment.

(Source: CRISIL Report.)

TRevPAR to increase at a CAGR of approximately 5.50-6.00% by Fiscal 2022

TRevPAR is the total net revenue per available room. It is calculated by dividing the total revenue of a property by the total number of available rooms. TRevPARs have grown at a CAGR of approximately 6.00% to ₹9,750 during Fiscal 2018 from ₹7,850 during Fiscal 2014 as a result of higher supply additions as well as a gradual improvement in macro-economic conditions. However, going forward, CRISIL expects TRevPARs to increase at a CAGR of approximately 5.50-6.00% due to an improvement in demand and comparatively slower additions in room supply. *(Source: CRISIL Report.)*

Assessment of luxury-category hotels

The luxury hotel industry comprises 5-star, 5-star deluxe and heritage hotels

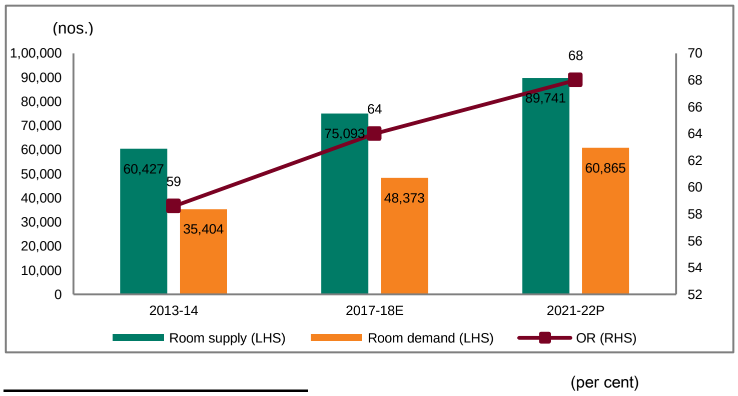
CRISIL defines luxury hotels as those with heritage, 5-star deluxe and 5-star ratings provided by the Tourism Ministry. As per the guidelines issued by the Tourism Ministry, hotels are classified as hotels with 5-star deluxe, 5-star, 4-star, 3-star, 2-star and 1-star ratings. The ministry re-classifies hotels every five years. Based on their average room rates and services and amenities provided, these hotels are positioned between the budget (1- and 2-star hotels), mid-market (3- and 4-star hotels) and luxury (5-, 5-star deluxe and heritage) categories. *(Source: CRISIL Report.)*

Demand-supply analysis

Better times ahead with steady growth in demand, low supply addition

As a result of a higher supply addition and economic slowdown, RevPar declined by 6.00-7.00% between Fiscals 2013 and 2014. However, RevPar increased by approximately 5.00% during Fiscal 2016 because of limited supply addition and improving economic conditions. Between Fiscals 2014 and 2018, demand in the luxury segment hotels grew at a CAGR of approximately 8.00% which surpassed supply growth. During the same period supply grew at a CAGR of approximately 6.00% resulting in approximately 5.00% increase in Occupancy Rate to 64.00% during Fiscal 2018 from 59.00% during Fiscal 2014.

Demand-supply review (Pan India)



Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

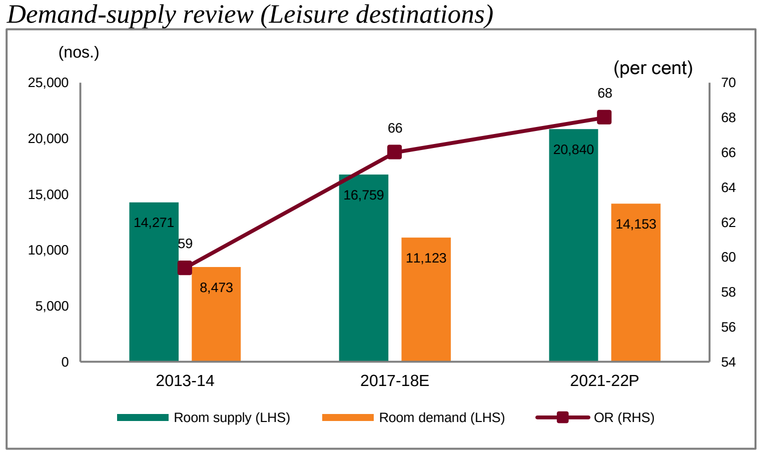
CRISIL expects demand in the luxury hotel segment to increase at a CAGR of approximately 6.00% between Fiscals 2018 and 2022. CRISIL also expects ease of travel achieved due to the introduction of facilities such as e-TV, to positively impact domestic tourism growth in the long run (although the impact is likely to be marginal in the short term). During the same period, CRISIL expects supply to increase at a CAGR of approximately 5.00% resulting in an increase in Occupancy Rate to 68.00% during Fiscal 2022 from 64.00% during Fiscal 2018. CRISIL expects ARR to grow at a CAGR of approximately 3.00% during the same period.

Demand in business and leisure destinations expected to increase until Fiscal 2022

Between Fiscals 2014 and 2018, room demand in leisure destinations grew at a CAGR of approximately 7.00% as compared to a CAGR of approximately 8.00% in business destinations. During the same period, supply in business and leisure destinations grew at a CAGR of approximately 6.00% and 4.00%, respectively. Occupancy Rates in business and leisure destinations grew by approximately 6.00% and 7.00%, respectively, between Fiscals 2014 and 2018 which was supported by a larger increase in demand as compared to supply growth.

Room demand in leisure destinations such as Goa, Agra, Jaipur Udaipur, Amritsar, Dehradun and Kerala (Kochi, Kovalam, Bekal and Thiruvanathapuram) is expected to grow as much as room supply (expected to increase at a CAGR of approximately 6.00%) between Fiscal 2018 and Fiscal 2022. *(Source: CRISIL Report.)*

Demand-supply review (Leisure destinations)



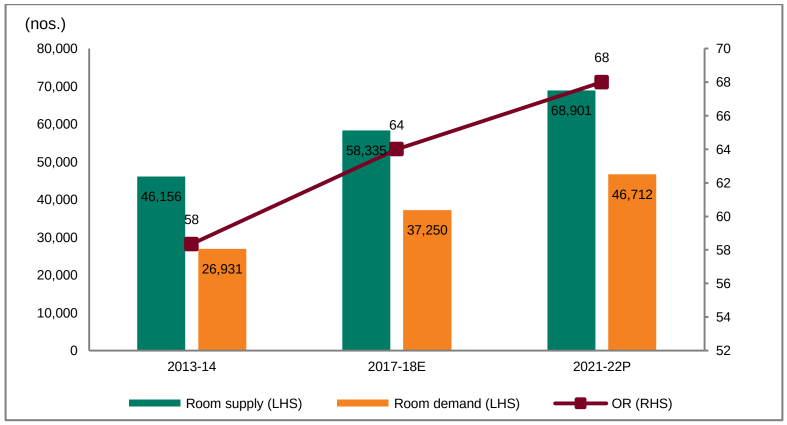
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

CRISIL expects Occupancy Rates in leisure destinations to grow to 68.00% and ARR is expected to grow at a CAGR of approximately 3.00% during the same period.

Demand-supply review (Business destinations)

(per cent)

Consequently, CRISIL expects RevPAR for leisure destinations to grow at a CAGR of approximately 4.00% annually to ₹ 6,000 until Fiscal 2022. Room demand in business destinations such as Mumbai, NCR, Kolkata, Chennai, Pune, Ahmedabad, Bengaluru, Chandigarh and Hyderabad is expected to increase moderately at a CAGR of approximately 6.00% between Fiscals 2018 and 2022. (Source: CRISIL Report.) While CRISIL expects Occupancy Rates to increase by approximately 4.00% to 68.00%, CRISIL expects ARR to increase at a CAGR of approximately 2.00% during the same period.



Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

As a result, CRISIL expects RevPAR in business destinations to increase at a CAGR of approximately 4.00% to ₹ 5,450 until Fiscal 2022.

Supply addition: Business destinations: Bengaluru and NCR to have highest room additions

Inventory of luxury hotel rooms in business destinations is expected to increase by around 18.00% to 68,900 by Fiscal 2022. Bengaluru and NCR are likely to experience an addition of around 2,600 and 2,200 rooms, respectively. Pune, Chennai, Hyderabad and Chandigarh will experience limited supply additions. *(Source: CRISIL Report.)*

Supply addition: Leisure destinations

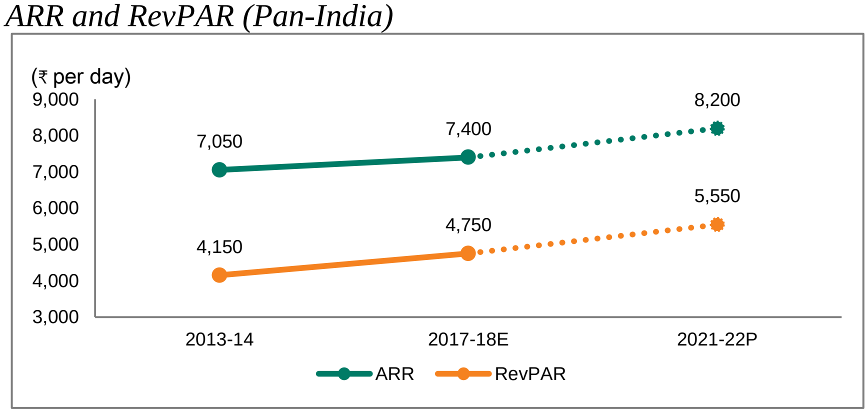
CRISIL expects that the luxury segment's inventory in leisure destinations will increase to about 20,840 rooms during Fiscal 2022 from about 16,750 rooms during Fiscal 2018.

Room rate and occupancy rate analysis

Industry profitability improves on account of increase in Occupancy Rates during Fiscal 2018

After decreasing to a low of 59.00% during Fiscal 2014, the industry Occupancy Rate increased marginally to 60.00% during Fiscal 2015, 62.00% in 2016 and 64.00% during Fiscal 2017, because of moderation in supply growth and pick-up in demand. Occupancy Rate remained at 64.00% during Fiscal 2018 while demand grew at a CAGR of approximately 8.00% between Fiscals 2014 and 2018 which was better than the inventory growth which increased at a CAGR of approximately 6.00%. *(Source: CRISIL Report.)*

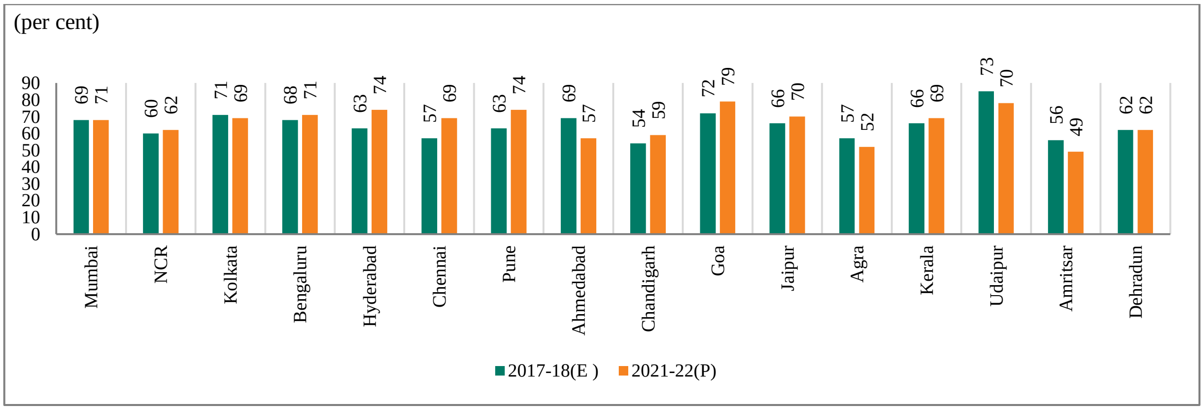
ARR and RevPAR (Pan-India)



Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

Addition of supply and slowdown in demand between Fiscals 2014 and 2016 led to a stable ARR. With the improvement in demand, but intense competition, ARR growth remained marginal at a CAGR of 1.00% between Fiscals 2014 and 2018. RevPAR increased at a CAGR of approximately 3.00% during the same period, supported by improved demand and lower supply additions. CRISIL expects ARRs and RevPAR to increase at a CAGR of approximately 3.00% and 4.00%, respectively, to ₹ 8,200 and ₹ 5,550, respectively, during Fiscal 2022 from ₹ 7,400 and ₹ 4,750, respectively, during Fiscal 2018 as demand is expected to surpass supply additions resulting in an increase in Occupancy Rate by 4.00% during the same period.

Occupancy Rate across cities



Note: P: Projected; E: Estimated

(Source: CRISIL Report.)

RevPAR analysis

Over the next four years until Fiscal 2022, RevPAR is expected to improve, but differently across cities.

Among business destinations, by Fiscal 2022:

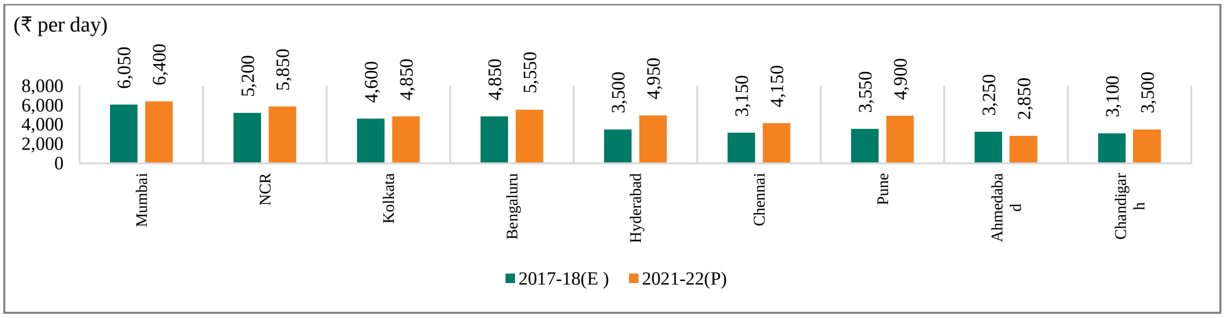
- Hyderabad and Pune will experience their RevPARs increasing at a CAGR of approximately 9.00% each, as demand is expected to outpace supply;
- Chennai will experience growth at a CAGR of approximately 7.00% in the medium term;
- RevPAR in Mumbai and Bengaluru are expected to grow at a CAGR of approximately 4.00% each;
- NCR and Chandigarh will experience a growth of at a CAGR of approximately 3.00% on account of demand growth and improvement in room rates; and
- Kolkata will experience a marginal growth at a CAGR of approximately 2.00% on account of significant supply additions.

Ahmedabad will, however, be an exception to this trend due to significant supply addition. RevPAR is expected to experience a negative growth in the medium term. *(Source: CRISIL Report.)*

Among leisure destinations, by Fiscal 2022:

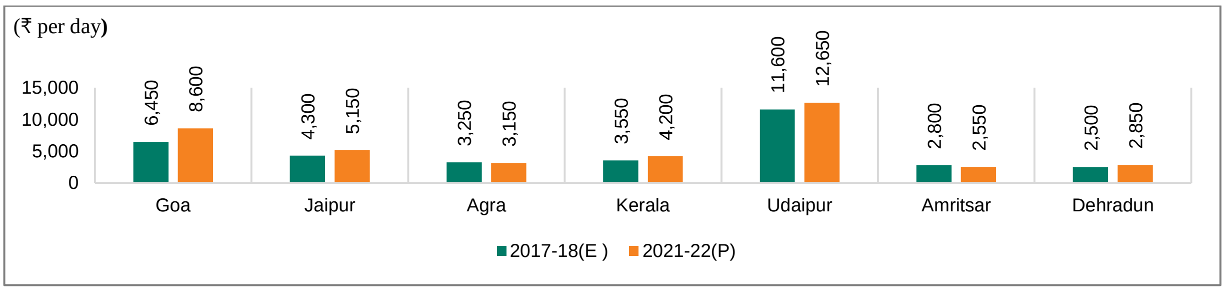
- RevPAR in Goa is expected to increase at an annualized rate of approximately 7.00%, benefiting from demand increasing at a higher growth rate than new supply;
- In Jaipur and Kerala (Kochi, Kovalam, Bekal and Thiruvananthapuram), RevPAR growth at a CAGR of approximately 5.00% and 4.00%, respectively, is expected in the medium term;
- Dehradun and Udaipur are expected to experience a moderate RevPAR growth at a CAGR of approximately 3.00% and 2.00%, respectively, between Fiscals 2018 and 2022; and
- The Agra and Amritsar market will be an exception to this trend and are expected to witness a decrease in growth at a CAGR of approximately (1.00)% and (2.00)%, respectively, over the medium term. *(Source: CRISIL Report.)*

RevPAR: Business destinations



Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

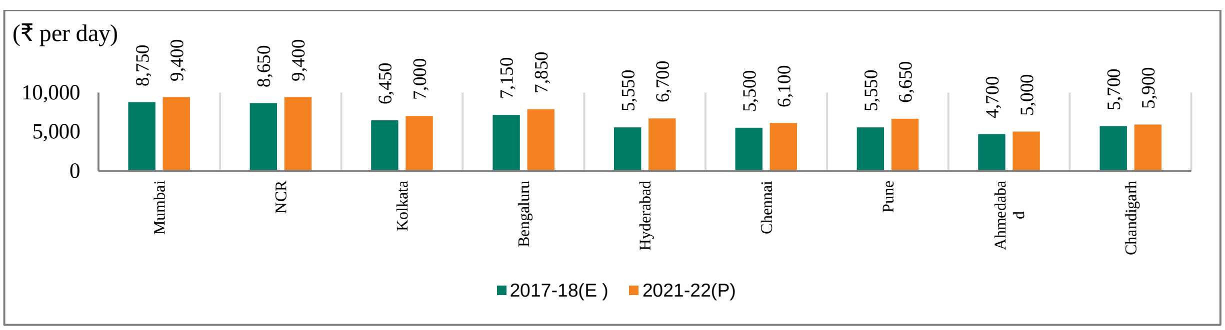
RevPAR: Leisure destinations



Note: Kochi, Kovalam, Bekal and Thiruvananthapuram have been considered in Kerala.
P: Projected; E: Estimated

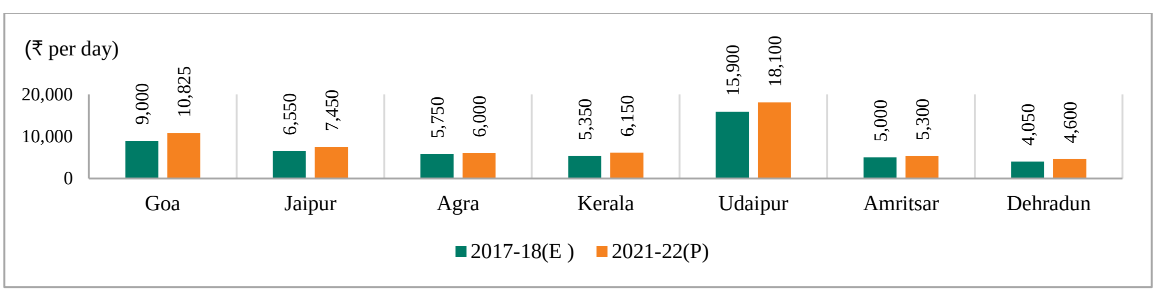
(Source: CRISIL Report.)

ARR: Business destinations



Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

ARR: Leisure destinations



Note: Kochi, Kovalam, Bekal and Thiruvananthapuram have been considered in Kerala.
P: Projected; E: Estimated
(Source: CRISIL Report.)

City-wise luxury hotel industry analysis

Business destinations

1. Mumbai

Business clientele make most check-ins in Mumbai

Business travelers typically form 80.00% of the total clientele for luxury hotels during Fiscal 2018. During the same period, north Mumbai market comprised approximately 75.00% of Mumbai's total supply of about 11,050 luxury hotel rooms in the city and south Mumbai accounted for the remainder. North Mumbai is predominantly a business destination. Proximity to the international airport and the emergence of Bandra Kurla Complex, Andheri, Powai, and Malad (Mindspace) as key business districts, have made this region suitable for setting up hotels. Demand for rooms in these areas mainly arises from the banking, financial services and insurance ("**BFSI**"), pharma, IT/IT enabled services ("**ITeS**"), and diamond polishing sectors. In Navi Mumbai and Thane, mainly IT/ITeS-related business travelers drive room demand. *(Source: CRISIL Report.)*

In south Mumbai, room demand is largely derived from the corporate segment, as sectors such as BFSI and shipping largely operate in that region. This market also receives demand from leisure travelers, particularly from November to February. *(Source: CRISIL Report.)*

RevPARs in Mumbai increased at a CAGR of approximately 4.00% between Fiscals 2014 to 2018

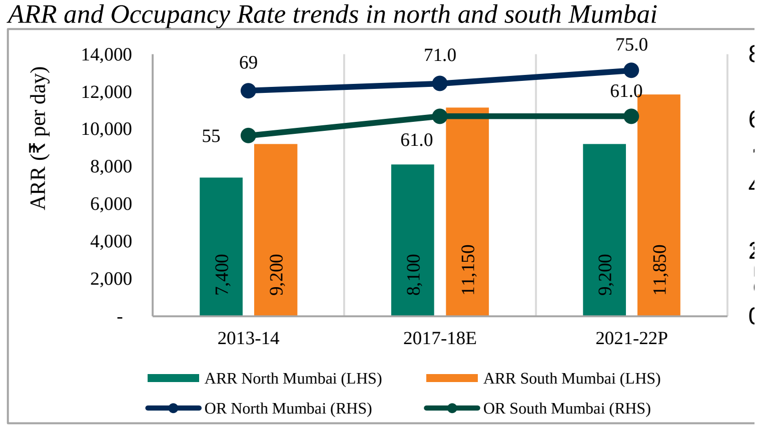
Between Fiscals 2014 and 2018, RevPARs in Mumbai increased at a CAGR of approximately 4.00% supported by an approximately 4.00% increase in Occupancy Rates and an increase in ARR at a CAGR of approximately 3.00% during the same period.

RevPARs in Mumbai to increase at a CAGR of approximately 4.00% until Fiscal 2022

With companies moving from south to north Mumbai on account of the availability of larger office spaces, room demand in the former is expected to remain moderate. Over the medium term (until Fiscal 2022), CRISIL expects RevPARs in south Mumbai to increase at a CAGR of approximately 1.00% to ₹ 7,200, driven by ARR growth at a CAGR of approximately 1.00%, to ₹ 11,850. Occupancy Rates are expected to increase marginally to 61.00%, owing to supply additions during the same period.

CRISIL expects growth in room demand (in absolute terms) in north Mumbai to be relatively higher than in south Mumbai. Over the next four years, CRISIL expects approximately 950 luxury hotel rooms to be added in addition to the existing 8,300 rooms. CRISIL expects demand to continue to increase. While CRISIL expects ARRs to increase at a CAGR of approximately 3.00% to reach ₹ 9,200 during Fiscal 2022, CRISIL expects RevPARs to grow at a CAGR of approximately 4.00% to reach ₹ 6,900. CRISIL expects Occupancy Rates to increase to 75.00%, owing to constant demand and marginal increase in supply. CRISIL expects aggregate RevPARs in Mumbai to increase at a CAGR of approximately 4.00% to ₹ 6,950, as CRISIL expects Occupancy Rates to increase to 71.00% and ARRs to increase to ₹ 9,800 during Fiscal 2022.

ARR and Occupancy Rate trends in north and south Mumbai



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

2. NCR

NCR hotels cater to a mixed bag of travelers

The NCR market covers luxury hotels in Delhi, Gurugram and Noida (including Greater Noida). While luxury hotels in Delhi cater to leisure and business travelers, with the former claiming 25.00-30.00% share, those in Gurugram and Noida cater largely to business travelers. As of Fiscal 2018, Delhi constituted 71.00% share of the 16,244 luxury segment rooms in the NCR, followed by Gurugram (23.00%) and Noida (6.00%). In Delhi, room demand originates from diverse segments, such as banks, financial services companies and public sector undertakings. Diplomatic and government-related travel also provides room demand, as Delhi is the national capital. In Gurugram, room demand arises mainly from sectors such as IT/ITeS, telecom, and automobile sectors. Gurugram has developed into an IT/ITeS hub, with offices of several companies in the IT/ITeS sectors. Room demand in Noida is mainly driven by the IT/ITeS sector. *(Source: CRISIL Report.)*

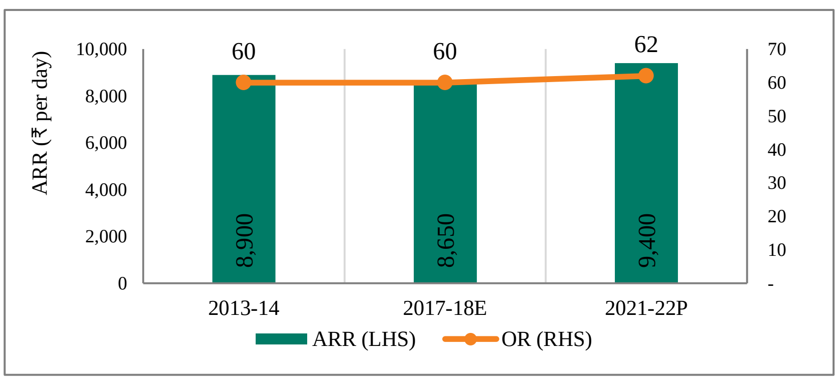
RevPARs in NCR declined at a CAGR of approximately 1.00% between Fiscals 2014 and 2018

Between Fiscals 2014 and 2018, RevPARs in NCR decreased at a CAGR of approximately 1.00% because of a decline in ARR at a CAGR of approximately 1.00% and uniform Occupancy Rates during the same period.

RevPAR growth to be restrained as supply increases

CRISIL expects several large hotels that started operations in recent periods to restrict growth in both ARR and Occupancy Rate growth. CRISIL expects all micro-markets, with the exception of Delhi, to see significant supply additions over the medium term. While CRISIL expects Gurugram and Noida to receive around 1,000 and 650 additions to their room inventory, respectively, by Fiscal 2022, CRISIL expects Delhi airport to receive around 175 additions to its room inventory by Fiscal 2022. Although supply additions in NCR will be considerable (approximately 3,000 rooms on a base of 16,244 rooms) over the next four years, CRISIL expects demand to increase similarly, following expected improvement in the macro-economic environment.

ARR and occupancy trends in NCR



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISISL Report)

However, CRISIL expects there to be a marginal growth in aggregate RevPARs, given the large room inventory in the region. Among the micro-markets, CRISIL expects the Delhi airport to experience the highest growth in RevPARs at approximately 6.00% year-on-year as supply growth decreases and corporate-driven demand improves.

3. Kolkata

Business travelers comprise 75.00% of room demand in Kolkata

Room demand in the heart of the city - South Kolkata - is primarily driven by business travelers from public sector undertakings, and BFSI and manufacturing sectors. Demand in east Kolkata (Salt Lake and Rajarhat) arises from IT/ITeS companies. The Salt Lake area houses offices of IT/ITeS companies. Business travelers accounted for over 75.00% of the clientele for luxury-segment hotels in the city during Fiscal 2018. The top five hotels by room inventory in Kolkata include The LaLiT Great Eastern. *(Source: CRISIL Report.)*

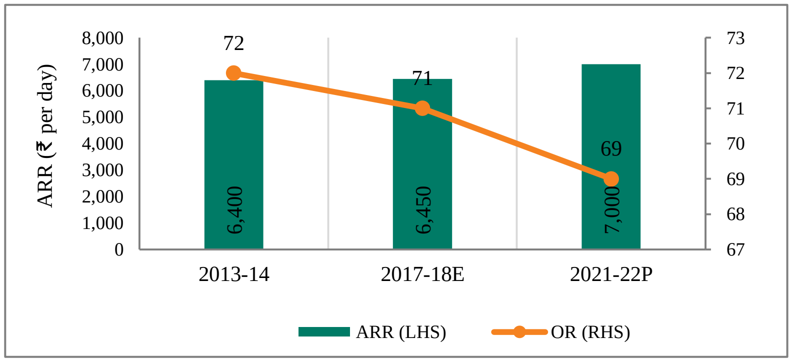
RevPARs in Kolkata remained stagnant between Fiscals 2014 and 2018 owing to huge supply additions

Between Fiscals 2014 and 2018, there was a supply addition of 15.00%. Occupancy Rates decreased by approximately 1.00% and ARR in the city remained steady. As a result, RevPAR growth remained constant in Kolkata during the same period.

RevPARs to improve marginally at a CAGR of approximately 2.00% over the medium term

Approximately 850 hotel rooms out of 2,850 rooms, are expected to become operational in Kolkata over the next four years. CRISIL expects occupancy to increase after Fiscal 2021. CRISIL expects RevPARs in Kolkata to grow by approximately 2.00% annually to ₹4,850 until Fiscal 2022 due to improving room rates.

ARR and Occupancy Rate trends in Kolkata



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

4. Bengaluru

Foreign business travelers provide significant demand

Among the world's fastest-growing cities and India main economic centers, Bengaluru is home to IT majors such as Infosys and Wipro. Global companies such as Hewlett Packard, IBM, Microsoft, Dell and SAP also have their offices here. The city houses prominent heavy engineering companies such as ABB, Bharat Heavy Electricals, and Bharat Earth Movers. *(Source: CRISIL Report.)*

Luxury hotels are located in the central business district ("**CBD**"), Whitefield, Electronic City, and international airport areas of Bengaluru. Companies in the BFSI industry are prominent among customers in CBD, while IT/ITeS companies are major customers in the Whitefield and Electronic City areas. *(Source: CRISIL Report.)*

Business travelers accounted for 85.00-90.00% of the clients during Fiscal 2018, of which foreign travelers comprise 80.00%. *(Source: CRISIL Report.)*

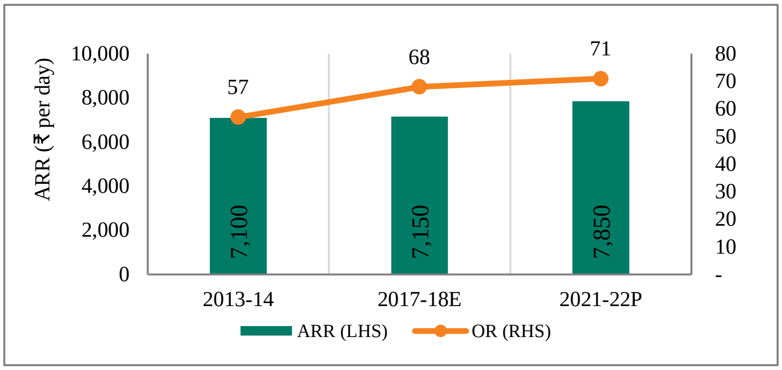
RevPAR in Bengaluru increased at a CAGR of approximately 5.00% between Fiscals 2014 and 2018

Bengaluru witnessed an increase in RevPARs at a CAGR of approximately 5.00% primarily due to an increase of 11.00% in Occupancy Rates between Fiscals 2014 to 2018. The increase in Occupancy Rates was a result of an increase in demand at a CAGR of approximately 13.00% which surpassed the increase in supply at a CAGR of approximately 8.00% during the same period.

Occupancy and RevPAR to climb up in the medium term

CRISIL expects room demand from corporate customers to pick up with more office spaces being developed in north Bangalore and Whitefield. However, room inventory addition will continue to restrict sharp increases in ARR. CRISIL expects approximately 2,050 additional rooms to go on-stream by Fiscal 2022. Competition from branded service apartments and mid-market hotels will also add to room inventory. CRISIL expects Occupancy Rates in Bengaluru to improve to 71.00% during Fiscal 2022 from 68.00% during Fiscal 2018, with a recovery in corporate demand. CRISIL expects ARR growth to be marginal, at a CAGR of approximately 2.00%. Consequently, CRISIL expects RevPAR to increase at a CAGR of approximately 4.00% to ₹5,550.

ARR and Occupancy Rate trends in Bengaluru



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

5. Hyderabad

IT, pharma form bulk of clientele for luxury hotels in Hyderabad

Business travelers (especially from IT, ITeS, and pharma industries) accounted for 85.00-90.00% of luxury hotels' clientele in Hyderabad during Fiscal 2018. Offices of several large companies are located in the city including:

- Fortune-500 corporations such as Microsoft, IBM, Accenture, Google and Oracle;
- Indian IT giants such as Infosys and Wipro, among others;
- large pharmaceutical companies such as Dr Reddy's Laboratories, Matrix Laboratories, Hetero Drugs (now Apollo Pharmacy) and Aurobindo Pharma;
- public sector units such as Bharat Heavy Electricals, National Mineral Development Corporation and Defence Research and Development Organization; and
- local government offices, which give regular business to luxury hotels in *Lakdi ka Pul* area.

(Source: CRISIL Report.)

In February 2014, the Union Cabinet approved the creation of a new state, Telangana, carved out of Andhra Pradesh. While both states currently share Hyderabad as the capital, Thullur has been identified as the new capital for Andhra Pradesh. As per the Andhra Pradesh Reorganisation Act 2014, Hyderabad will continue to be the shared capital until Thullur becomes functional as Andhra Pradesh's new capital. However, the maximum period for which Hyderabad can continue as a shared capital has been capped at 10 years. *(Source: CRISIL Report.)*

Luxury hotels in the city are mainly spread across two micro-markets: the city center, and peripheral areas such as Hitec City and Gachibowli. *(Source: CRISIL Report.)*

Hyderabad RevPARs increased at a CAGR of approximately 8.00% between Fiscals 2014 and 2018 as a result of a larger increase in Occupancy Rates

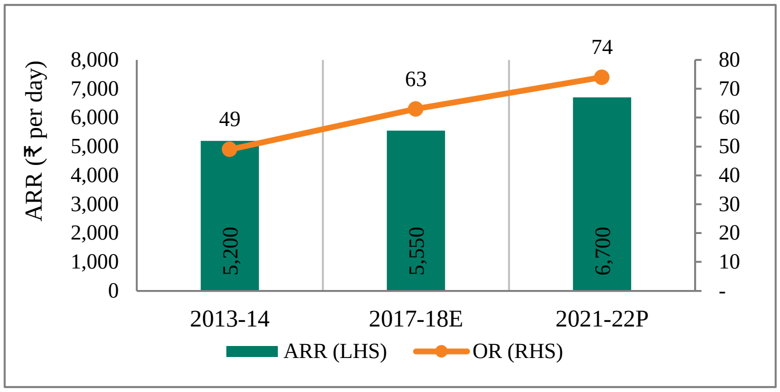
Hyderabad witnessed an increase in RevPARs at a CAGR of approximately 8.00% primarily due to an increase in Occupancy Rates by approximately 14.00% between Fiscals 2014 and 2018. The increase in Occupancy Rates was a result of an increase in demand at a CAGR of approximately 10.00% between Fiscals 2014 and 2018 which surpassed supply addition which increased at a CAGR of approximately 3.00% during the same period.

RevPARs to grow at CAGR of approximately 9.00% until Fiscal 2022

CRISIL expects Occupancy Rates to improve to 74.00% by Fiscal 2022, driven by demand arising from MICE activities. MICE infrastructure is already present in the form of India's largest convention center (the Hyderabad International Convention Centre) and a state-of-the-art exhibition center (HITEX Exhibition Centre). Furthermore, the Hyderabad Convention Visitors Bureau was established in April 2011 by the GoI to promote MICE in Hyderabad.

On the supply side, CRISIL expects the city to have around 5,950 luxury hotel rooms by Fiscal 2022, which is an addition of nearly 600 rooms to the current inventory. Based on the estimated demand and supply, CRISIL expects RevPARs in Hyderabad to improve at a CAGR of approximately 9.00% to ₹4,950 by Fiscal 2022 from ₹3,500 during Fiscal 2018.

ARR and Occupancy Rate trends in Hyderabad



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

6. Chennai

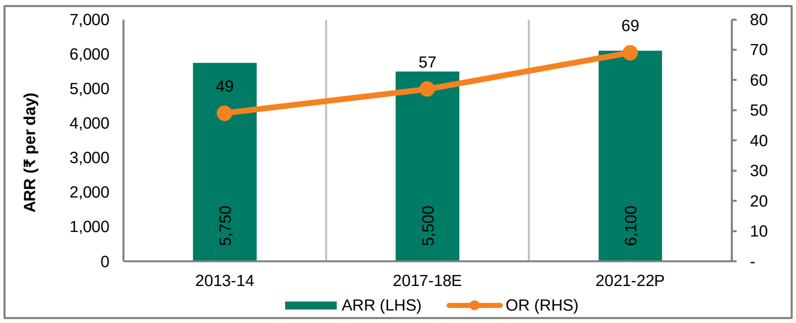
Key clients for luxury hotels from auto, IT companies

Business travelers, especially from the automobile, IT/ITeS industries, typically accounted for 85.00% of the clientele of luxury Chennai hotels during Fiscal 2018. A large number of automobile majors such as Hyundai, Nissan, Ford, BMW, Mitsubishi, and Ashok Leyland, and major IT players such as Infosys, Tata Consultancy Services, and Wipro are present in the city. Luxury hotels are located in three micro-markets - the central business district, Old Mahabalipuram Road ("**OMR**"), and the airport area. Demand in the OMR region comes mainly from IT/ITeS companies while demand for hotels in the airport area emanates from automobile and electronics industries, located along the Grand Southern Trunk Road and Sriperumbudur. Hotels in the central business district mainly receive guests from BFSI companies and public sector units. *(Source: CRISIL Report.)*

Chennai RevPAR increased at a CAGR of approximately 3.00% between Fiscals 2014 and 2018

Demand increased at CAGR of 10.00% between Fiscals 2014 and 2018 which surpassed supply additions which increased at a CAGR of approximately 5.00% in Chennai during the same period. As a result of increasing demand, there was an approximately 8.00% increase in Occupancy Rates but ARRs decreased at a CAGR of approximately 1.00% during the same period as a result of increased competition. As a result, RevPARs in Chennai grew at a moderate CAGR of approximately 3.00% between Fiscals 2014 and 2018.

ARR and Occupancy Rate trends in Chennai



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

RevPARs of luxury hotels in Chennai to increase

CRISIL expects that room demand will be driven by investments by automobile players until Fiscal 2022. Also, as large inventories have already been added, Chennai will be able use to this infrastructure to attract clients in the MICE category. Hence, CRISIL expects hotels with large banquet space to benefit.

Consequently, CRISIL estimates RevPAR to increase at a CAGR of approximately 7.00% in the next four years to reach ₹ 4,150 by Fiscal 2022. CRISIL expects room supply to increase at a CAGR of approximately 2.00% to around 6,450 keys.

7. Pune

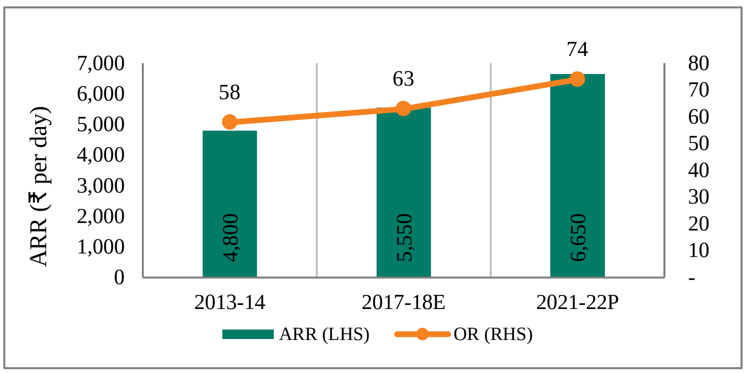
Business travelers occupy most rooms

Demand for luxury and mid-market hotel rooms in Pune is mainly driven by business travelers from sectors such as IT/ITeS, automobiles, engineering, defense, and education. Together, they accounted for 90.00-95.00% of total demand during Fiscal 2018. Pune city comprises of nearly 2,990 rooms of mid-market category hotels and 4,800 rooms of luxury segment hotels. (S*ource: CRISIL Report.)*

RevPAR in Pune increased at a CAGR of approximately 7.00% between Fiscals 2014 and 2018 supported by sustained growth in both ARR and Occupancy Rates

Demand for luxury hotels in Pune grew at CAGR of approximately 8.00% between Fiscals 2014 and 2018, which surpassed supply additions which increased at a CAGR of approximately 5.00% during the same period. As a result of increasing demand, there was an approximately 5.00% increase in Occupancy Rates and an increase in ARRs at a CAGR of approximately 4.00% during the same period. As a result, RevPARs in Pune increased at a CAGR of approximately 7.00% between Fiscals 2014 and 2018 which was supported by an increase in both ARRs and Occupancy Rates.

ARR, Occupancy Rate trends in Pune



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

RevPARs in Pune to increase until Fiscal 2022

CRISIL expects RevPARs in Pune to increase at a CAGR of approximately 9.00% over the next four years, as Occupancy Rates improve. While CRISIL expects demand growth to remain constant at a CAGR of approximately 6.00%, CRISIL expects only about 350 rooms out of 4,800 rooms to be added in the luxury segment. Thus, with CRISIL expecting supply additions to remain low, and demand-driving sectors such as IT/ITeS and automobiles to fare better along with overall improvement in the macro-economic environment, CRISIL expects Occupancy Rates to improve to 74.00% during Fiscal 2022 from 63.00% during Fiscal 2018. With limited supply additions and improving performance of luxury hotels in Pune, ARR is also expected to increase moderately at a CAGR of approximately 4.00% during the same period to ₹6,650.

8. Ahmedabad

Corporate clients drive luxury hotel demand for luxury hotels

Primarily a business destination, Ahmedabad attracts corporate clients that accounted for almost 90.00% of luxury hotel room demand during Fiscal 2018, of which 65.00-70.00% of the clients are Indians. Concentration of pharmaceutical companies and expansion of the automobile manufacturing industry around the city has driven demand. *(Source: CRISIL Report.)*

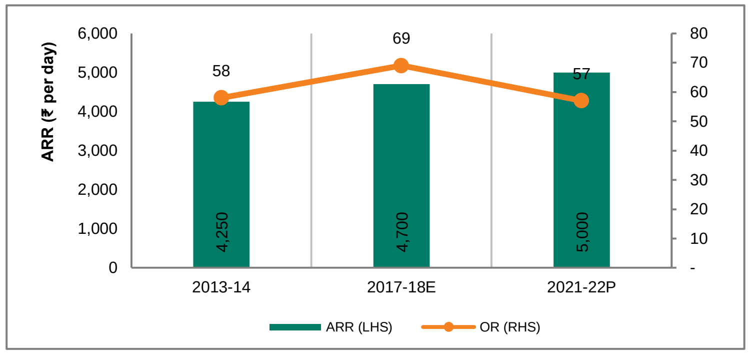
RevPAR in Ahmedabad increased at a CAGR of approximately 7.00% between Fiscals 2014 and 2018 supported by sustained growth in Occupancy Rates

Demand for luxury hotels in Ahmedabad increased at a CAGR of approximately 17.00% between Fiscals 2014 and 2018, surpassing supply additions which also increased at a CAGR of approximately 12.00% during the same period. As a result of increasing demand, there was an approximately 11.00% increase in Occupancy Rates and an increase in ARRs at a CAGR of approximately 3.00%. As a result, RevPARs in Ahmedabad increased at a CAGR of approximately 7.00% during the same period.

RevPARs to remain stable in medium term

Until Fiscal 2022, CRISIL expects room demand to grow at a CAGR of approximately 9.00%, driven by corporate demand from Gujarat International Finance Tec city and the setting up of automobiles and fast-moving consumer goods plants in the Sanand area. CRISIL also expects automobile sales to improve during the period, which will support Ahmedabad's hotel demand growth. Moreover, with CRISIL expecting nearly 1,550 rooms to be added (on a base of approximately 2,200 rooms) during the period, CRISIL expects room addition to increase at a CAGR of approximately 14.00%. CRISIL expects the supply additions in the city will restrict growth in room rates to approximately 1.00% in the medium term. Hence, CRISIL expects the city's RevPAR to decrease marginally at a CAGR of approximately 3.00% due to higher supply additions outnumbering demand growth.

ARR, Occupancy Rate trends in Ahmedabad



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

9. Chandigarh

Business travelers occupy around 90.00% of luxury hotel rooms

Chandigarh, the first planned city of India and a union territory, includes the satellite cities of Mohali (Punjab), and Panchkula (Haryana). The IT and pharmaceutical sectors contributes to hospitality demand and have largely supported economic growth in the city. Many luxury hotels were developed in Chandigarh post 2009 on the GoI's announcement that the city will be a base to various infrastructural projects, IT parks and other industries. These infrastructure projects were eventually canceled, which led to the oversupply of rooms. However, in recent years the Indian Premier League and infrastructure projects such as the new airport and roads announced in the city have provided demand for Chandigarh's hotel industry. Hotels under the luxury segment received occupancy of around 90.00% from business travelers and 10.00% from leisure travelers during Fiscal 2018. In the beginning of 2018, Radisson Chandigarh, Zirakpur came into operation. *(Source: CRISIL Report.)*

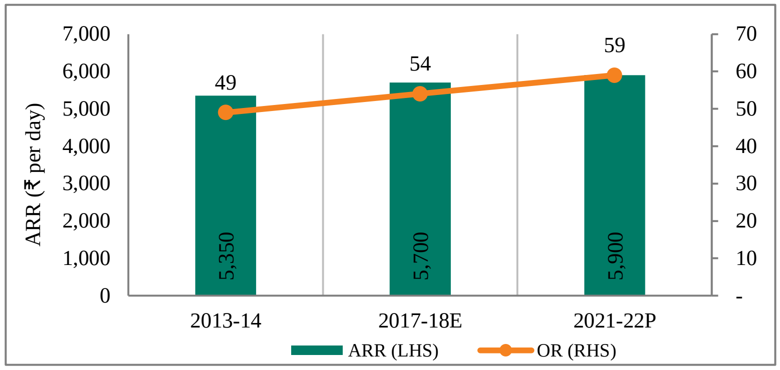
Luxury hotels' RevPAR in Chandigarh increased at a CAGR of approximately 4.00% between Fiscals 2014 and 2018

The RevPARs of luxury hotels in Chandigarh increased at a CAGR of approximately 4.00% between Fiscals 2014 and 2018 as a result of an approximately 5.00% increase in Occupancy Rates.

RevPARs to increase at a CAGR of approximately 3.00% to ₹3,450 until Fiscal 2022

Chandigarh's Occupancy Rate increased marginally to 54.00% during Fiscal 2018 from 49.00% during Fiscal 2014, while its ARR grew marginally by approximately 1.00%, due to a supply addition of nearly 14.00% and a comparatively higher demand growth of approximately 17.00% during the four year period. CRISIL expects that while Occupancy Rates will increase in the next four years until Fiscal 2022, ARR will also increase at a CAGR of approximately 1.00% during the same period to approximately ₹5,900.

ARR, Occupancy Rate trends in Chandigarh



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

Hence, CRISIL expects that the RevPAR in Chandigarh's luxury category hotels will increase at a CAGR of approximately 3.00% to ₹3,450 in the next four years until Fiscal 2022 as a result of supply additions which is expected to increase at a CAGR of approximately 3.00%. CRISIL expects nearly 150 rooms to be added in the city by Fiscal 2022 to the existing 1,044 rooms during Fiscal 2018 and a consistent increase in demand at a CAGR of approximately 5.00% during the same period.

Leisure destinations

1. Goa

Foreigners occupy 70.00% rooms in Goa's luxury hotels during Fiscal 2018

Popular for its beaches, places of worship, heritage structures and MICE activities, Goa draws a large number of international and domestic tourists. Foreign tourists typically accounted for approximately 70.00% of the demand for luxury hotels. Goa's tourist season can be divided into the off season from March to October, when demand is primarily from domestic tourists and the MICE category, and the peak season from November to February, when demand is primarily from foreign tourists. *(Source: CRISIL Report.)*

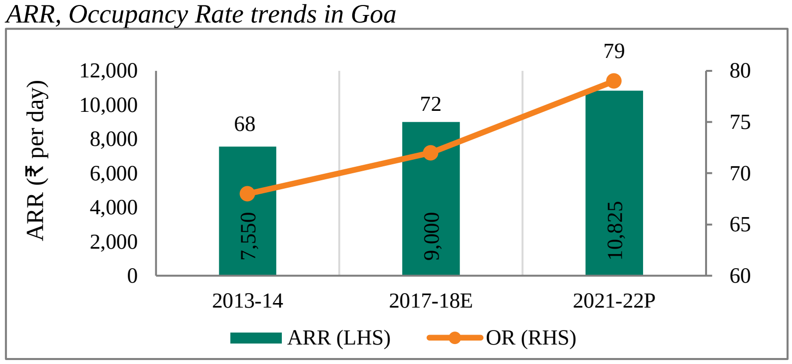
Goa witnessed an increase in RevPAR at a CAGR of approximately 6.00% between Fiscals 2014 and 2018

Increasing demand and a comparatively slower supply addition in Goa led to an approximately 4.00% increase in Occupancy Rates and an approximately 4.00% increase in ARR between Fiscals 2014 and 2018 thus resulting in an increase in RevPAR in Goa of approximately 6.00% during the same period.

Uptrend in RevPAR in the next four years until Fiscal 2022

CRISIL expects Occupancy Rates and ARR in luxury hotels in Goa to increase until Fiscal 2022, as room inventory is anticipated to increase at a CAGR of approximately 2.00% and demand is anticipated to increase at a CAGR of approximately 5.00%. CRISIL expects about 480 rooms to be added to the existing room inventory of about 5,350 rooms. Demonetization led to a fall in bookings during Fiscal 2017 just as spot bookings and a few events were

ARR, Occupancy Rate trends in Goa



cancelled. Goa's well-known music festival, Sunburn, shifted to Pune during Fiscal 2017.

Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

CRISIL expects Occupancy Rates to grow marginally until Fiscal 2020, with stress on demand and increased competition as a result of new supply additions in the city. On the demand side, CRISIL expects anticipated economic revival in Western Europe, a major source region for the Goa hotel industry, to increase foreign tourist arrivals. CRISIL also expects the number of domestic tourists for MICE activities to remain stable, driving future growth. Consequently, CRISIL expects RevPAR to increase at a CAGR of approximately 7.00% between Fiscals 2018 and 2022, and Occupancy Rates to increase to 79.00%.

2. Jaipur

Tourism, weddings ensure steady revenue for Jaipur's luxury hotels

A part of the Golden Triangle with the Delhi and Agra circuit, Jaipur is a prominent tourist destination. Its position as a wedding destination is also beneficial for hotels in terms of F&B contracts. In recent years, luxury hotels in the city have been experiencing an increase in demand from companies. The ratio of business-to-leisure travelers to domestic-to-foreign tourists was 50:50 during Fiscal 2018. The top five hotels by room inventory in Jaipur include The LaLiT. *(Source: CRISIL Report.)*

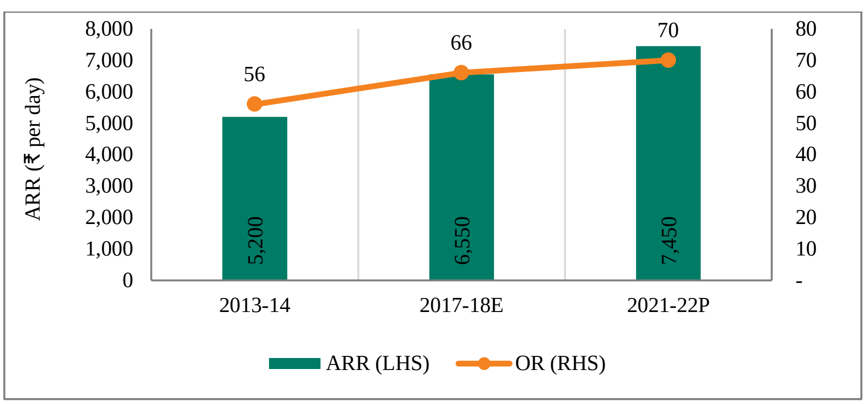
RevPARs in Jaipur increased at a CAGR of approximately 10.00% between Fiscals 2014 and 2018 supported by a 10.00% increase in Occupancy Rates

Demand increased at a faster rate than supply growth which resulted in an approximately 10.00% increase in Occupancy Rates between Fiscals 2014 and 2018. An increase in demand led to an increase in ARR at a CAGR of approximately 6.00% during the same period. As a result, RevPARs in Jaipur increased at a CAGR of approximately 10.00% between Fiscals 2014 and 2018.

RevPAR to increase at a CAGR of approximately 5.00% between Fiscals 2018 and 2022

CRISIL expects Occupancy Rates to decrease marginally by approximately 1.00% to approximately 65.00% during Fiscal 2019. However, CRISIL expects Occupancy Rates to return back to the current Occupancy Rates in the medium term with the improving macro-economic environment (both Indian and global) and support from the corporate, MICE, and wedding segments. Corporate demand will be driven by companies, such as those located in the Mahindra World City complex. With newly opened hotels having large banqueting facilities, demand for large MICE events in the city is also expected to increase. Proximity to the NCR has also resulted in many companies setting up satellite offices in Jaipur. Moreover, CRISIL expects supply addition to be considerably lower than in the past.

ARR, Occupancy Rate trends in Jaipur



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

CRISIL expects RevPAR for luxury hotels in Jaipur to increase at a CAGR of approximately 5.00% to ₹ 5,150 by Fiscal 2022 from ₹ 4,300 during Fiscal 2018. CRISIL expects Occupancy Rate to increase to approximately 70.00% and ARR to increase at a CAGR of approximately 3.00%. CRISIL also expects the luxury segment's room inventory to increase at a CAGR of approximately 3.00% from approximately 4,250 rooms.

3. *Agra*

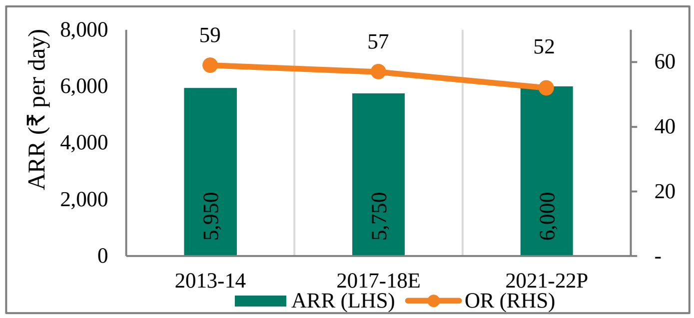
Demand for luxury hotels in Agra driven primarily by foreign tourists

Home to the world-famous Taj Mahal and other monuments such as Agra Fort and Fatehpur Sikri, Agra is part of the Golden Triangle tourist circuit (with Jaipur and Delhi) and attracts foreign tourists. While 60.00-70.00% of the demand for luxury hotels was from foreign tourists during Fiscal 2018, interactions with industry participants indicate demand for such hotels from domestic tourists has been increasing in recent years. *(Source: CRISIL Report.)*

RevPARs in Agra decreased at a CAGR of approximately 2.00% between Fiscals 2014 and 2018 as a result of higher supply additions and slower demand growth

RevPARs in Agra decreased at a CAGR of approximately 2.00% as a result of an increase in supply at a CAGR of approximately 8.00% which surpassed an increase in demand at a CAGR of approximately 6.00% between Fiscals 2014 and 2018. Occupancy Rates decreased by approximately 2.00% and ARRs decreased at a CAGR of approximately 1.00% during the same period.

ARR, Occupancy Rate trends in Agra



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

RevPARs to remain low over the next four years

CRISIL expects the city's room rates to increase at a CAGR of approximately 1.00% to ₹6,000 until Fiscal 2022 due to improvement in demand. Conversely, CRISIL expects RevPAR to decline marginally by a CAGR of approximately 1.00% to ₹3,150 during the same period. CRISIL also expects Occupancy Rates to decline by approximately 5.00% to 52.00% by the end of Fiscal 2022.

With the International Monetary Fund expecting higher economic growth in Western European countries (such as United Kingdom, France and Germany) and North American countries (such as the United States of America and Canada) between Fiscals 2016 and 2020, CRISIL expects tourist arrivals from these regions (accounting for around 50.00% of total foreign tourist arrivals) to increase.

Along with foreign travelers, domestic room demand arising from social events in also increasing. CRISIL expects domestic demand to continue benefiting from the ease of travel achieved between the NCR and Agra following the commissioning of the Yamuna Expressway which has strengthened demand from the MICE as well as leisure segment (weekend getaways for NCR residents).

4. *Kerala*

Business and leisure travelers contribute equally to hotel demand in Kerala

CRISIL has analyzed the performance of luxury hotels in Kochi, Kovalam, Bekal and Thiruvananthapuram. Among these destinations, Kochi accounted for approximately 74.00% of the aggregate room inventory, while Thiruvananthapuram, Kovalam and Bekal comprised 10.00%, 12.00% and 4.00%, respectively, during Fiscal 2018. Kochi is the commercial capital of the state and is also an important port and naval base. The city received an equal mix of business and leisure travelers during Fiscal 2018. Business demand is primarily from sectors such as IT/ITeS and seafood, as well as from the MICE category. *(Source: CRISIL Report.)*

The city has emerged as an IT/ITeS hub with the presence of leading IT companies. Thiruvananthapuram, Kerala's capital, accounts for a higher share of business travel, while Kovalam is an exclusive leisure destination. *(Source: CRISIL Report.)*

Kerala witnessed an increase in RevPAR at a CAGR of approximately 10.00% between Fiscals 2014 and 2018

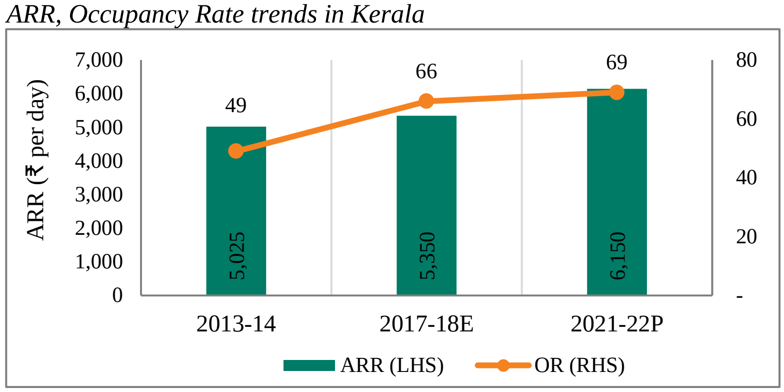
Demand for luxury hotels increased three times as much as supply between Fiscals 2014 and 2018. An increase in demand resulted in a 17.00% increase in Occupancy Rates and an increase in ARR at a CAGR of approximately 2.00% during the same period. As a result, RevPARs in Kerala increased at a CAGR of approximately 10.00% during the same period.

RevPAR to grow at a CAGR of approximately 4.00% between Fiscals 2018 and 2022

CRISIL expects Kochi to emerge as a potential destination for MICE events, as CRISIL expects the city's room inventory to increase to 2,620 rooms during Fiscal 2022 from 1,976 during Fiscal 2018. Thus, an increase in MICE demand, coupled with demand from the corporate segment, will cause RevPAR in the city to increase at a CAGR of approximately 6.00% between Fiscals 2018 and 2022. CRISIL expects that Thiruvananthapuram, however, will see its room inventory increase more than double from 254 rooms during Fiscal 2018 to 631 rooms during Fiscal 2022.

Overall, CRISIL expects RevPAR in Kerala to increase at a CAGR of approximately 4.00% until Fiscal 2022 as a result of an increase in demand.

ARR, Occupancy Rate trends in Kerala



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated(Source: CRISIL Report.)

5. Udaipur

Udaipur registering robust demand from domestic as well as foreign travelers

Udaipur is one of the most sought-after leisure destinations in India. Lake Pichola and Fateh Sagar Lake are the center to most leisure activity in the city. Udaipur is also well known for its palace and heritage hotels. The city's economy is driven mainly by tourism. Udaipur has emerged as a destination for group leisure and MICE activities as well. The city is well known for holding Indian weddings and has developed a steady growth in demand from domestic tourists as a result of better connectivity and availability of hotels. Growing demand from domestic tourists has been a key reason for minimizing seasonality in Udaipur's hospitality industry. *(Source: CRISIL Report.)*

The city currently houses around five palace hotels. The palace hotels command the highest room rents in the city and are major attractions for foreign tourists. *(Source: CRISIL Report.)*

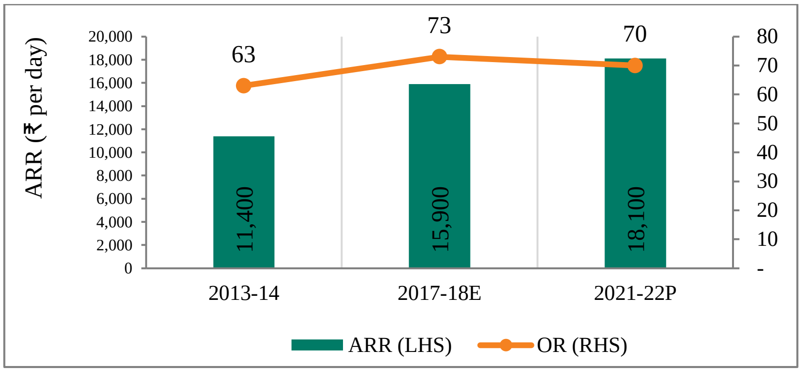
Udaipur's luxury hotels' RevPAR increased at a CAGR of approximately 13.00% between Fiscals 2014 and 2018

Demand for luxury hotels in Udaipur increased at a CAGR of approximately 5.00% between Fiscals 2014 and 2018 which surpassed supply growth at a CAGR of approximately 1.00% during the same period. Between Fiscals 2014 and 2018, Occpancy Rates increased by about 10.00% and ARR increased at a CAGR of approximately 9.00%. As a result, Udaipur's luxury hotels' RevPARs increased at a CAGR of approximately 13.00% during the same period.

RevPAR to increase at a CAGR of approximately 2.00% in the next four years due to rising supply until Fiscal 2022

Udaipur has seen an increase in supply with the opening to Taj Aravali resort and spa. CRISIL expects Udaipur's luxury segment room inventory to increase at a CAGR of approximately 8.00% to around 1,525 rooms from around 1,140 rooms during Fiscal 2018. CRISIL expects room demand to grow at a CAGR of approximately 6.00% due to improving macroeconomic environment (both Indian and global) and supported by corporate, MICE and wedding segments. However, with supply addition considerably greater than in the past, RevPAR for luxury hotels in Udaipur is expected to grow only moderately at a CAGR of approximately 2.00% to ₹12,650 during Fiscal 2022 from ₹11,600 during Fiscal 2018. Occupancy Rates are expected to decline to 70.00% during Fiscal 2022 as a result of supply additions surpassing demand growth.

ARR, Occupancy Rate trends in Udaipur



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

6. Amritsar

Amritsar an emerging tourist and off-beat MICE destination

Amritsar is known as the spiritual center for the Sikh religion. It is one of the 25 cities with religious significance which has been identified for development by the Tourism Ministry under the PRASAD Scheme. The city's economy is largely dependent on agriculture and services sector. Amritsar has emerged as a destination for group leisure and an off-beat destination for MICE activities as well. The city has developed a steady growth in demand for domestic tourists owing to better connectivity and availability of hotels. (*Source: CRISIL Report.*)

The branded hotel supply of Amritsar comprises approximately 1,925 rooms that primarily belong to the mid-market segment. With respect to the hotel market performance, occupancy has steadily risen over the last few years; however, average rates have gradually declined, owing to supply pressures. (*Source: CRISIL Report.*)

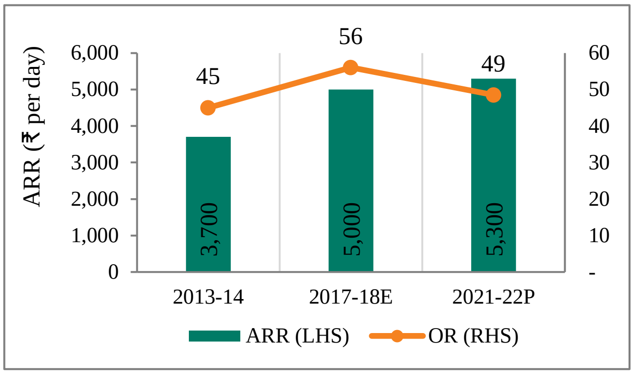
Amritsar's luxury hotels' RevPAR increased at a CAGR of approximately 14.00% between Fiscals 2014 and 2018

Demand for luxury hotels in Amritsar grew at a CAGR of approximately 16.00% between Fiscals 2014 and 2018 which surpassed supply growth at a CAGR of approximately 10.00% during the same period. Between Fiscals 2014 and 2018, Occupancy Rates increased by about 11.00% and ARR increased at a CAGR of approximately 8.00%. As a result, Amritsar's luxury hotels' RevPARs increased at a CAGR of approximately 14.00% during the same period.

RevPAR to remain range bound over the next four years backed by rising inventory

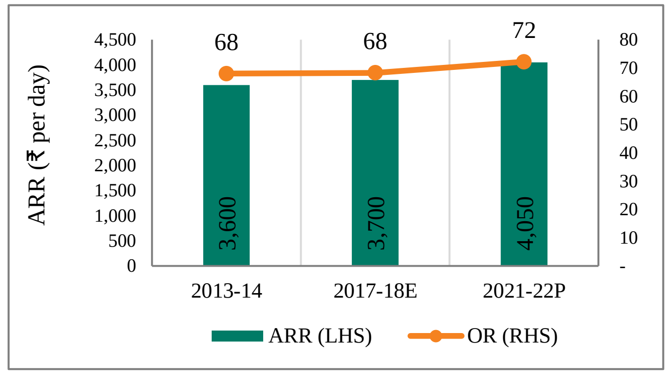
CRISIL estimates that room demand in the luxury segment, during Fiscal 2022, is expected to grow faster than demand for mid-market segment hotels. Supply in the luxury segment is expected to overtake growth in luxury segment room demand during the same period. Amritsar's luxury segment room inventory is expected to increase at a CAGR of approximately 13.00% to approximately 1,500 rooms. Owing to an increase in competition and supply pressure, CRISIL expects the RevPAR for mid-market segment hotels to grow at a CAGR of approximately 4.00% over the next four years until Fiscal 2021. On the other hand, RevPAR for luxury hotels in Amritsar is expected to increase to ₹2,900 during Fiscal 2022 from ₹2,550 during Fiscal 2018. However, consistent growth in demand for luxury hotels is expected to help increase ARR at a CAGR of approximately 2.00% between Fiscals 2018 and 2022.

ARR, Occupancy Rate trends in Amritsar's luxury segment hotels



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated

ARR, Occupancy Rate trends in Amritsar's mid-market segment hotels



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated

7. Dehradun

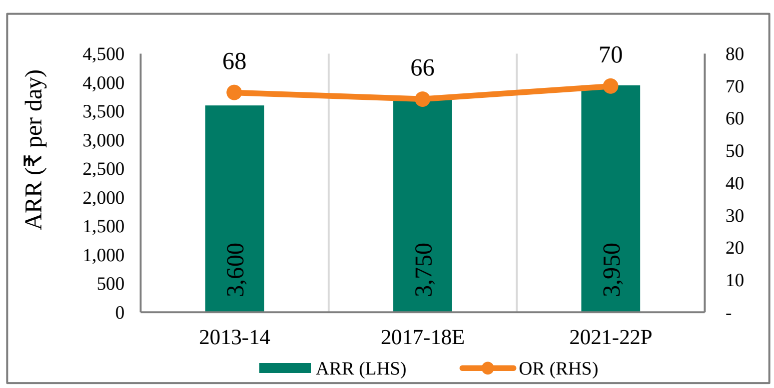
Dehradun gets its first luxury hotel

Dehradun, the capital of Uttarakhand, is a hilly tourist destination, which also serves as an entrance to hill stations of Mussoorie and Haridwar and Rishikesh, which are famous pilgrimage sites in India. The city has opened doors to its first luxury category in September 2017. Over the next four years, three more luxury segment hotels, The Lalit, Ramada and Radission Blu are expected to launch in the city. Between Fiscals 2018 and 2022, Dehradun's luxury segment room inventory is expected to increase at a CAGR of approximately 67.00% to around 300 rooms. (*Source: CRISIL Report*.)

Marginal rise in demand and no inventory addition are expected to push RevPAR growth of mid-market hotels by a CAGR of approximately 3.00% by Fiscal 2022

Between Fiscals 2014 and Fiscal 2018, Dehradun has witnessed the addition of branded players in the mid-market segment, including the Four Points by Sheraton, Starwood hotels, Lemon Tree, Sarovar Portico and Regenta by Royal Orchid. The inventory addition between Fiscals 2014 and 2018 led to a growth in ARRs at a CAGR of approximately 1.00% for the city's mid-market hotel. Occupancy Rates fell by approximately 2.00% during the same period, thus restricting RevPAR growth to remain stagnant. CRISIL estimates that the average ARRs for the mid-market hotels in Dehradun during

ARR, Occupancy Rate trends in Dehradun's mid market segment hotels



Fiscal 2018 is estimated at ₹3,750 per day. CRISIL estimates ARRs to increase at a CAGR of approximately 1.00% and Occupancy Rates to increase by approximately 4.00% between Fiscals 2018 and Fiscal 2022 as a result of a slower growth in demand, which is expected to increase at a CAGR of approximately 1.00%.

Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

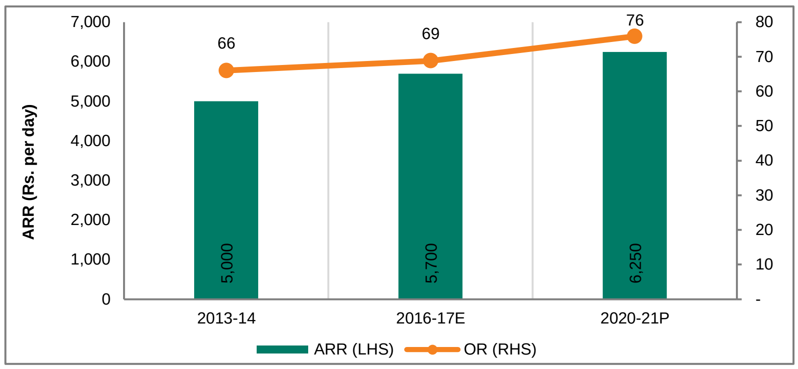
8. Mangalore

The average ARRs for the mid-market hotels in Mangalore during Fiscal 2018 is estimated to be ₹5,700 per day. Occupancy Rates in the mid-market hotels of the city during the same period is estimated to be around 69.00%. *(Source: CRISIL Report.)*

RevPAR at mid-market hotels is expected to grow at a CAGR of approximately 5.00% until Fiscal 2022

Owing to no major supply addition in mid-market hotels between Fiscals 2018 and 2022, Occupancy Rates in the city are expected to increase by approximately 7.00%, backed by a consistent growth in demand. CRISIL estimates demand to grow at a CAGR of approximately 2.00% over the next four years until Fiscal 2022. RevPAR is expected to increase at a CAGR of approximately 5.00% to ₹4,750 during Fiscal 2022 from ₹3,950 during Fiscal 2018 as a result of an increase in Occupancy Rates.

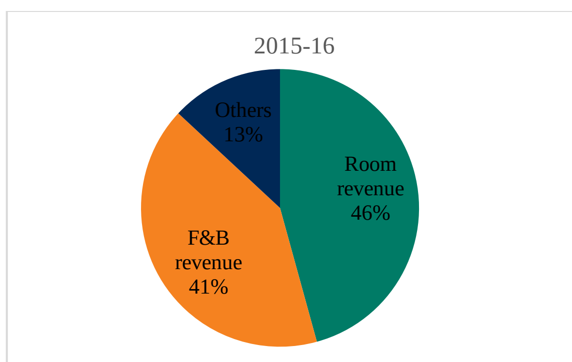
ARR, Occupancy Rate trends in Mangalore's mid market segment hotels



Note: The ARRs for a few hotels take into account charges for additional facilities such as breakfast, Wi-Fi charges, pick-up and drop and other meals.
Note: P: Projected; E: Estimated
(Source: CRISIL Report.)

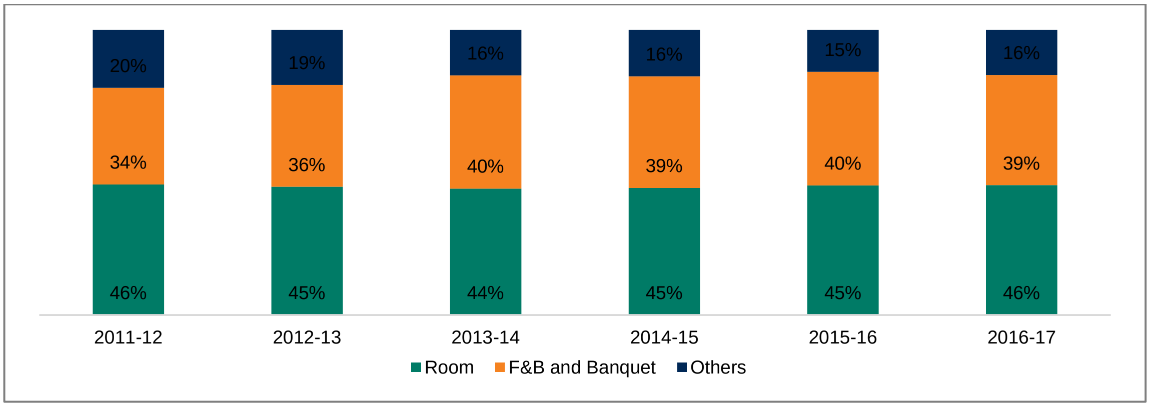
Banqueting, F&B and MICE events

Hotel revenues can be classified under three headers: room revenues, F&B revenues and other revenues. Room revenues are a direct function of room rates and occupancies, while F&B revenues comprise revenues from restaurants, banqueting and MICE activities. Other revenues largely consist of income from ancillary services provided by the hotel such as telecommunication, laundry and transport. Room revenue represents a large proportion of hotel revenues, followed by F&B revenues. F&B revenue includes income from facilities such as banqueting, restaurants and MICE activities.



However over the past five years, i.e., during the period between Fiscals 2012 and 2017, the share of F&B revenues in total revenue has increased across various destinations in India. The growing share of F&B revenues can be attributed to the MICE segment growing in significance in the Indian hospitality industry. Leisure destinations such as Udaipur, Jaipur, Goa, Agra and Kerala have a higher share of F&B revenues as they are preferred for social events and gatherings such as marriages and MICE activities. *(Source: CRISIL Report.)*

Percentage share of hotel revenues



Note: Others include revenue from management and operating fees and other operating income.
Note: Based on consolidated financials of certain hotels selected by CRISIL in the CRISIL Report.
(Source: CRISIL Research)

F&B revenues

F&B revenues include revenues from restaurants, banquets and MICE activities. The share of F&B revenues in overall luxury hotel revenues is in the range of 40.00-45.00%. However, some hotels by virtue of location or brand image of their restaurants have higher F&B revenues. Various factors determine overall F&B revenues, such as:

(1) ***Occupancy Rate of the property*****:** Higher Occupancy Rates generally translate into higher F&B revenues, as more guests tend to dine at their place of accommodation.
(2) ***Banquets and conferences*****:** Certain hotels specialize in large-scale banquets and conferences, and these act as key contributors to hotel revenues. Important parameters determining the ability of a hotel to host such events include conference room area, connectivity and technology and banquet hall area.
(3) ***Hotel location*****:** Location has two possible implications. Hotels located in CBDs tend to attract a higher number of non-staying clientele as compared to peripheral business districts. On the other hand, hotels in peripheral business districts typically enjoy a higher percentage of staying guests opting to dine at the hotel as they face less external competition than hotels in the central business districts.

(Source: CRISIL Report.)

F&B drives revenue growth

CRISIL estimates the size of F&B revenue for luxury segment hotels to be around ₹125.00-135.00 billion during Fiscal 2018. Over the past four years, i.e., during the period between Fiscals 2014 and 2018, F&B revenues have grown at a CAGR of around 13.00% from ₹82.00 billion during Fiscal 2014. CRISIL further expects the F&B market size to grow at a CAGR of approximately 11.00-12.00% during Fiscal 2022 to ₹195-205 billion. *(Source: CRISIL Report.)*

The share of room revenues and F&B revenues were approximately 46.00% and 41.00% of total revenue, respectively, during Fiscal 2014. The difference is estimated to have decreased to approximately 45.00% and 42.00%, respectively, by Fiscal 2018. (Source: CRISIL Report.) CRISIL estimates that the share of F&B and banquet revenues in the overall luxury industry revenue will increase further to around 42.00-43.00% during Fiscal 2022. Thus, F&B revenue share in the overall revenue is expected to, equal room revenue share and, increase at a CAGR of approximately 11.00-12.00% until Fiscal 2022. (Source: CRISIL Report.)

Tourism Ministry promotes India as a venue for international conferences and exhibitions

The Tourism Ministry has recognized MICE as a "niche tourism" product in order to overcome the aspect of 'seasonality' and to promote India as a 365 days' destination as well as to attract tourists with specific interests to India. India Convention Promotion Bureau ("**ICPB**") has been set up under the direction of the Tourism Ministry to promote India as a venue for international conferences and exhibitions. The ICPB comprises of members across various industries such as national airlines, hotels, travel agents, tour operators, tourist transport operators, conference organizers, among others. The ICPB also undertakes activities such as research, awareness programs, knowledge sharing, participation in international travel marts and organization of seminars to motivate Indian associations to bid for international conferences. The Tourism Ministry has also developed guidelines for extending the benefits under the market development assistance scheme to active members of ICPB towards bidding for international conferences and conventions, thereby bringing more MICE business to India. *(Source CRISIL Report.)*

According to a report published by the International Congress and Convention Association ("**ICCA**") in 2016, in particular the list of country and city rankings, India was ranked at the 31st position globally in relation to international conference business which is an increase from the 35th position in 2014. In the Asia Pacific and Middle East regions, India was ranked at the 7th position. *(Source CRISIL Report.)*

Mid-market hotels

Mid-market hotel industry comprises 3- and 4-star hotels

CRISIL has defined the mid-market hotel industry as comprising 3- and 4-star hotels, as specified by Tourism Ministry. Based on their ARRs and services and amenities provided, these hotels are positioned between the budget (1- and 2-star hotels) and luxury (5-star and above) categories. Apart from the room size and the proportion of air-conditioned rooms within the hotel, there are limited differences between 3- and 4-star hotels in India. (Source: CRISIL Report.)

Market size of mid-market hotels

Mid-market hotel industry estimated at ₹210-215 billion during Fiscal 2018

CRISIL estimates the mid-market hotel industry at ₹210-215 billion during Fiscal 2018. The industry is estimated to have grown at a CAGR of approximately 16.00% over the past four years during the period between Fiscals 2014 and 2018 as a result of rapid expansion in the segment by domestic and international players. During the same period, the overall hotel industry in India is estimated to have grown at a slower pace of approximately 13.00%. Thus, the share of the mid-market hotel industry in the overall hotel industry in India has increased to approximately 38.00% during Fiscal 2018 from approximately 35.00% during Fiscal 2014.

Hotel chains in mid-market category

Mid-market hotel industry represented by domestic and international chains

The domestic mid-market hotel industry is represented by local hotel chains as well as international hotel chains. Such hotels typically cater to business (mid-level executives) and leisure (largely domestic) travelers and receive considerable demand. The past few years have witnessed a trend of international chains launching mid-category hotels in India. Domestic chains, which were largely present in the luxury segment, have also increased their presence in this category over the past few years. *(Source: CRISIL Report.)*

Mid-market hotel industry enjoys around 50.00-55.00% share in room inventory during Fiscal 2018

According to CRISIL, the mid-market hotel industry's room inventory in India is estimated at 120,000-125,000 rooms during Fiscal 2018 (the figure estimated only includes starred hotels' room supply). Considering the overall supply of hotel rooms within the domestic organized sector, the mid-market category enjoys a share of approximately 50.00-55.00%. Room inventory increased at a CAGR of around 12.00% in the past four years during the period between Fiscals 2014 and 2018, led by rapid expansion by domestic and international chains. Favorable macro-economic conditions over the past few years have increased corporate demand and leisure travel, prompting hotel chains to add capacities.

Upcoming supply

According to CRISIL, growth in room supply is slowing down with growth anticipated at a CAGR of approximately 5.00-6.00% during Fiscal 2022. This is due to hotel players focusing on improving the performance of their existing portfolio.

Growth drivers and challenges for mid-market hotels

Growth drivers for mid-market hotels

Growth drivers for the hotel industry largely remain the same irrespective of the star category of the hotel. The sector derives demand from factors such as growing FTAs, government policies promoting tourism, the 'Make in India' initiative and the growing presence of online travel aggregators. Some of the key drivers for the mid-market hotels segment are increasing mid-level corporate demand and increasing presence in Tier-II and Tier-III cities as a result of government focus on developing economic zones in these cities. For example, the development of Dholera city near Ahmedabad as a social economic hub will create demand in the city which accounts for a shifting focus of key players in India to smaller non-metro cities. *(Source: CRISIL Report.)*

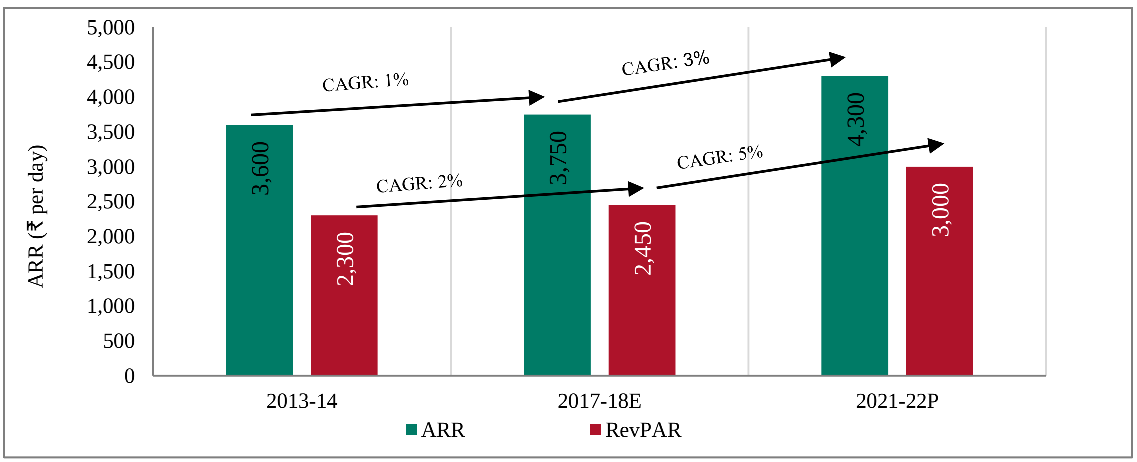
Leisure travel to niche locations is also a driver for growth. Mid-market hotels at such locations have been developed in response to the rise in income level and the demand for better quality of service and infrastructure while traveling. (*Source: CRISIL Report*.)

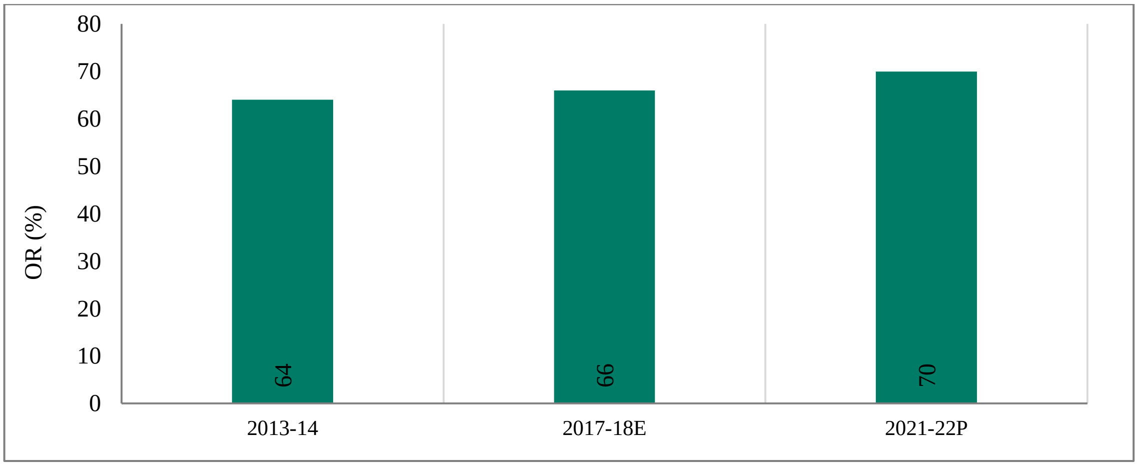
Operational performance

RevPAR to grow at a CAGR of approximately 5.00%

With around 45,000-50,000 rooms added in the last four years during the period between Fiscals 2014 and 2018 in the segment at pan-India level, the average room rates have remained largely stable at a CAGR of approximately 1.00% between Fiscals 2014 and 2018. Consequently, RevPAR also remained within range during the same period. (*Source: CRISIL Report*.)

Aggressive supply additions kept the room rates stable in the past





(Source: CRISIL Report.)

Over the medium term, 30,000 to 32,000 new rooms are expected to commence operations across India. Room demand is anticipated to be higher than supply additions. The ARRs are expected to grow at a CAGR of approximately 3.00% between Fiscals 2018 and 2022 as a result of an increase in room inventory by branded hotels in the mid-market segment. As a result, RevPAR is expected to improve at a CAGR of approximately 5.00% to ₹ 3,000 for mid-market hotels. (*Source: CRISIL Report*.)

OUR BUSINESS

This section should be read in conjunction with "Risk Factors", "Industry" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 20, 140 and 520, respectively, as well as the financial information included in "Financial Statements" on page 261. Unless otherwise stated, the financial information used in this section is derived from our Restated Consolidated Financial Information.

The industry related information contained in this section is derived from the CRISIL Report prepared by CRISIL except for other publicly available information cited in this section. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither the Company, nor any other person connected with the Issue has independently verified the information in the CRISIL Report or other publicly available information cited in this section. In this regard, also see "Risk Factors— This Draft Red Herring Prospectus includes industry related information from an industry report, which we have commissioned from CRISIL." on page 53.

Unless otherwise stated or the context otherwise requires, references in this section to our "Company" are to Bharat Hotels Limited and references to "we", "our" or "us" are to the Company together with its Subsidiaries, LSECT and Joint Venture.

Overview

We are one of the leading privately-owned domestic hotel brands in India, according to the CRISIL Report, engaged in the business of operating and managing hotels, palaces and resorts, with a focus on the luxury segment. As at March 31, 2018, we operated 12 luxury hotels, palaces and resorts under *The LaLiT* brand and two mid-market segment hotels under *The LaLiT Traveller* brand across India's key business and leisure travel destinations, offering 2,261 rooms.

In addition, we hold the exclusive rights to provide management consultancy services in connection with the operation and management of a hotel in London, The LaLiT London, which offered 70 rooms as at March 31, 2018.

Our luxury hotels operating across India under *The LaLiT* brand are grouped into the following three categories:

- ***City hotels:*** The LaLiT New Delhi, The LaLiT Mumbai, The LaLiT Ashok Bangalore, The LaLiT Great Eastern Kolkata, The LaLiT Jaipur and The LaLiT Chandigarh.
- ***Palaces:*** The LaLiT Laxmi Vilas Palace Udaipur and The LaLiT Grand Palace Srinagar.
- ***Resorts:*** The LaLiT Golf & Spa Resort Goa, The LaLiT Resort & Spa Bekal (Kerala), The LaLiT Mangar and The LaLiT Temple View Khajuraho.

Going forward, we intend to develop three new hotels under *The LaLiT* brand in Ahmedabad, Mangalore and Dehradun which will, in aggregate, offer 290 rooms and 115 cottages, when completed. We also intend to develop 50 additional rooms at The LaLiT Laxmi Vilas Palace Udaipur.

We also operate two hotels in the mid-market segment under *The LaLiT Traveller* brand, which are The LaLiT Traveller Jaipur and The LaLiT Traveller Khajuraho. We intend to develop four new hotels under *The LaLiT Traveller* brand in Ahmedabad, Pune, Amritsar and Chitrakoot which will, in aggregate, offer 308 rooms, when completed.

Further, in the F&B segment, we operated 45 restaurants, bars and bakery outlets as at March 31, 2018 across our hotels in India. We have developed our own brands, such as *24/7*, *Baluchi*, *OKO*, *The LaLiT Boulangerie*, *Kitty Su* and *The LaLiT Food Truck Company*. As at March 31, 2018:

- 24/7, a multi-cuisine all-day diner serving buffets and a-la-carte meals, was present in five of our hotels;
- Baluchi, an award winning restaurant serving pan-Indian cuisine, was present in six of our hotels;
- OKO, also an award winning restaurant serving pan-Asian cuisine, was present at three of our hotels;
- The LaLiT Boulangerie, our in-house bakery and confectionary outlet, was present at three of our hotels; and
- Kitty Su, a night club, was present at three of our hotels.

The LaLiT Food Truck Company provides outdoor catering services. It also operates food trucks across four cities in India.

We intend to further expand the presence of our F&B brands and establish and operate additional outlets for Kitty Su, Baluchi and OKO at certain of our existing hotels where these F&B outlets are not present as well as at our proposed hotels. We also intend to operate additional food trucks through The LaLiT Food Truck Company at these locations.

As at March 31, 2018, we operated over 50 banquet and conference halls spread across our hotel properties in India, with total banqueting space of over 270,000 square feet, available for MICE events as well as weddings and other social events. We have also developed our own spa brand, *Rejuve,* which operates as a spa, salon and fitness center at several of our hotel properties.

In 2018, we received a number of awards such as "best lounge bar (nightlife)" award from Times Food & Nightlife Awards 2018 for Kitty Ko, a night club at The LaLiT Ashok Bangalore and the customers of Hotels.com rated The LaLiT Resort & Spa Bekal (Kerala) as "outstanding 5.0 out of 5.0". The LaLiT Great Eastern Kolkata received awards in 2018 for its chef, its bakery and its premium dining restaurant. Furthermore, we received the "best card based loyalty program" award at the Customer Loyalty Awards for our loyalty program and the "women at work leadership" award at the Employee Engagement Leadership Awards for The LaLiT Suri Hospitality Group. In 2017, we received a number of awards such as "certificate of excellence" from Trip Advisor for our hotels operating under *The LaLiT* brand in New Delhi, Jaipur, Khajuraho and Chandigarh, the "best luxury hill resort" award at the Outlook Traveller Awards 2017 for The LaLiT Grand Palace Srinagar and the "best beach property" award at the Outlook Traveller Awards - Boutique Hotel Awards 2017 for The LaLiT Resort & Spa Bekal (Kerala). In 2016, The LaLiT New Delhi received the "certificate of excellence" from Trip Advisor. In 2015, The LaLiT Temple View Khajuraho was listed among the "10 best luxury hotels in India" by the Tripoto community. Kitty Su at New Delhi was the only night club from India to feature in DJ Mag's top 100 clubs of the world for the years 2015, 2016 and 2017.

We have a global strategic alliance with Worldhotels for global sales, marketing and distribution of our hotels in New Delhi, Mumbai, Kolkata and Bengaluru. Worldhotels is a global brand bringing together 350 of the world's most unique independent hotels covering over 45 countries and six continents. *(Source: Website of Worldhotels, available on https://www.worldhotels.com/about-us, as at May 31, 2018.)*

We also operate a hospitality school in Faridabad, TLSHS, since 2015 which provides education and training to students intending to pursue a career in the hospitality industry. The development of TLSHS is part of our ongoing investment in the development of human resources and we hire from TLSHS to support our business operations.

Our Strengths

We believe that the following are our key competitive strengths:

Distinctive hotel portfolio across key geographies in India

We have a distinctive mix of city hotels, palaces and resorts spread across key business and leisure travel destinations across India. Having a presence at 12 locations in India has enabled us to offer our customers a consistent, yet customized, hotel experience under *The LaLiT* and *The LaLiT Traveller* brands. As at the date of this Draft Red Herring Prospectus, we operated hotels in nine business and leisure travel destinations in India out of 17 such destinations identified by CRISIL in the CRISIL Report, which we believe enables us to cater more effectively to our corporate clients as well as business and leisure travelers. In addition, we plan to establish and operate new hotels in two additional business destinations - Ahmedabad under *The LaLiT* brand, and Ahmedabad and Pune under *The Lalit Traveller* brand.

Business destinations: We are present in New Delhi and Mumbai with over 850 rooms in aggregate in these cities. In addition, we are present in other business destinations such as Bengaluru, Kolkata and Chandigarh with over 575 rooms in aggregate in these cities. Our hotels in these cities are located at conveniently accessible, prime locations within or close to key business and commercial areas as well as tourist attractions in these cities. According to the CRISIL Report, the demand for rooms in business destinations such as New Delhi, Mumbai, Bengaluru, Kolkata and Chandigarh is expected to grow at a CAGR of approximately 6.00% from Fiscal 2018 to Fiscal 2022, while occupancy rates are expected to increase by approximately 4.00% to 68.00%.

Popular tourist destinations: We operate hotels with over 830 rooms in aggregate at key leisure destinations in India, namely, Jaipur, Udaipur, Srinagar, Goa, Bekal (Kerala), Khajuraho and Mangar.

Further, we believe that our hotels, palaces and resorts in certain popular leisure travel destinations are unique. Certain of these properties are able to attract relatively higher ARR due to their location and design as well as the quality of accommodation and service and the holiday experience that these properties offer to our customers. For instance, The LaLiT Golf & Spa Resort Goa is an all-suites resort along a beach on the Arabian Sea and includes the "Goa Golf Greens", a double-tee, 9-hole links golf course. The LaLiT Grand Palace Srinagar, a property designed and built as a palace, is surrounded by the Himalayan mountain range and offers a scenic view of the Dal lake. The LaLiT Laxmi Vilas Palace Udaipur was built as a palace and is located on a hilltop amidst the Aravalli hills, overlooking the Fateh Sagar lake. The LaLiT Great Eastern Kolkata was built in 1841 as the "Auckland Hotel" and is the longest continuously operating luxury hotel in Asia with 165 years of operation until its renovation in 2006, according to the CRISIL Report. The architecture at this hotel is a combination of Victorian, Edwardian and contemporary styles. The LaLiT Resort & Spa Bekal (Kerala) is surrounded by the river Nombili and has an internal lagoon overlooking a white sand beach. The LaLiT Mangar is situated within the Mangar Bani valley.

Presence in the mid-market segment: In order to complement our presence in the luxury segment, we entered the mid-market segment in 2012 through *The LaLiT Traveller* brand. The mid-market segment offers a value-for-money proposition to customers who expect quality service offerings while being relatively conscious about room rates. We operated 50rooms, in aggregate, as at March 31, 2018 within The LaLiT Traveller Jaipur and The LaLiT Traveller Khajuraho in this segment.

Independent brand having an established track record in the Indian hospitality industry

We have been operating in the Indian hospitality industry since 1988. During the last 30 years, we have worked with leading global hospitality chains and have added global best practices in the hospitality industry to our experience. In 2008, we underwent a rebranding exercise in order to marry our learnings from the global hospitality industry with a bespoke Indian hospitality experience. This led to the development of The LaLiT as an independent brand. Since 2006, we have expanded our operations and have opened eight new hotels in India, including two hotels under *The LaLiT Traveller* brand. We believe that *The LaLiT* and the associated logo " " are recognized in the luxury hotel segment in India and have the ability to attract a wide customer base. We believe that our competently trained, motivated and performance-oriented staff delivers high quality and personalized service to our customers. Our hotel properties, restaurants, night club and spa have won several awards. See "—*Hotel operations*" beginning on page 179 for further details.

We believe that our experience in developing *The LaLiT* brand and our knowledge of the local markets in India has provided us with a platform to grow our hotel business and also diversify into other areas such as F&B by developing various successful F&B brands. Our approach to independently develop our own brands has also allowed us to operate flexibly without any local or international franchisee concerns, such as royalty payments and restrictions on hotel offerings or geographical expansion. Further, our independence allows us to control all the operational aspects of our hotels, thereby ensuring that we deliver a customized luxury experience to our customers across The LaLiT chain of hotels and our F&B outlets.

Set forth below are details of our performance across certain key parameters, for the periods indicated below.

Particulars	Fiscal				
	2018	2017	2016	2015	2014
Number of available rooms	2,261	2,206	2,207	2,207	2,046
Number of hotels	14	13	13	13	12
ARR (₹)	6,388	6,306	6,320	6,613	7,346
Average Occupancy Rate (%)	62.0	55.0	51.0	45.0	38.0
Average RevPAR (₹)	3,974	3,494	3,200	2,973	2,813
Average TRevPAR (₹)	9,143	8,256	7,679	6,949	6,461
Average expense per room (₹ million)	2.35	2.13	2.01	1.86	1.77
Average staff per room ratio	1.69	1.68	1.66	1.57	1.69
EBITDA (₹ million)	2,242.05	1,954.94	1,777.96	1,227.53	781.54
EBITDA margin (%)	29.71	29.42	28.66	23.04	17.78

Our EDITDA margin during Fiscals 2018 and 2017 was 29.71% and 29.42%, respectively. During Fiscal 2017, the industry average OPBDIT* was 18.0%, according to the CRISIL Report. Our revenue increased to ₹7,545.25

million during Fiscal 2018 from ₹4,394.43 million during Fiscal 2014, representing a CAGR of 14.47% and our EBITDA increased to ₹2,242.05 million during Fiscal 2018 from ₹781.54 million during Fiscal 2014, representing a CAGR of 30.13%.

** Average of OPBDIT of certain hotels identified by CRISIL in the CRISIL Report operating on the basis of an ownership and management contract business model, where OPBDIT is calculated as the ratio of operating profit of such hotels to total operating income and operating profit refers to revenue from operations before accounting for depreciation, interest and tax expenses.*

Diversified sources of revenue

Operating hotel properties involves significant levels of fixed costs which do not vary significantly with Occupancy Rates. Consequently, we have focused on enhancing revenue contribution from areas such as F&B Services, Banqueting Services and Other Services and optimal utilization of available resources. We believe that this mitigates the risks related to exposure to any specific segment, particularly room revenues which are susceptible to a decrease in Occupancy Rates and slower growth in ARR during adverse market conditions or an economic slowdown. This assists us in our efforts to maintain or increase our TRevPAR and provides us with consistent profitable growth, despite high overhead costs experienced in the hospitality business. Our average TRevPAR increased by 41.50% to ₹9,143 during Fiscal 2018 from ₹6,461 during Fiscal 2014, compared with the growth in our average RevPAR, which increased by 41.26% to ₹3,974 from ₹2,813 during this period. Our EBITDA margins also increased during this period to 29.71% from 17.78%.

Our F&B brands are tailored to complement the theme of our hotel properties or targeted at certain identified customer segments. We have developed F&B brands such as *24/7*, *Baluchi*, *OKO*, *The LaLiT Boulangerie*, *Kitty Su* and *The LaLiT Food Truck Company*. Our F&B product offerings and services are designed to provide a dining experience that caters to a broad demographic. We believe that our night club and certain restaurants have developed a strong brand image and customer loyalty. Our award winning restaurants and night club also attract customers not residing at our hotels. For further details, see "*—Hotel operations*" beginning on page 179. Our revenues from F&B outlets were ₹1,738.11 million during Fiscal 2018, which constituted 23.04% of our total revenues during that period, compared to ₹989.92 million during Fiscal 2014, which constituted 22.52% of our total revenues during that period.

We also offer Banqueting Services to our customers. As at March 31, 2018, we operated over 50 banquet and conference halls spread across our hotel properties in India, with total banqueting space of over 270,000 square feet, which we use to target customers in the MICE segment as well as for weddings and other social events. Our revenues from Banqueting Services increased to ₹1,531.75 million during Fiscal 2018, which constituted 20.30% of our total revenues during that period, from ₹838.49 million during Fiscal 2014, which constituted 19.08% of our total revenues during that period. Our revenues from Other Services, which include spa, laundry, telecommunication and internet, business center and limousine services, increased to ₹485.37 million during Fiscal 2018, which constituted 6.43% of our total revenues during that period, from ₹305.63 million during Fiscal 2014, which constituted 6.95% of our total revenues during that period.

Well developed sales and marketing network

Our sales and marketing team is present across 12 locations in India and a few locations outside India. We manage demand, volumes and prices for rooms and other facilities at our hotels based on market conditions and certain other factors. Our dynamic demand management and pricing enables us to manage our room inventory, respond to seasonality and changing customer preferences and attract customers across different categories at various price points, particularly during adverse market conditions. Our average Occupancy Rate increased to 62.00% during Fiscal 2018 from 38.00% during Fiscal 2014. We have focused on diversifying our customer outreach and employ a variety of sales and marketing channels to attract new customers, which involves direct sales as well as online marketing. Our sales, revenue management and reservations teams work together to reach out to various customer segments. Through our relationship with Worldhotels, we have been able to retain our independence and unique brand, while partnering with a global brand with a comprehensive range of products and services to reach customers globally.

Our direct sales team approaches prospective corporate customers and MICE customers. We market bundled travel packages directly to tour operators, aggregators and consortia, travel agents, charter operators and airlines for their customers. We also market our rooms to conference organizers, wedding planners, conference delegates as well as organizers of sports and other events such as music concerts and live performances. Our customers can make reservations with us through our reservation desks, our tele-reservation team or through any of our online sales and marketing channels, which includes our website, online travel agents, travel management companies ("**TMCs**") and the GDS. All of these modes of reservation are connected to a central reservation system which enables us to manage our inventory of rooms in real time.

Experienced leadership team

We were founded by Mr. Lalit Suri and his family. Since Mr. Suri's demise in 2006, our business has been led by Dr. Jyotsna Suri, who was previously the joint managing director of our Company. Dr. Suri oversaw our rebranding exercise in 2008 as our Chairperson and Managing Director. Dr. Suri was the president of FICCI in 2015 and has been the Chairperson of the FICCI Creative Industries Committee since 2015 as well as the Chairperson of the FICCI Tourism Committee since 2006. Dr. Suri has received various industry and other awards such as the "outstanding business woman" award at the PHD Annual Awards for Excellence in 2016, the "women entrepreneur(s)/intrapreneur(s) of the decade" award at the InWENA awards in 2016 and the "best CEO - hospitality sector" award at the Global Women Achievers Awards in 2015.

Further, each of Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri hold executive director positions, lead diverse functions and are actively involved in managing our day-to-day business operations and developing our growth strategies. Our key management personnel and senior personnel team comprises experienced and professional managers with an average experience of nearly two decades in the hospitality industry and includes Ms. Urmil Khurana, Chief Financial Officer, Ms. Poonam Tyagi, Head of Human Resources, Mr. Rakesh Mitra, Group General Manager - Sales & Revenue, Mr. Hemant Khattar, General Manager - IT and Telecom, Mr. Vivek Shukla, General Manager - Corporate Affairs and The LaLiT New Delhi and Mr. Rocky Kalra, General Manager - Operations, Development and Security of our Company, Mr. Himanshu Pandey, Company Secretary and Legal Head and Compliance Officer and Mr. Krishan Kumar, Advisor - Corporate Affairs of our Corporate Promoter, Deeksha Holding Limited. For further details, see "*Our Management*" on page 219.

We believe that our leadership team's comprehensive industry experience and expertise has contributed to the development of our brands over the years. The growth in our business and financial performance in the last few years demonstrates the effectiveness of our leadership team.

Our Strategies

We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

Continue to focus on enhancing our operational performance and the competitiveness of our hotel properties

We intend to continue to focus on enhancing our operational performance and profitability by maintaining high standards of service and quality as well as implementing the initiatives set out below to enhance our brand image and encourage customer loyalty, which will in turn lead to revenue optimization.

- continue to enhance customer relationships, particularly with our corporate and MICE customers, as well as tour operators, travel agents, conference organizers, wedding planners and organizers of sports and other events;
- strengthen our position in markets where we have an established presence and leveraging our presence to expand our market share;
- focus on increasing use of our loyalty programs, LaLiT Connect, LaLiT Plus and LaLiT Engage;
- implement technology to enable use of customer information such as customer recognition and experience at our hotels in order to respond effectively to changing customer preferences;
- focus on effective use of our online distribution channels (including our website) and increase direct bookings through such distribution channels; and
- increase the use of social media and other advertising methods to increase our engagement with existing as well as potential customers and to market our properties and services, particularly our Banqueting Services and F&B Services.

In particular, we intend to continue to focus on improving Occupancy Rates and the related performance parameters, RevPAR and TRevPAR, for our hotels in Jaipur, Kolkata, Chandigarh, Bekal (Kerala), Mangar, Khajuraho and Srinagar, several of which commenced operations between 2009 and 2015, during which period these hotels experienced lower demand due to effects of slower economic growth. These hotels are yet to fully realize our internally adopted benchmarks for financial and operational performance.

Further, we have, in the past, made investments for enhancing the competitiveness of certain of our hotel properties such as our hotels at New Delhi, Mumbai, Goa, Bengaluru, Srinagar and Udaipur by renovating and refurbishing them and by adding F&B outlets and Banqueting Services to these hotel properties. As a result, we believe that we have been able to reposition such hotel properties in our negotiations with various corporate and MICE customers as well as third party agents. We plan to continue to enhance the competitiveness of our hotels by continuing to invest in their renovation and refurbishment.

Continue to improve operating efficiencies

We have made efforts to maintain low operating expenses in order to improve our operational performance and profitability. Our aggregate operating expenses, expressed as a percentage of our total revenue from operations, were 71.86%, 71.72% and 73.89% during Fiscals 2018, 2017 and 2016, respectively, compared to an industry average* operating expense, expressed as a percentage of total operating income, of 82.00% during Fiscal 2016, according to the CRISIL Report.

We intend to continue to actively manage our operating costs through the following measures, among others:

- rationalize sourcing costs through centralized planning of our sourcing requirements of consumables utilized by our hotels and develop, wherever possible, long-term relationships with our vendors, which will enable us to negotiate competitive rates with our vendors;
- undertake local procurement of operating supplies and raw materials, which enables efficient logistics management and accordingly, reduces costs for certain items;
- improve staff productivity and efficiency to reduce employee costs per room through the effective use of technology, workforce management systems, comprehensive training and performance-linked compensation;
- implement energy saving initiatives that are cost-efficient and environment friendly; and
- maintain optimum levels for other overheads such as head office operations, sales and marketing, loyalty program expenses, among others, commensurate with the expansion of our hotels.

** Industry average was calculated by CRISIL (and included in the CRISIL Report) using aggregated financials of 19 players in the hospitality industry for the relevant period.*

Expand our operations by developing new hotels under The LaLiT and The LaLiT Traveller brands in select locations

We seek to expand the presence of *The LaLiT* brand and diversify our geographical footprint in order to strengthen our market position and access a more diversified customer base across geographies as well as in order to reduce our exposure to local, seasonal and cyclical fluctuations. Between 2019 and 2022, we intend to complete development of three new hotels under *The LaLiT* brand in Ahmedabad, Mangalore and Dehradun which will, in aggregate, offer 290 rooms and 115 cottages, when completed. We believe that these markets have low inventory levels in the luxury segment and have significant potential for hospitality assets. We also intend to develop 50 additional rooms by 2020 at The LaLiT Laxmi Vilas Palace Udaipur in order to meet the anticipated demand.

According to the CRISIL Report, the mid-market hotel segment constituted 30.00–35.00% of the total room supply across starred hotels in India as at the end of Fiscal 2018 and is expected to grow at a CAGR of 5.00–6.00% from by Fiscal 2022. We believe that targeting the mid-market segment complements our presence in the luxury segment and allows us to secure a higher volume of room occupancy from a wider pool of potential customers while keeping our rates competitive. Between 2019 and 2022, we intend to complete the development of four new hotels under *The LaLiT Traveller* brand in Ahmedabad, Pune, Amritsar and Chitrakoot which will, in aggregate, offer 308 rooms, when completed.

See "—*Properties*" on page 194 for details in relation to the ownership, leasehold or other development rights we have acquired in relation to the land parcels over which we intend to develop these hotels.

Expand the operations of our F&B brands

We believe that we are well positioned to leverage the strength of our F&B brands and the relationships we have developed with our customers to drive the continued growth of our F&B Services and Banqueting Services which, we expect, will contribute to increased revenues from these sources and contribute to an increase in our TRevPAR, differentiate us from our competitors and help to hedge our exposure to any slowdown in revenue from rooms.

We intend to establish and operate additional outlets for Kitty Su, Baluchi and OKO at certain of our existing hotels where these F&B outlets are not present as well as at our proposed hotels. We also intend to operate additional food trucks through The LaLiT Food Truck Company at these locations. We plan to establish:

- Kitty Su at our existing hotels in Bengaluru, Kolkata and Goa as well as at our proposed hotels in Mangalore and Pune;
- Baluchi at our existing hotels in Kolkata and Udaipur as well as at our proposed hotels in Ahmedabad, Mangalore, Dehradun, Pune and Amritsar; and
- OKO at our existing hotels in New Delhi, Mumbai, Kolkata and Udaipur as well as at our proposed hotels in Ahmedabad, Mangalore and Pune.

Brand expansion through management contracts

As at the date of this Draft Red Herring Prospectus, we hold the rights to provide management consultancy services in connection with the operation and management of a hotel in London, The LaLiT London, under a management consultancy services agreement and licensing agreement. We intend to leverage our brand, sales and marketing network, expertise and experience of over 30 years in operating and managing hospitality operations in India to evaluate opportunities from time to time to operate and manage additional hotel properties pursuant to management contracts. We may selectively enter into such contracts in circumstances where it is economically and strategically prudent to do so and to further expand our brand in key geographies where we are not present. We may partner with other property management and hospitality companies that will own and/or design and build hotels and will agree to assign the rights to manage and operate these hotels to us. Since management agreements require lower upfront financial investment compared to development of new hotels on owned, leased or licensed land, we believe this strategy will enable us to reduce our capital expenditure, distribute fixed costs, further diversify our sources of revenue, efficiently utilize capital for achieving future growth and add more hotels in a shorter period of time, all of which may assist in achieving an increase in our TRevPAR and EBITDA margins. Additionally, we believe that operating hotels for third parties will increase our experience in, and knowledge of, new markets and enhance our ability to negotiate better terms with vendors.

Continue to invest in human resources to support our expansion and further develop TLSHS

We believe that investing in human resources will support our overall expansion strategy, and particularly, our strategy to expand our brand by entering into management contracts. To this end, we have developed our hospitality school, TLSHS, in Faridabad to provide hospitality education and training. The further development of TLSHS is part of our ongoing investment in the development of human resources and we intend to continue to develop the academic facilities at TLSHS. We hire from TLSHS to support our business operations and believe that hiring from our own hospitality school allows us to ensure consistent quality standards that we require for our operations. We believe that our management team's comprehensive industry experience as well as the readily available talent pool of trained graduates from TLSHS will enable us to take advantage of any current and future market opportunities.

Business operations

Our business operations can be classified primarily into three segments, (i) hotel operations; (ii) aircraft charter operations; and (iii) other activities. Our hotel operations represent revenues earned from the sale of rooms and serviced apartments, F&B Services, Banqueting Services and Other Services.

Set forth below is a breakdown of our revenue, across the business segments that we operate in, for the periods indicated below.

Revenue	Fiscal					
	2018		2017		2016	
	Amount	*% of total income*	*Amount*	*% of total income*	*Amount*	*5 of total income*
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
Revenue from operations	**7,379.85**	**97.81**	**6,537.90**	**98.40**	**5,988.29**	**96.54**
Sale of services and products (including excise duty)						
- Room and apartment	**3,279.32**	**43.46**	**2,813.03**	**42.34**	**2,584.96**	**41.67**
- Food and beverage revenue[1]	**3,269.87**	**43.34**	**2,824.85**	**42.52**	**2,618.71**	**42.22**
- F&B outlets [2]	1,738.12	23.04	1,592.51	23.95	1,526,28	24.61
- Banqueting Services[3]	1,531.75	20.30	1,232.34	18.54	1,092.42	17.61
- Other Services [4]	**485.37**	**6.43**	**551.53**	**8.30**	**477.80**	**7.70**
Other operating revenues [5]	**345.29**	**4.57**	**348.49**	**5.25**	**306.82**	**4.95**
Other income	**165.40**	**2.17**	**106.32**	**1.60**	**214.70**	**3.46**
Total income	**7,545.25**	**100.00**	**6,644.22**	**100.00**	**6,202.99**	**100.00**

[1] *Food and beverage revenue represents revenues from F&B outlets and revenues from Banqueting Services.*

[2] *Revenues from F&B outlets includes revenues from the sale of food and beverages as well as the sale of liquor and wine at our F&B outlets.*

[3] *Revenues from Banqueting Services includes revenues from our banqueting and catering services, rent earned from leasing of banqueting space and related equipment as well as the sale of food and beverages as well as the sale of liquor and wine as part of our banqueting and catering services.*

[4] *Revenues from Other Services include revenues from telecommunication and internet services, laundry services, business center services, spa services, limousine services and service charge on rooms, F&B Services and certain other services.*

[5] *Other operating revenues represents membership program revenue, traded goods, rent and maintenance income, consultancy and management fees, revenue from aircraft charter operations and training and education. Aircraft charter operations represent services rendered to customers who hire aircraft for travel. Training and education represents income arising out of training and education activities carried out by us.*

Hotel operations

As at the date of this Draft Red Herring Prospectus, we operated:

- 12 hotels across India, aggregating to 2,211 rooms, under *The LaLiT* brand in the luxury segment which can be broadly classified under three categories: city hotels, palaces and resorts; and
- two hotels in Jaipur and Khajuraho, aggregating to 50 rooms, under *The LaLiT Traveller* brand in the mid-market segment.

In addition, we exclusively manage The LaLiT London pursuant to a management consultancy services agreement and licensing agreement entered into with St. Olave's Limited, one of our Group Companies and a member of our Promoter Group. For further details, see "*History and Certain Corporate Matters—Other Agreements—Management Consultancy Services Agreement and Licensing Agreement in respect of The LaLiT London*" on page 217.

As at the date of this Draft Red Herring Prospectus, of our 14 hotels in India, we owned five of our hotel properties while six hotel properties were subject to lease arrangements and three hotel properties were subject to license arrangements.

Set forth below are certain details in relation to our hotels.

Hotel	Number of rooms	Nature of rights over the land underlying the hotel	Date of acquisition	Date of expiry of lease, license or management rights	Year of commencement of operations
The LaLiT New Delhi	461	Licensed	-	March 10, 2080	1988
The LaLiT Mumbai	390[1]	Freehold	September 27, 1995 **	-	2003
The LaLiT Ashok Bangalore	184	Leased	-	March 31, 2032	2001
The LaLiT Great Eastern Kolkata[2]	215	Freehold	November 30, 2005*	-	2014
The LaLiT Jaipur	231	Leased	-	September 12, 2105	2012

Hotel	Number of rooms	Nature of rights over the land underlying the hotel	Date of acquisition	Date of expiry of lease, license or management rights	Year of commencement of operations
The LaLiT Chandigarh[3]	179	Leased	-	March 8, 2105	2013
The LaLiT Laxmi Vilas Palace Udaipur	55	Freehold	February 26, 2002**	-	2002
The LaLiT Grand Palace Srinagar[4]	113	Leased	-	November 21, 2096	1998
The LaLiT Golf & Spa Resort Goa	263	Licensed	-	June 22, 2020	2003
The LaLiT Resort & Spa Bekal (Kerala)	38	Leased	-	February 4, 2034	2009
The LaLiT Mangar	35	Licensed	-	June 30, 2042	2017
The LaLiT Temple View Khajuraho	47	Freehold	August 7, 2002**	-	2007
The LaLiT Traveller Jaipur	37	Leased	-	September 12, 2105	2013
The LaLiT Traveller Khajuraho	13	Freehold	August 7, 2002**	-	2014
The LaLiT London	70	Management consultancy contract	-	March 31, 2027	2017

[1] *The total number of rooms includes serviced apartments.*

[2] *AZIL, where our Company owns 90.00% shareholding, is the entity owning the hotel property. Our Company has entered into an operating cum management agreement with AZIL in relation to this hotel property.*

[3] *Kujjal Builders, where our Company owns 50.00% shareholding and exercises management control, is the entity owning leasehold rights over the land underlying the hotel. Our Company has entered into an operating cum management agreement with Kujjal Builders in relation to this hotel property.*

[4] *Jyoti Limited, a wholly-owned subsidiary of our Company, has leasehold rights for this hotel property. Jyoti Limited has licensed this hotel property to our Company for a term of 99 years.*

* *The date on which AZIL became a subsidiary of our Company.*

** *The date on which Malbros Hotels Limited, Udaipur Hotels Limited and Khajuraho Hotels Private Limited (entities previously owning our Mumbai, Udaipur and Khajuraho hotels, respectively) became subsidiaries of our Company. Each of these entities has since then merged into our Company.*

See "—*Properties*" on page 194 for details in relation to the hotel properties located on land owned, leased and licensed by us.

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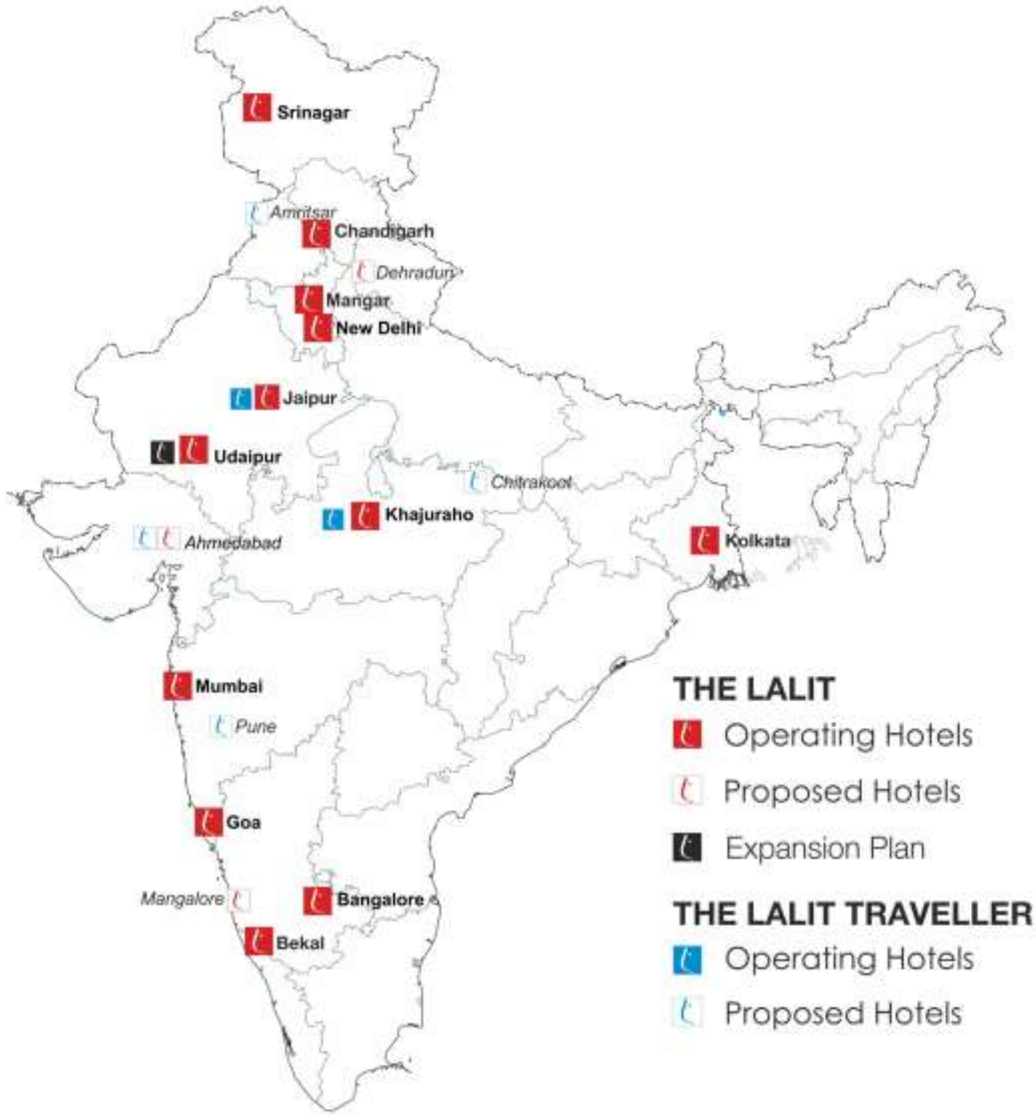
Set forth below is a map of India highlighting the locations in India for our operating and proposed hotels as at the date of this Draft Red Herring Prospectus.



Hotels operated under *The LaLiT* and under *The LaLiT Traveller* brands

As at the date of this Draft Red Herring Prospectus, we operated 12 hotels under *The LaLiT* brand in India and two hotels under *The LaLiT Traveller* brand, details of which are set out below.

All our hotels offer standard amenities in their rooms. Several of our hotels feature a business center, an outdoor swimming pool, a spa and a fitness center.

City Hotels

As at the date of this Draft Red Herring Prospectus, we operated six city hotels under *The LaLiT* brand in Delhi, Mumbai, Bengaluru, Kolkata, Jaipur and Chandigarh as well as one hotel under *The LaLiT Traveller* brand in Jaipur, details of which are set out below.

The LaLiT New Delhi

The LaLiT New Delhi is located in central Delhi in close proximity to key commercial and business locations. The hotel operates 461 rooms and suites and offers over 39,000 square feet of conference and banqueting space.

It also includes an art gallery and a variety of shops. The LaLiT New Delhi operates three restaurants, namely, Baluchi, The Grill Room and 24/7, which offer various cuisines. The hotel also operates a bar, a pastry shop and a coffee shop. The LaLiT New Delhi also operates a night club, Kitty Su.

The LaLiT New Delhi won the National Tourism Award 2013-2014 for the "best hotel based meeting venue (joint winner)" in 2015 and the National Tourism Award 2014-2015 and 2015-2016 for "hotel providing best facilities for differently abled guests" in 2016 and 2017, respectively. Kitty Su at The LaLiT New Delhi was the only night club from India to feature in DJ Mag's top 100 clubs of the world for the years 2015, 2016 and 2017. Kitty Su also received the "best night club of the year" award at the Indian Restaurant Awards in 2015, the Times Nightlife Award for "best night club" in 2015 and 2016 and the "best night club NCR" award at the India Nightlife Convention and Awards in 2017. The Grill Room received the "Delhi's best European fine dining restaurant" award at the Times Food Guide Awards in 2015. Baluchi received the "best Indian restaurant in a hotel" award at the Eazy Diner Foodie Awards - People's Choice in 2017.

Set forth below are certain operational performance details for this hotel, for the periods indicated below.

Operational Statistics	**Fiscal**		
	2018	**2017**	**2016**
Number of rooms	461	461	461
Revenue (₹ million)	2,015.70	1,802.68	1,576.00
EBITDA (₹ million)	939.53	801.29	664.44
EBITDA margin (%)	46.61	44.45	42.16
Occupancy Rate (%)	76.64	72.02	64.53
ARR (₹ per night per room)	6,897	6,385	6,244
RevPAR (₹ per night per room)	5,285	4,599	4,029
TRevPAR (₹ per night per room)	12,152	10,808	9,387

Also see "*Risk Factors—The license and rental payments for the land on which The LaLiT New Delhi is situated is subject to ongoing disputes with the New Delhi Municipal Council. Further, we have recently received a show-cause notice from the New Delhi Municipal Council in relation to certain construction at the LaLiT New Delhi.*" on page 25.

The LaLiT Mumbai

The LaLiT Mumbai is located close to the international airport in Mumbai and is accessible from key commercial and business locations. The hotel operates 369 rooms and suites and offers over 46,000 square feet of conference and banqueting space for both indoor and outdoor events. The LaLiT Mumbai Residency, which has 21 serviced apartments, is also located on this property. It also features a shopping gallery. The hotel operates three restaurants, namely, 24/7, Baluchi and Trendz, which offer various cuisines. Other dining options include The LaLiT Boulangerie and the Beluga bar. The LaLiT Mumbai also operates a night club, Kitty Su.

The LaLiT Mumbai received the "loved by guest" award in 2016 by Hotels.com (Expedia), the "excellence performance" award in 2015 by Goibibo, the "2015 gold circle" and the "2016 gold circle" awards by AGODA.

Set forth below are certain operational performance details for this hotel (including the serviced apartments at The LaLiT Mumbai Residency), for the periods indicated below.

Operational Statistics	**Fiscal**		
	2018	**2017**	**2016**
Number of rooms	390	390	390
Revenue (₹ million)	1,533.82	1,368.84	1,193.26
EBITDA (₹ million)	551.16	494.01	358.86
EBITDA margin (%)	35.80	35.72	29.85
Occupancy Rate (%)	80.79	74.50	70.85
ARR (₹ per night per room)	6,390	5,829	5,357
RevPAR (₹ per night per room)	5,162	4,342	3,795
TRevPAR (₹ per night per room)	10,817	9,716	8,417

The LaLiT Ashok Bangalore

The LaLiT Ashok Bangalore is centrally located in Bengaluru city, adjacent to an 18-hole golf course. It operates 184 rooms and suites and offers over 59,000 square feet of conference and banqueting space for both indoor and outdoor events. The LaLiT Ashok Bangalore also features fitness facilities which include a lawn tennis court. The LaLiT Ashok Bangalore operates four restaurants, namely, 24/7, OKO, Baluchi and Sutra - The Lounge which offer various cuisines and a bakery, The LaLiT Boulangerie. OKO, which is a roof-top restaurant serving pan-Asian cuisine, received the "best sushi" award in 2017 from Eazy Diner Foodie Awards. The LaLiT Ashok Bangalore also operates a night club, Kitty Ko.

The LaLiT Ashok Bangalore won the "best convention hotel, India" award in 2013 at the International Hotel Awards for Asia Pacific and Kitty Ko won the "best lounge bar (nightlife)" award from Times Food & Nightlife Awards in 2018.

Set forth below are certain operational performance details for this hotel, for the periods indicated below.

Operational Statistics	Fiscal		
	2018	2017	2016
Number of rooms	184	184	184
Revenue (₹ million)	798.64	687.42	647.22
EBITDA (₹ million)	108.73	112.90	108.94
EBITDA margin (%)*	13.60	16.19	16.74
Occupancy Rate (%)	65.92	53.34	54.50
ARR (₹ per night per room)	5,482	5,284	5,442
RevPAR (₹ per night per room)	3,614	2,819	2,966
TRevPAR (₹ per night per room)	11,906	10,381	9,664

* The EBITDA margin for The LaLiT Ashok Bangalore is impacted by the revenue sharing arrangement that it is subject to. Also see "*Risk Factors—Certain of our hotel properties are subject to a lease or license agreement which requires us to make payments linked to the revenue generated by the hotel subject to the minimum guaranteed lease or license payment amount agreed to by us*." on page 31.

The LaLiT Great Eastern Kolkata

The LaLiT Great Eastern Kolkata was built in 1841 as the "Auckland Hotel" and is the longest continuously operating luxury hotel in Asia with 165 years of operation until its renovation in 2006, according to the CRISIL Report. The architecture at this hotel is a combination of Victorian, Edwardian and contemporary styles. The LaLiT Great Eastern Kolkata is centrally located in close proximity to key commercial and business locations. It operates 215 rooms and suites and offers over 13,000 square feet of conference and banqueting space. The spa at this hotel is spread over 13,000 square feet and includes a salon. The LaLiT Great Eastern Kolkata operates two restaurants, namely, Alfresco and The Legacy Grill. The hotel also operates a tea lounge, a bakery and a bar.

In 2014, The LaLiT Great Eastern Kolkata won the "best hotel for women travelers" award from Travel + Leisure India and South Asia and in 2015 Rejuve won the "best new spa (hotel)" at the GeoSpa AsiaSpa Awards. The hotel bar, Wilson's, also won the "award for excellence" from The Telegraph Food Guide. In 2018, one of the chefs at The LaLiT Great Eastern Kolkata, Ms. Madhumita Mohanta won the "chef of the year" award at the Times Food & Nightlife Awards 2018, The Bakery at The LaLiT Great Eastern Kolkata won the "best dessert destination of the city" award at the The Telegraph Food Guide Awards 2018 and The Legacy Grill won the "best european in premium dining" award at the The Times Food & Nightlife Awards 2018.

Set forth below are certain operational performance details for this hotel, for the periods indicated below.

Operational Statistics	Fiscal		
	2018	2017	2016
Number of rooms	215	195	195
Revenue (₹ million)	583.19	471.63	411.95
EBITDA (₹ million)	158.27	114.08	88.82
EBITDA margin (%)	26.66	23.82	21.12

Occupancy Rate (%)	63.68	52.24	47.16
ARR (₹ per night per room)	5,731	5,917	5,787
RevPAR (₹ per night per room)	3,650	3,091	2,729
TRevPAR (₹ per night per room)	7,566	6,730	5,888

The LaLiT Jaipur and The LaLiT Traveller Jaipur

The LaLiT Jaipur is located close to the airport and is situated in close proximity to key commercial and business locations. It operates 231 rooms and suites and offers 27,000 square feet of conference and banqueting space, for both indoor and outdoor events. The LaLiT Jaipur also features a bar. The spa at this hotel is spread over 12,000 square feet and includes a salon. The LaLiT Jaipur offers four dining options, namely, 24/7, Baluchi, the Le Petit Café and The Circle Bar, which offer various cuisines.

In 2013, The LaLiT Jaipur received the "best airport hotel, India" award from the International Hotel Awards for Asia Pacific, in 2014 the "platinum pick" award from Make My Trip and in 2015 the award for the "most popular banquet venue" at the Dainik Bhaskar Reader's Choice Awards 2014. Baluchi received a "certificate of excellence" award from Tripadvisor.com in 2015.

The LaLiT Traveller Jaipur operates 37 rooms. It is located on the same premises as The LaLiT Jaipur.

Set forth below are certain operational performance details for these two hotels, on an aggregate basis, for the periods indicated below.

Operational Statistics	Fiscal		
	2018	2017	2016
Number of rooms*	268	268	268
Revenue (₹ million)	481.59	391.14	368.74
EBITDA (₹ million)	166.53	143.54	127.47
EBITDA margin (%)	34.04	34.64	33.07
Occupancy Rate (%)	48.31	37.87	31.85
ARR (₹ per night per room)	5,290	5,278	5,657
RevPAR (₹ per night per room)	2,556	1,999	1,801
TRevPAR (₹ per night per room)	5,002	4,236	3,930

** Aggregate number of rooms for The LaLiT Jaipur and The LaLiT Traveller Jaipur.*

The LaLiT Chandigarh

The LaLiT Chandigarh overlooks the Shivalik mountain range and is located within the Rajiv Gandhi Infotech Park, one of Chandigarh's business hubs. It operates 179 rooms and suites and offers over 21,000 square feet of conference and banqueting space. The LaLiT Chandigarh operates six dining options, 24/7, The LaLiT Boulangerie, Baluchi, Le Petit Café, The Circle Bar and OKO, which offer various cuisines. In addition, The LaLiT Chandigarh also operates a night club, Kitty Su.

The LaLiT Chandigarh received the "customer choice" award from Make My Trip in 2016. Its night club, Kitty Su, received the "best night club" award at the Times Nightlife Awards in 2016 and 2017, OKO received the "best pan Asian in fine dining category" award at the Times Food Awards in 2016, 24/7 won the "best all-day dining category" award at the Times Food Awards in 2015 and Baluchi received the "noteworthy newcomer - north Indian" award at the Times Food Awards 2016 and the "best north Indian – fine dining category" at the Times Food Awards 2017.

Set forth below are certain operational performance details for this hotel, for the periods indicated below.

Operational Statistics	Fiscal		
	2018	2017	2016
Number of rooms	179	179	179
Revenue (₹ million)	456.35	355.48	343.49
EBITDA (₹ million)	87.24	48.92	47.93
EBITDA margin (%)	18.79	13.10	13.32
Occupancy Rate (%)	47.61	38.31	28.99

ARR (₹ per night per room)	5,547	5,384	5,721
RevPAR (₹ per night per room)	2,641	2,063	1,658
TRevPAR (₹ per night per room)	7,104	5,715	5,494

Palaces

As at the date of this Draft Red Herring Prospectus, we operated palaces in Udaipur and Srinagar under *The LaLiT* brand, details of which are set out below.

The LaLiT Grand Palace Srinagar

The LaLiT Grand Palace Srinagar is surrounded by the Himalayan mountain range and offers a scenic view of the Dal lake. It adjoins a golf course and is close to the international airport. The LaLiT Grand Palace Srinagar operates 113 palace rooms and suites, including 10 cottages and offers over 4,000 square feet of conference and banqueting space. The LaLiT Grand Palace Srinagar operates three restaurants, The Chinar (which includes The Alfresco), The Chinar Garden and the Dal Bar.

The LaLiT Grand Palace Srinagar received the "best luxury hill resort" award at the Outlook Traveller Awards in 2017.

Set forth below are certain operational performance details for this hotel, for the periods indicated below.

Operational Statistics	**Fiscal**		
	2018	**2017**	**2016**
Number of rooms	113	113	113
Revenue (₹ million)	171.94	287.25	410.37
EBITDA (₹ million)	26.88	146.43	228.62
EBITDA margin (%)	15.53	50.95	55.63
Occupancy Rate (%)	14.40	24.54	37.04
ARR (₹ per night per room)	13,643	17,992	16,957
RevPAR (₹ per night per room)	1,965	4,415	6,281
TRevPAR (₹ per night per room)	4,196	6,968	9,937

The LaLiT Laxmi Vilas Palace Udaipur

The LaLiT Laxmi Vilas Palace Udaipur is located on a hilltop amidst the Aravalli hills, overlooking the Fateh Sagar lake and is close to the city center. The LaLiT Laxmi Vilas Palace Udaipur operates 55 rooms and suites and offers over 23,000 square feet of conference and banqueting space, including a lawn that overlooks the Fateh Sagar lake.

The LaLiT Laxmi Vilas Palace Udaipur operates an Indian cuisine restaurant Aangan and the multi-cuisine restaurant Padmini. The palace was placed "third among top hotels (overall review)", "excellent among top 5 star hotels (dining quality)"and "first among top hotels (room quality)" at the Travel Guru Awards in 2012.

Set forth below are certain operational performance details for this hotel, for the periods indicated below.

Operational Statistics	**Fiscal**		
	2018	**2017**	**2016**
Number of rooms	55	55	55
Revenue (₹ million)	180.31	167.47	141.00
EBITDA (₹ million)	72.54	72.71	52.54
EBITDA margin (%)	40.16	43.16	37.12
Occupancy Rate (%)	77.36	66.88	61.43
ARR (₹ per night per room)	6,836	6,442	6,222
RevPAR (₹ per night per room)	5,288	4,309	3,822
TRevPAR (₹ per night per room)	8,998	8,393	7,022

Resorts

As at the date of this Draft Red Herring Prospectus, we operated four luxury resorts under *The LaLiT* brand in Goa, Bekal (Kerala), Mangar and Khajuraho, details of which are set out below.

The LaLiT Golf & Spa Resort Goa

The LaLiT Golf & Spa Resort Goa is located on the Raj Baga beach in Canacona, Goa. It is surrounded by the Sahyadri mountain range, is located close to the Talpone river and offers a view of the Arabian sea. The resort has Baroque-Portuguese style architecture and landscaped gardens. The LaLiT Golf & Spa Resort Goa includes a double-tee 9-hole links golf course. It operates 263 rooms and suites and offers over 32,000 square feet of conference and banqueting space. The resort offers recreational facilities for customers and includes a sports complex.

The LaLiT Golf & Spa Resort Goa operates five restaurants, namely, Canacona, Corta's, Gazebo, OKO and Veri Feni, which offer various cuisines.

The LaLiT Golf & Spa Resort Goa won the “best golf resort, India” award at the International Hotel Awards for Asia Pacific in 2013. In 2016, the resort received the Trinity’s Goan Hospitality Award of Excellence in the “best 5-star wedding destination (South)” and “best 5-star horticulturalist & landscaping (South)” categories and the Award of Notable Achievement in the “best 5-star with exotic cuisine restaurants (South)” and “best 5-star F&B manager (South)” categories. Corta’s, a beach shack serving Goan cuisine, received the “2015 best shack food” award from The Times Food Awards for the year 2015 in 2014.

Set forth below are certain operational performance details for this hotel, for the periods indicated below.

Operational Statistics	**Fiscal**		
	2018	**2017**	**2016**
Number of rooms	263	263	263
Revenue (₹ million)	789.68	700.09	580.15
EBITDA (₹ million)	329.26	287.00	205.64
EBITDA margin (%)	41.65	40.66	35.41
Occupancy Rate (%)	64.16	55.99	46.34
ARR (₹ per night per room)	6,579	6,564	6,526
RevPAR (₹ per night per room)	4,221	3,675	3,024
TRevPAR (₹ per night per room)	8,236	7,352	6,033

The LaLiT Resort & Spa Bekal (Kerala)

The LaLiT Resort & Spa Bekal is located in Kasaragod, Kerala and is surrounded by the river Nombili and has an internal lagoon overlooking a white sand beach. The resort operates 38 suites and includes a banquet hall which offers 3,600 square feet of conference and banqueting space. All of The LaLiT Resort & Spa Bekal’s suites feature private jacuzzis. The resort includes a spa which is spread over 17,000 square feet. The resort offers recreational facilities and sports facilities for customers. The LaLiT Resort & Spa Bekal operates, among others, a multi-cuisine restaurant and a bar, Nombili.

Rejuve at The LaLiT Resort & Spa Bekal received the award for the “best Ayurvedic spa & wellness center” at the GeoSpa AsiaSpa Awards in 2015 and 2017. In 2017, The LaLiT Resort & Spa Bekal received the “best beach property” award at the Outlook Traveller - Boutique Hotel Awards. In 2018, the customers of Hotels.com rated The LaLiT Resort & Spa Bekal as “outstanding 5.0 out of 5.0”.

Set forth below are certain operational performance details for this hotel, for the periods indicated below.

Operational Statistics	**Fiscal**		
	2018	**2017**	**2016**
Number of rooms	38	38	39
Revenue (₹ million)	105.82	65.89	49.44
EBITDA (₹ million)	(5.40)	(29.17)	(34.18)
EBITDA margin (%)*	(5.01)	(43.47)	(67.13)
Occupancy Rate (%)	45.57	22.56	16.59

ARR (₹ per night per room)	9,089	10,796	11,051
RevPAR (₹ per night per room)	4,142	2,436	1,833
TRevPAR (₹ per night per room)	7,780	4,838	3,566

* Also see "*Risk Factors—Certain of our hotel properties are subject to a lease or license agreement which requires us to make payments linked to the revenue generated by the hotel subject to the minimum guaranteed lease or license payment amount agreed to by us.*" on page 31.

The LaLiT Mangar

The LaLiT Mangar is situated within the Mangar Bani valley, which is an approximately one hour drive from New Delhi. It is positioned as a weekend getaway destination. The LaLiT Mangar operates 35 suites. The resort operates a bar and two multi-cuisine restaurants, namely, Alfresco and Dining Room, with a focus on organic food.

Set forth below are certain operational performance details for this hotel, for the periods indicated below.

Operational Statistics	**Fiscal**		
	2018	**2017**	**2016**
Number of rooms	35	-	-
Revenue (₹ million)	37.72	-	-
EBITDA (₹ million)	(42.04)	(2.45)	0.08
EBITDA margin (%)*	(108.69)	-	-
Occupancy Rate (%)	20.79	-	-
ARR (₹ per night per room)	8,641	-	-
RevPAR (₹ per night per room)	1,797	-	-
TRevPAR (₹ per night per room)	3,400	-	-

* Also see "*Risk Factors—Certain of our hotel properties are subject to a lease or license agreement which requires us to make payments linked to the revenue generated by the hotel subject to the minimum guaranteed lease or license payment amount agreed to by us.*" on page 31.

The LaLiT Temple View Khajuraho and The LaLiT Traveller Khajuraho

Khajuraho is a UNESCO world heritage site dating back to 950 AD and is famed for its sculptures. The LaLiT Temple View Khajuraho is located close to the airport and overlooks the western group of temples. It operates 47 rooms and suites and offers over 2,400 square feet of conference and banqueting space. The resort offers recreational facilities for customers. The LaLiT Temple View Khajuraho operates a restaurant, Panna, a pastry shop, The LaLiT Boulangerie and a bar, Mahua.

The LaLiT Temple View Khajuraho was listed among the "10 best luxury hotels in India" in 2015 and among the "29 best hotels of 29 states in India" in 2017, by the Tripoto online portal. In 2017, The LaLiT Temple View Khajuraho received the "certificate of excellence" from Trip Advisor.

The LaLiT Traveller Khajuraho operates 13 rooms. It is located on the same premises as The LaLiT Temple View Khajuraho.

Set forth below are certain operational performance details for these two hotels, for the periods indicated below.

Operational Statistics	**Fiscal**		
	2018	**2017**	**2016**
Number of rooms*	60	60	60
Revenue (₹ million)	59.67	50.46	54.35
EBITDA (₹ million)	1.37	0.11	2.63
EBITDA margin (%)	2.26	0.21	4.77
Occupancy Rate (%)	21.64	15.36	17.06
ARR (₹ per night per room)	6,616	7,827	7,893
RevPAR (₹ per night per room)	1,432	1,202	1,346
TRevPAR (₹ per night per room)	2,767	2,340	2,518

* *Aggregate number of rooms for The LaLiT Temple View Khajuraho and The LaLiT Traveller Khajuraho*

Also see "*Risk Factors—Existing or planned amenities and transportation infrastructure at or near our other hotels could be closed, relocated, terminated, delayed or not completed. Disruptions or lack of basic infrastructure such as electricity and water supply could adversely affect our operations.*" on page 38.

Hotels operated pursuant to a management contract

The LaLiT London

We exclusively manage The LaLiT London pursuant to a management consultancy services agreement and licensing agreement with St. Olave's Limited, one of our Group Companies and a member of our Promoter Group, which we executed on December 6, 2017 (the "**London Agreement**"). In consideration for the services performed by our Company, St. Olave's Limited is required to pay our Company a service fee equivalent to 5.00% of the gross operating profit of The LaLiT London for every fiscal year or part thereof. Pursuant to the London Agreement, our Company has granted St. Olave's Limited a non-exclusive, limited license to use the trademark "The LaLiT" in relation to the operation and management of The LaLiT London and in consideration of which St. Olave's Limited is required to pay our Company royalty equivalent to 2.00% of the gross revenue of The LaLiT London for every fiscal year or part thereof. The London Agreement is valid for a period of ten years from April 1, 2017, unless terminated earlier subject to certain conditions. For further details in relation to the London Agreement, see "*History and Certain Corporate Matters—Other Agreements—Management Consultancy Services Agreement and Licensing Agreement in respect of The LaLiT London*" on page 217.

The LaLiT London opened in 2017 and operates 70 rooms. The LaLiT London is located close to a number of London tourist attractions such as the Tower Bridge. The LaLiT London operates two restaurants, namely, Baluchi and The Terrace. The LaLiT London also operates a bread bar called The Naanery and a tea lounge called The Gallery, as well as two bars, the Teacher's Room and the Headmaster's Room.

In 2017, The LaLiT London received the "new market entrant of the year – UK" award at the India Inc. UK India Awards and the "best U.K. city hotel with 51 rooms and above" award at the Boutique Hotel Guest Experience Awards.

Proposed new hotels

Set forth below are certain details in relation to our proposed new hotels.

Brand	Location	Number of rooms	Ownership	Expected year of opening
The LaLiT	Ahmedabad	210	Owned	2019
	Udaipur***	50	Owned	2020
	Mangalore	100 cottages	Licensed*	2022
	Dehradun	15 cottages and 80 rooms	Owned	2022
The LaLiT Traveller	Ahmedabad	58	Owned	2019
	Pune	100	Licensed**	2021
	Amritsar	100	Owned	2021
	Chitrakoot	50	Owned	2022

* *Our Company has entered into a memorandum of understanding dated November 8, 2017 for a license over this property with Prima Realtors Private Limited, one of our Group Companies and a member of our Promoter Group. As at the date of this Draft Red Herring Prospectus, our Company had not entered into a definitive license agreement for this property.*
** *Our Company has entered into a memorandum of understanding dated November 8, 2017 for a license over this property with Cargo Hospitality Private Limited, one of our Group Companies. As at the date of this Draft Red Herring Prospectus, our Company had not entered into a definitive license agreement for this property.*
*** *We intend to develop 50 additional rooms at The LaLiT Laxmi Vilas Palace Udaipur and expect to complete the development of additional rooms by 2020.*

The aforementioned expected year of opening and the expected number of rooms in relation to our proposed hotels are based on management estimates and may differ at the time of completion. See "*Risk Factors—Statements as to year in which our proposed hotels are expected to open and the number of rooms expected in* *such hotels are based on management estimates and have not been independently appraised.*" and "*Forward Looking Statements*" on pages 53 and 18, respectively. Also see "—*Properties*" on page 194 for details in relation to the ownership, leasehold or other development rights we have acquired in relation to the land parcels over which we intend to develop these hotels.

Additional F&B outlets

We intend to establish and operate additional outlets for Kitty Su, Baluchi and OKO at certain of our existing hotels where these F&B outlets are not present as well as at our proposed hotels. We also intend to operate additional food trucks through The LaLiT Food Truck Company at these locations.

Other brands within our hospitality operations

The LaLiT Food Truck Company

The LaLit Food Truck Company provides outdoor catering services and operates food trucks in New Delhi, Mumbai, Bengaluru and Jaipur in India. The team comprises chefs and banquet professionals and caters to personal and professional events held at residential or corporate spaces. In addition, The LaLiT Food Truck Company also operates pop-up food trucks at various locations in New Delhi, which serve Latin American and Lebanese food.

TLSHS

We operate TLSHS in Faridabad which provides hospitality education and training. The revenue we derived from TLSHS increased at a CAGR of 54.24% to ₹9.00 million during Fiscal 2018 from ₹1.59 million during Fiscal 2014.

Since 2015, TLSHS has been affiliated with the NCHMCT and offers a three year Bachelor of Science in Hospitality and Hotel Administration (the "**B.Sc. HHA**") program. In order to qualify for the B.Sc. HHA program, candidates are required to appear for an all-India competitive entrance exam. As at March 31, 2018, TLSHS had six faculty members and as at that date, TLSHS had 97 students enrolled in the B.Sc. HHA program.

Other activities

Commercial towers

Other activities include operations related to renting of shops located within our hotel premises and separate business towers operated by us. The premises on which The LaLiT New Delhi is located also includes two commercial towers, namely World Trade Centre and World Trade Tower, with a total office and commercial space of over 286,000 square feet spread over eight floors in each tower. We also operate a commercial tower within the premises of The LaLiT Mumbai called The LaLiT Residency with office and commercial space of 44,000 square feet across five floors. We license office and commercial space within these towers to certain tenants, including banks, textile manufacturers and oil and gas companies. Additionally, we license commercial space of 5,500 square feet at The LaLiT Ashok Bangalore. The term of such licenses typically ranges from three years to five years; however, the term of licenses for premises within the World Trade Centre and World Trade Tower is co-terminus with the NDMC License.

Aircraft charter operations

We provide private air charter services through The LaLiT Aviation. As at the date of this Draft Red Herring Prospectus, we held permits to operate a Beechcraft King Air 350 aircraft with a seating capacity of nine and an Agusta 109S Grand helicopter with a seating capacity of six. The LaLiT Aviation provides our customers a travel option besides the regular commercial flight schedules and the ability to travel in privacy and comfort.

Customers

Set forth below is a table providing a breakdown of the total room revenue across the categories into which we classify our customers.

Revenue	Fiscal					
	2018		2017		2016	
	Amount (₹ million)	*% of revenue*	*Amount (₹ million)*	*% of revenue*	*Amount (₹ million)*	*% of revenue*
Direct reservations	401.46	12.25	390.02	13.86	393.52	15.22
Charters	99.72	3.04	55.38	1.97	28.20	1.09
Third party intermediaries or online travel agents	781.75	23.85	555.53	19.75	452.14	17.49
Corporates customers	578.70	17.66	514.41	18.25	502.72	19.45
MICE and weddings and other social events	293.89	8.97	219.02	7.79	191.94	7.43
Regional sales offices	445.01	13.58	429.34	15.26	454.97	17.60
Ministry, Embassies and High Commission	61.96	1.89	54.12	1.92	75.03	2.90
Travel trade	456.84	13.94	464.95	16.53	378.78	14.65
Request for proposal and travel Management company consortia	158.08	4.82	130.23	4.63	107.71	4.17
Total Revenue	**3,277.41**	**100.00**	**2,813.00**	**100.00**	**2,585.01**	**100.00**

Our corporate customers include airlines and automotive companies, among others. Rates are negotiated with our corporate customers as we anticipate that our corporate customers can offer a higher volume of annual bookings. Our contracts with corporate customers typically offer a preferential room rate and a minimum number of rooms per night. Our corporate customers accounted for 17.66% of our total room revenues during Fiscal 2018, across various categories set out above.

Our travel trade customers are intermediaries such as tour operators, aggregators and consortia, travel agents and airlines who partner with us to offer their customers stay options as part of a travel package. We partner with various travel trade intermediaries. Rates are negotiated with our travel trade customers through our sales team. These rates are priced competitively depending on the travel season and we tend to offer higher rates during a festive season. Our travel trade customers accounted for 13.94% of our total room revenues during Fiscal 2018.

Our online customers are those who make reservations with us through our internet based booking system on our corporate website or through various online agents and intermediaries. Our online customers accounted for 23.85% of our total room revenues during Fiscal 2018.

MICE and weddings and other social events is a customer segment in which large groups, usually planned well in advance, are brought together for a particular purpose, such as meetings, incentives, conferences and other events. We market and bid for clients in this segment in advance of the relevant event. Customers in our MICE and weddings and other social events category accounted for 8.97% of our total room revenues during Fiscal 2018.

Sales and Marketing

Our marketing initiatives are present across all key media, including advertisements in print media, television, direct mail, social media and the internet. From time to time, we conduct marketing promotions with certain brands in India as well as on ground promotions supported by telemarketing. Our sales and marketing team, which comprised over 180 employees as at March 31, 2018, was present across 12 cities in India and we undertook sales and marketing activities in a few locations outside India as at that date. In the United States, we operate through Worldhotels. Our sales and marketing team meets prospective clients and pitches for business through consultative, technology enabled and interactive sales presentations.

Our sales and marketing activities are conducted through the following channels:

Direct sales

For customers who make direct reservations with us, our in-house revenue management analysts set daily prices for the rooms at all the hotels we operate and manage, primarily on the basis of a historical analysis of demand for each hotel, current booking demand, room type demand, length of stay and customer mix. A product offering development team also creates packages, including packages, which typically combine multiple services so customers may increase their average expenditure at our hotels, F&B outlets and spas. These packages are priced seasonally to increase sales during low demand seasons and to take advantage of increased demand during peak seasons.

Corporates: We rely largely on our direct sales team to market our rooms and banqueting and other services to our corporate and MICE customers. We also actively bid through public tenders for the supply of hotel rooms or convention space to prospective corporate and MICE customers. We periodically negotiate and agree fixed contract rates with our existing corporate customers and receive certain bookings a few months in advance. Additionally, we also target bookings from certain internet based MICE channels.

Leisure – aggregators and consortia, tour operators and charter operators: We also market travel packages directly to tour operators, aggregators and consortia, travel agents, charter operators and airlines for their customers. We target tour operators to attract their customers based in different international markets such as Russia, the United Kingdom, the United States, Germany and other European countries who travel to India for leisure. We also target medical tourists for bookings at certain of our hotels, including The LaLiT Resort & Spa Bekal (Kerala). Our sales teams also target different niche markets with frequent movements to certain specific properties.

Conference organizers and wedding planners: We market our rooms to conference organizers and wedding planners in order to attract MICE customers. We also engage with delegates for conferences as well as organizers and participants of various city exhibitions and events such as sports, music concerts and live performances.

Online channels

We market directly to our customers through our website. Our direct customers are also able to reserve rooms at our hotels by calling our toll free central reservation number or our online booking system on our website or the website of Worldhotels. We also accept bookings for rooms made through various online agents and intermediaries.

Our strategic alliance with Worldhotels assists us in gaining access to higher number of multinational corporates as well as TMCs reserving rooms for their clients (i.e., business travelers) through GDS and their points of sales. Additionally, GDS agents, aggregators and consortia also make room reservations at our hotels through GDS. St. Olave's Limited, one of our Group Companies and a member of our Promoter Group, has entered into a similar alliance with the "Small Luxury Hotels of the World" for The LaLiT London.

Demand management and dynamic pricing

We manage demand, volumes and prices for rooms and other facilities at our hotels based on market conditions and certain other factors which include, but are not limited to: (i) demand forecast; (ii) prevailing market conditions and inflation; (iii) our operational performance during the relevant period across our hotel properties as well as other sources of revenue; (iv) location; (v) competition and actual demand in the markets in which we operate; (vi) volume, loyalty and partner support; and (vii) ratings and social media reviews.

Our demand management and dynamic pricing enables us to manage our room inventory, respond to changing customer preferences and attract customers across different categories at various price points, particularly during adverse market conditions, which is reflected in our operational performance indicators such as Occupancy Rates, ARR, RevPAR and TRevPAR.

The LaLiT loyalty program

One of our marketing initiatives is the LaLiT loyalty program. The program is available to customers who are entitled to discounts on our pricing across our hotels. Our LaLiT loyalty program is designed to provide convenience and increase the frequency of hotel visits by our members. Our members enjoy a wide range of benefits that include discounts on rooms, food and beverages and for using certain other services such as spa and salon offered by our hotels. In addition, we operate three other loyalty programs for our corporate customers, travel agents and other intermediaries, which we brand as LaLiT Connect, LaLiT Plus and LaLiT Engage, respectively. Credit points of these three programs are based on usage and can be redeemed against our hotel services. Our loyalty program won the "best card-based loyalty program" award at the Customer Loyalty Awards in 2018.

Our alliance with Worldhotels also offers a loyalty program called "Peakpoints" which enables our customers to enroll in "Peakpoints" and accumulate points when they stay at our hotels. Peakpoints has arrangements with a number of international airlines for their air miles. All the enrolled members can redeem their points for a free stay and certain other facilities, subject to certain conditions being met.

Suppliers

We procure our supplies mainly from suppliers based in India. We have entered into yearly supply agreements with certain suppliers; however we do not have long-term supply agreements with several of our major suppliers. During Fiscals 2018, 2017 and 2016, purchases from our five largest suppliers accounted for approximately 4.07%, 3.48% and 2.94% of our total purchases, respectively. We maintain multiple suppliers for our purchases in an effort to avoid relying too heavily on any single supplier and to avoid unexpected shortages. We typically obtain quotes from at least three suppliers when selecting a new supplier and will decide on the new supplier based on several factors, including price, reputation of the supplier and quality of the materials, goods and services offered. To the extent possible and subject to prevailing market conditions, any increase in the prices of goods and services supplied will be passed on to our customers. For example, an increase in F&B prices may result in an increase in restaurant meal prices and an increase in construction and renovation prices may result in an increase in room rates. The credit and payment terms granted by our suppliers are generally between 30 and 120 days.

Employees

We believe that a skilled and motivated employee base is essential to maintain our competitive advantage. As such, and also to ensure that our employees have the training and tools needed to be successful in today's competitive environment, we are committed to build teams and invest resources in the development of the expertise and know-how of our employees as well as employee satisfaction.

To access talent, we hire from our own hospitality school, TLSHS and other major hospitality schools and we operate a management training program for hotel operations called the Lalit Suri Management Academy. We believe that we provide ample opportunities for our high potential employees to grow into taking on increased responsibilities within the organization. Our other learning and development programs include training at external centers, supervisory development and continuous education.

We believe that we have a qualified and experienced employee base. As at March 31, 2018, we had 3,830 employees at our offices and hotels, details of which are set forth below.

Particulars	Number of employees
Hotels	
Rooms	962
F&B operations	1,457
Other Services	338
Sales and marketing	152
Engineering	267
Support functions	404
Sub-total	**3,581**
Corporate office	
Chairperson and Managing Director's office	4
Sales and Marketing	34
Support functions	195
Sub-total	**233**
Others	
Aircraft charter operations	16
Sub-total	**16**
Total number of employees	**3,830**

We encourage equality, impartiality and diversity in our talent acquisition and recruitment. We provide employees with a defined growth track and support their growth ambitions. The scope and limits of reimbursements we provide to our employees are well defined. We regularly review and update our compensation and reimbursement policy to meet the evolving needs of the industry.

We focus on development of our employees by periodically evaluating their performance to create measurable improvements and actions. All evaluations are conducted objectively, fairly and with a constructive outlook to people development. We focus on learning not only through training sessions and workshops, but also through continuous, informal (or on the job) training, evaluation and guidance provided by our supervisors or managers to their team members. We promote self-development and follow various programs focused on employee development, knowledge enhancement and skill development.

Our endeavor is to provide the framework within which all our employees receive opportunities to grow and achieve their aspirations for self-development, skill enhancement, learning and career growth. We organize occupational safety education and trainings, conducted by internal and external trainers, to raise employees' awareness of safety issues as well as provide health insurance cover to several of our employees.

We do not discriminate on the basis of sexuality or gender and host events for our customers that promote sexual and gender diversity. As an equal opportunity organization, we employ transgender and differently abled persons at our hotels and corporate headquarters.

We received the "best employer brand" award at the National Talent Management Leadership Awards in 2017 and the "women at work leadership" award (for The LaLiT Suri Hospitality Group) at the Employee Engagement Leadership Awards in 2018.

Technology

Our critical business processes are supported by a full-fledged internal IT department. We have implemented third-party central reservation systems for bookings across all our hotels and is supported by certain network and infrastructure programs, which assist us in recording customer reservations, profiles, preferences, billing details and payments, among other information. These products are integrated with programs that relate to matters such as payables, receivables and inventory. Our customers have increasingly utilized our internet based booking solutions for making their bookings through various channels. Our corporate website also has options for other travel services, offers and packages. We operate our own customer service call center for reservations as well as an online complaint management system. Communication systems and surveillance systems are installed at all our hotels, which are supported by systems for internet, voice and virtual private networks procured from multiple service providers.

Insurance

Our hotels and offices are subject to hazards such as accidents, fires, riots, political disturbances, floods and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment. We have therefore insured our hotels and offices for standard fire and special perils, earthquake and terrorism damage coverage policies, property damage, money-transit, employee and public liability (non-industrial risks) insurance consistent with industry practice in India. In addition, we maintain insurance against burglary, loss to plate glass at our hotel premises, contingencies such as breakdown of electronic equipment and machinery, and loss of money and profit for some of our hotels and offices. We are also required by certain agreements to obtain insurance coverage for our buildings and premises and the same has been obtained. We also carry health insurance cover to several of our employees.

We also maintain hull and liability insurance in respect of the aircrafts we own and operate under The LaLiT Aviation for risk of physical loss or damage to our aircrafts.

Also see "*Risk Factors—Our insurance policies provide limited coverage and we may not be insured against certain business risks or losses caused by natural disasters.*" on page 45.

Competition

Competition in the industry in which we operate, is primarily based on factors such as quality of accommodation, price, level of service, brand recognition, facilities and supporting infrastructure, convenience of location and the quality of lobby areas, F&B facilities and other amenities. We compete with both Indian and international hotel chains in the luxury and mid-market hotel segments in India. Certain of our competitors are large companies with access to greater financial, technical and marketing resources and may, in certain circumstances, have greater room inventory resulting in benefits from economies of scale. Certain of our competitors may be present across all or several business segments in the Indian hotel industry (i.e., budget, mid-market, luxury and heritage) and may have operations spread across geographies. Certain other competitors may also benefit from greater experience in the Indian hospitality industry. As we expand our operations, we will face competition from the Indian and international hotel chains having significant brand awareness.

See "*Risk Factors—The hospitality business is highly competitive.*" on page 24.

Environment, Health and Safety

We have adopted safety monitoring procedures and conduct safety training for our new employees, and organize continuous training programs for existing employees. We take steps for our hotels' compliance with the health and safety standards applicable in the locations where they operate. To the extent feasible, we follow environment friendly construction in line with the "green" building concept. The green building concept entails construction by using sustainable and recyclable materials, and the design elements are focused to evaluate and orient buildings to provide protection from sun glare. For water conservation, we operate low-flow toilets, showers and faucets and hot water recirculation pumps, and for energy conservation, we operate ceiling insulations, energy efficient light solutions and motion sensors and photovoltaic sensors for garden lighting. We maintain a supply of standby equipment for most critical items in the event our key equipment becomes inoperable. All our major equipment can be operated with standby power. In addition to the basic compliance requirements, we require each new hotel to be equipped with fire detection systems, water treatment plants, energy efficient air conditioning plants, variable frequency water pumping system, sewage and effluent treatment plants and energy efficient lighting solutions. We use eco-friendly items such as herbal products, toiletries, cloth towels, organic food and locally grown products at our hotels. We follow the principles of reduce, recycle and reuse in resort construction and operation. Certain of our hotels have ongoing projects to maintain compliance with applicable environment, health and safety standards.

Also see "*Risk Factors—Failure to comply with, or changes in, environmental laws and regulations could expose us to significant risks and liabilities.*" on page 44.

Properties

Set out below are the details of the hotel and other properties owned, leased and licensed by us as at the date of this Draft Red Herring Prospectus.

Hotel properties owned by us

Hotel	Location	Date of acquisition	Entity owning the hotel property
The LaLiT Laxmi Vilas Palace Udaipur	Opposite Fateh Sagar Lake, Udaipur, Rajasthan 313004	February 26, 2002**	Our Company
The LaLiT Mumbai	Sahar Airport Road, Andheri East, Mumbai, Maharashtra 400059	September 27, 1995**	Our Company
The LaLiT Temple View Khajuraho and the LaLiT Traveller Khajuraho	Opposite Circuit House, Khajuraho, Madhya Pradesh 471606	August 7, 2002**	Our Company
The LaLiT Great Eastern Kolkata	1-3 Old Court House Street, Dalhousie Square, Near Raj Bhavan, Kolkata, West Bengal 700069	November 30, 2005	AZIL*

** The LaLiT Great Eastern Kolkata was originally owned by the Government of West Bengal. The hotel was subsequently transferred to AZIL, a company which was wholly owned by the Government of West Bengal at that time. We acquired a*

90.00% ownership interest in AZIL from the Government of West Bengal. Our Company has entered into an operating cum management agreement with AZIL in relation to The LaLiT Great Eastern Kolkata.

*** The date on which Malbros Hotels Limited, Udaipur Hotels Limited and Khajuraho Hotels Private Limited (entities previously owning our Mumbai, Udaipur and Khajuraho hotels, respectively) became subsidiaries of our Company. Each of these entities has since then merged into our Company. For further details, see "History and Certain Corporate Matters—Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets—Schemes of Amalgamation" on page 215.*

Properties leased by us

Hotel	Location	Date of expiry of lease	Entity entering into lease deed for the property
The LaLiT Ashok Bangalore ∞*∞∞	Kumara Krupa High Grounds, Bengaluru 560001	March 31, 2032	Our Company
The LaLiT Resort & Spa Bekal*∞∞	Udma and Kalanad Villages, Hosdurg Taluk, Kasargod District, Kerala 671319	February 4, 2034	Our Company
The LaLiT Jaipur and the LaLiT Traveller Jaipur	2B & 2C Jagatpura Road, Near Jawahar Circle, Jaipur, Rajasthan 302017	September 12, 2105	Our Company
The LaLiT Chandigarh**	Rajiv Gandhi IT Park, DLF Commercial Complex, Chandigarh 160101	March 8, 2105	Kujjal Builders
The Lalit Suri Hospitality School***	Pali Road, Near Badkhal Complex, Faridabad, Haryana 121001	October 7, 2042	LSECT
The LaLiT Grand Palace Srinagar	Gupkar Road, Srinagar, Jammu and Kashmir 190001	November 21, 2096	Jyoti Limited∞∞∞

** The lease deed provides an option to renew the lease for a further period of 30 years on mutually agreed terms.*
*** Kujjal Builders is an entity where we exercise management control and hold 50.00% of shareholding. Kujjal Builders was allotted land at the Rajiv Gandhi Information and Technology Park in Chandigarh, on a leasehold basis. Our Company has entered into an operating cum management agreement with Kujjal Builders in relation to The LaLiT Chandigarh. Also see "History and Certain Corporate Matters—Subsidiaries" on page 209.*
**** The lease is renewable for 33 years in the first instance and then another period of 33 years by mutual consent.*
∞ The lease agreement for this property requires us to pay as lease rent, the higher of the following amounts: (a) ₹41.10 million per annum, to be increased on April 1, 2007 and every five years thereafter during the term of the lease agreement by 25.00% computed on the amount last payable; and (b) 16.50% of the "Gross Turnover of the Hotel"/"Turnover Based Annual Payment".
∞∞ See "Risk Factors—Certain of our hotel properties are subject to a lease or license agreement which requires us to make payments linked to the revenue generated by the hotel subject to the minimum guaranteed lease or license payment amount agreed to by us." on page 31.
∞∞∞ Our subsidiary, Jyoti Limited, has leasehold rights for The LaLiT Grand Palace Srinagar. Jyoti Limited has licensed the Srinagar property to us for a term of 99 years.

Hotel properties licensed to us

Hotel	Location	Current license fees *(per annum, in ₹ million)*	Date of expiry of license	Entity entering into license deed for the property
The LaLiT New Delhi**∞	Barakhamba Avenue, Connaught Place, New Delhi 110001	14.50	March 10, 2080	Our Company
The LaLiT Golf & Spa Resort Goa*∞∞	Nagorcem - Palolem, Canacona, Goa 403702	11.00	June 22, 2020	Our Company
The LaLiT Mangar*∞∞∞	Village Mangar, Faridabad District, Haryana 121001	2.50***	June 30, 2042	Our Company

** Subject to renewal on mutually agreed terms. The Goa license deed is renewable for a further period of 25 years. The Mangar license agreement is renewable for a further period of 30 years.*
*** License deed does not provide for renewal upon expiration of the license.*

**** On the basis that ₹2.50 million was payable by us in the first year of operations. In subsequent years, license fee is required to be paid in accordance with a schedule, which provides for a maximum license fee of ₹4.00 million or 5% of annual turnover, whichever is higher.*

∞ The land over which The LaLiT New Delhi is situated has been licensed to us by the NDMC for a period of 99 years commencing from March 11, 1981 pursuant to a license deed dated March 22, 1982, which requires us to pay an annual license fee of ₹14.50 million which is subject to revision by the NDMC after every 33 years, provided that the increase in license fees at each such renewal shall be linked to the increase in the market value of the plot at the relevant time. The increase in license fees is however subject to the condition that such increase should not exceed 100% of the license fee paid in the immediately preceding license term. See "Risk Factors—The license and rental payments for the land on which The LaLiT New Delhi is situated is subject to ongoing disputes with the New Delhi Municipal Council. Further we have recently received a show-cause notice from the New Delhi Municipal Council in relation to certain construction at the LaliT New Delhi." and "Outstanding Litigation and Material Developments—Outstanding actions by statutory / regulatory authorities involving our Company" on pages 25 and 562, respectively.

∞∞ Licensed from our Promoter, Deeksha Holding Limited.

∞∞∞ See "Risk Factors—Certain of our hotel properties are subject to a lease or license agreement which requires us to make payments linked to the revenue generated by the hotel subject to the minimum guaranteed lease or license payment amount agreed to by us" on page 31.

Proposed hotels

Location	Address of property	Date of purchase of land/date of memorandum of understanding	Entity owning the land
Ahmedabad*	Survey No. 26/2 Paiki, Village Mouje Taluka Hansol, Ahmedabad	November 11, 2005 and November 17, 2008	Our Company
Dehradun**	Khata Nos. 31, 127, 128, 172 and 198, Ramnagar Danda, P.O Thano, Tehsil-Rishikesh, Pargana-Parwadoon, District Dehradun, Uttarakhand State	February 16, 2009	Our Company
Amritsar	Khata Nos. 23/32, 679/997, 707/2, 1046, Village Heir, Amritsar	July 27, 2007, July 5, 2007, July 19, 2007 and August 20, 2007	Our Company
Chitrakoot	Khata no.-17,179 & 184, Village Gadiwa, Karvy, Chitrakoot	June 17, 2013	Our Company
Mangalore∞	Adyapadi & Kolamba Village, Mangalore	November 8, 2017	Prima Realtors Private Limited
Pune∞∞	Survey no. 32 (4/1/2 & 4/1/2/2), Vadgaon Sheri, Taluka Haveli, Pune	November 8, 2017	Cargo Hospitality Private Limited

** Under the terms of the letters of allotment obtained by our Company from the Government of Gujarat, our Company was required to commence construction within six months of possession of the land and complete the hotel project in two years. Our Company has applied for an extension to complete the construction and the application is currently pending. See "Government and Other Approvals – Material licenses and approvals for which applications have been filed by our Company and our Subsidiaries" on page 590.*

*** Under the terms of the consent obtained by our Company from the Government of Uttarakhand, and an extension letter in this connection, our Company is required to complete construction of a 5-star hotel and hotel management institute prior to December 18, 2017. Our Company has applied for a further extension for completion of the construction of the hotel and has been granted an extension up till April 26, 2020, for construction of the hotel. See "Government and Other Approvals – Material licenses and approvals for which applications have been filed by our Company and our Subsidiaries" on page 590.*

∞ Our Company has entered into a memorandum of understanding for a license over this property with Prima Realtors Private Limited, one of our Group Companies and a member of our Promoter Group. As at the date of this Draft Red Herring Prospectus, our Company has not entered into a definitive license agreement for this property.

∞∞ Our Company has entered into a memorandum of understanding for a license over this property with Cargo Hospitality Private Limited, one of our Group Companies. As at the date of this Draft Red Herring Prospectus, our Company has not entered into a definitive license agreement for this property.

See *"Risk Factors—Our leases or licenses to hotel properties may be terminated or not renewed on favorable terms. Conversely, if we decide to end our operations under a long-term non-cancellable lease or license, we may remain obligated to perform the remainder of the contractual term."*, *"Risk Factors—We may be exposed to risks arising from the uncertainty of title of the land where our hotel properties are situated."* and *"Risk Factors—We are exposed to a range of development risks relating to our new hotel projects and the expansion of our existing* *hotels. We may incur substantial pre-opening costs that may be difficult to recoup quickly."* on pages 23, 45 and 34, respectively.

For details in relation to the litigation involving our properties, see "*Outstanding Litigation and Material Developments"* on page 559.

Registered and Corporate Office and sales offices

Our Registered and Corporate Office is located at Barakhamba Lane, New Delhi 110 001, the property over which The LaLiT New Delhi is situated.

As at the date of this Draft Red Herring Prospectus, we operated 12 sales offices located in various locations such as Gurgaon, Pune, Hyderabad and Chennai. These offices are typically leased or licensed by us.

See *"Risk Factors—Our Registered and Corporate Office and certain other sales and representative offices are located on leased or licensed premises which exposes us to certain risks."* on page 49.

Intellectual Property

We own certain intellectual properties and have applied for registration of others. We have 128 registered trademarks and have applied for registration of 97 trademark/service mark that are pending, of which three trademark applications have been opposed, being the application for "Sirocco" under class 16, the application for a device of a human caricature under Class 41 and the application for "Kitty Ko" under class 31. Certain examples of our logos are "THE LaLiT", "THE LaLiT", "", "24/7", "", "rejuve", "Baluchi" and "".

We have registered one copyright under the Indian Copyright Act, 1947 in respect of the artistic work "The LaLiT". In addition, we have also registered 204 domain names.

We entered into an exclusive sales and marketing arrangement with the Vibe Hotel in Faridabad pursuant to which we have licensed the use of our trademark *The LaLiT Traveller* to one of our Group Companies, LP Hospitality, for operating the hotel brand, *Vibe by The LaLiT Traveller*. We have also licensed "The LaLit" trademark in favor of St. Olave's Limited, one of our Group Companies and a member of our Promoter Group, with whom we have entered into a management consultancy services agreement and licensing agreement for the rights to provide management consultancy services in connection with the operation and management of the LaLiT London.

We are authorized to use the trademark "Aum" registered by our Promoter, Deeksha Holding Limited, pursuant to a license agreement. We use this trademark in relation to the gift shops at certain of our hotels. Under the license agreement, we have been granted an exclusive license to use the trademark for an initial term of 20 years. In consideration for the license, we are required to pay Deeksha Holding Limited a license fee of 1.00% of the gross turnover from the business we carry out under the trademark; however, there is a moratorium on payment of such fees for the first 10 years of the license (i.e., until March 31, 2020).

For further details, see "*Government and Other Approvals*" and "*Risk Factors—Our intellectual property is key to sustaining our branding and differentiation strategies. Any infringement or our inability to register our intellectual property rights could enable others to use names confusingly similar to the names and marks used by us and could also diminish or dilute our reputation."* on pages 589 and 33, respectively.

Quality Policy

We have received certification from Bureau Veritas under the standard ISO 22000:2005, which relates to the preparation and provision of F&B Services at our hotels at New Delhi, Mumbai, Bengaluru, Kolkata, Chandigarh, Khajuraho, Goa, Srinagar and Udaipur. Our certification at Mumbai will expire on July 16, 2018.

We are committed to deliver quality hospitality and hospitality education offerings and services for achieving total customer satisfaction. As a part of our continuous effort to improve operational efficiency, we review our processes and procedures with a focus on design gaps and the potential for automation, and then improvise in the areas of operations, revenue management, finance and accounts, procurement and inventory, human resources and payroll, information technology and tours and travel.

Corporate Social Responsibility

We adopt a number of socially beneficial projects with the goal of "limitless hospitality" and the vision of "developing destinations". We have been pioneering unique initiatives involving local people from the locations where our hotels are situated, in the areas of education, art, culture, sports and environment protection.

Project Disha is an initiative of The Lalit Suri Foundation where we assist school students and youth from the local population to have access to quality education leading to employment and to equip them to understand the benefit and opportunities available in the current economic scenario. This includes providing employment oriented vocational training including computer literacy, personality development and spoken English courses and hospitality service training to underprivileged youth in the livelihood skill centers that have also been instituted alongside. These centers are currently operating at four locations across India namely, Khajuraho, Bekal, Jaipur and Srinagar. We have entered into an agreement with Society for Educational and Entrepreneurship Development (SEED) Initiative to facilitate the implementation of Project Disha.

Legal proceedings

We are involved in a number of legal proceedings that may materially and adversely affect our business or our results of operations. For further details, see "*Outstanding Litigation and Material Developments*" on page 559.

REGULATIONS AND POLICIES

The following description is a summary of certain key regulations and policies in India which are applicable to the operations of our Company and our Subsidiaries. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The information in this section is based on the current provisions of applicable laws in India that are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Hospitality Sector Related Laws

Hotel Classification Guidelines

With the aim of providing contemporary standards of facilities and services available in the hotels, the Ministry of Tourism, Government of India ("**Tourism Ministry**") has issued guidelines dated January 19, 2018 for project approval and classification/re-classification of hotels.

The Hotel and Restaurant Approval and Classification Committee inspects and assesses the hotels based on various facilities and services offered by it. Hotel projects are approved at implementation stage and hotels are classified under Star Category Hotels or Heritage Category Hotels once they are operational. Star Category Hotels include the following sub-categories: 5 Star Deluxe, 5 Star (with or without alcohol services), 4 Star (with or without alcohol services), 3 Star, 2 Star and 1 Star hotels.

Pursuant to the Tourism Ministry's guidelines for classification of heritage hotels, hotels running in palaces, castles, forts, havelies, hunting lodges or residences which were built prior to the year 1950 can seek classification in a heritage category. The classification into the sub-categories, Heritage, Heritage Classic or Heritage Grand, is based on the features and amenities of the hotel, including number of rooms, conformity of the general features and ambience to the overall concept of heritage and architectural distinctiveness, availability of sporting facilities, type of cuisine offered, quality of service and years of experience of the owner/staff.

The Tourism Ministry has also issued separate guidelines for approval and classification/reclassification of apartment hotels.

Intellectual Property Laws

Trade Marks Act, 1999 (the "Trade Marks Act")

The Trade Marks Act provides for the application, registration and protection of trade marks in India. The Trade Marks Act provides exclusive rights to the use of trade marks such as, brands, labels and headings that have been registered and to provide relief in case of infringement of such marks. Application for the registration of trade marks has to be made to the Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act provides for penalties for infringement and for falsifying and falsely applying trade marks and using them to cause confusion among the public.

Copyright Act, 1957 (the "Copyright Act")

The Copyright Act provides for registration of copyrights, assignment and licensing of copyrights, and protection of copyrights, including remedies for infringement. Under the Copyright Act, subject to certain exceptions, a copyright shall subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. The Copyright Act specifies that for the purposes of public performance of sound recordings, a license is required to be obtained from the owner(s). Copyright registration is not mandatory under the Copyright Act for acquiring or enforcing a copyright, however, such registration creates a presumption favoring ownership of the copyright by the registered owner. In the event of infringement of a copyright, the owner of the copyright is entitled to both civil remedies, including damages, accounts and injunction and delivery of infringing copies to the copyright owner, and criminal remedies, including imprisonment and imposition of fines and seizure of infringing copies.

Environment Legislations

We are subject to certain environment laws. The main purpose of the legislations detailed below is to control, abate and prevent environmental pollution. In order to achieve these objectives, Pollution Control Boards (the "**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and at the centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspections to ensure that industries are functioning in compliance with the prescribed standards. These PCBs also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be renewed periodically.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water and for the establishment of PCBs to prevent and control water pollution. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCBs. The Water Act also requires consents to be obtained from the State PCB prior to establishing any industry, operation or process, or any treatment and disposal system, which are likely to discharge sewage or trade effluent into a stream or well or sewer or on land.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act provides for the prevention, control and abatement of air pollution and for the establishment of PCBs for such purpose. The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The State PCB is required to grant or refuse the consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Environment Protection Act, 1986 ("EPA")

The EPA has been enacted with the objective of protection and improvement of the environment. Under the EPA, the Central government has been given the power to take all such measures as may be required for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, in exercise of its powers and functions, the Central government may give directions in writing to any person, officer or authority, including directions on closure, prohibition or regulation of any industry, operation or process.

Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules came into effect on April 4, 2016 and has replaced the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008. The Hazardous Waste Rules regulate the management, storage, treatment and disposal of hazardous and other waste. Under the Hazardous Waste Rules, occupiers (i.e., any person who has control over the affairs of a factory or premises or any person in possession of the hazardous or other waste) have been, *inter alia*, made responsible for safe and environmentally sound management of hazardous and other wastes and are required to obtain an authorisation from the relevant State PCB for handling, generation, processing, treatment, packaging, storage, transportation, use, collection, offering for sale, transfer or disposal of hazardous and other wastes.

Noise Pollution (Regulation and Control) Rules, 2000 (the "Noise Pollution Rules")

The Noise Pollution Rules seek to regulate and control noise producing and generating sources with the objective of maintaining ambient air quality standards in relation to noise. Under the Noise Pollution Rules, standards have been prescribed for ambient air quality and the authority will be responsible for the enforcement of noise pollution control measures and to check compliance with the ambient air quality standards. The Noise Pollution Rules provides for restrictions on the use of loud speaker, public address systems and sound producing instruments, including restrictions from use of such instruments at night except in closed premises.

Forest Conservation Act, 1980 ("FCA")

The FCA aims to preserve forest land and provides for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose.

Other Relevant Legislations

The Food Safety and Standards Act, 2006 (the "FSSA")

The FSSA has been enacted to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (the "**Food Authority**") for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption. The Food Authority is required to provide scientific advice and technical support to the Central and State governments in framing policies and rules relating to food safety and nutrition and to formulate regulations to ensure safe and wholesome food. The FSSA sets out requirements for licensing and registration of food businesses, responsibilities of the food business operator and penalties for violation of such responsibilities (including recall procedures), including penalties for sub-standard food, misbranded food and failure to comply with the directions of the authorities. The FSSA also provides for the establishment of a Food Safety Appellate Tribunal to hear appeals from the decisions of adjudicating officers. In exercise of powers under the FSSA, the Food Authority has *inter alia* framed the Food Safety and Standards Rules, 2011 ("**FSSR**"), which provide the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of 'commissioner of food safety', 'food safety officer' and 'food analyst' and procedures of taking extracts, seizure, sampling and analysis. The Food Authority has also framed other food safety and standards regulations, including the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011, the Food Safety and Standards (Packaging and Labelling) Regulations, 2011, the Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011 and the Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011.

The Consumer Protection Act, 1986 (the "COPRA")

The COPRA provides for protection of the interests of consumers, including establishment of consumer councils and other authorities for the settlement of consumers' disputes. The COPRA sets out a mechanism for consumers to file a complaint against a service provider in cases of unfair or restrictive trade practices, defects in goods, deficiencies in services, excessive pricing and sale of goods and services hazardous to life and property. A three-tier consumer grievance redressal mechanism has been implemented pursuant to the COPRA at the national, state and district levels. Non-compliance with the orders of these authorities may attract criminal penalties in the form of imprisonment and/or fines.

Shops and Establishments Legislations

Under the provisions of local shops and establishments legislations applicable in the states in which the establishments are set up, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

The Legal Metrology Act, 2009 (the "Legal Metrology Act")

The Legal Metrology Act has replaced the Standards of Weights and Measures Act, 1976. The Legal Metrology Act provides for establishment and enforcement of standards of weights and measures and for regulation of trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The key features of the Legal Metrology Act are (a) appointment of government-approved test centres for verification of weights and measures, (b) allowing companies to authorize any of its directors to be responsible to ensure that no offence is committed by a company under the Legal Metrology Act, and (c) penalties for violation of the provisions of the Legal Metrology Act.

Police Laws and Fire Prevention Laws

The State legislatures in India have enacted laws regulating public order and police, which provide, *inter alia*, for the licensing of places of public amusement or entertainment along with prescribing penalties for non-compliance. The State legislatures have also enacted laws that provide for fire prevention and life safety. Such laws include provisions in relation to provision of fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and penalties for non-compliance.

Excise legislations of various states

State governments are empowered to regulate, *inter alia,* manufacture, import, export, transport, possession, purchase and sale of liquor and other intoxicants. State governments also regulate excise and countervailing duties imposed on alcoholic liquors, grant of liquor licenses and retail supply of alcohol. In certain states, there exists a complete ban on the sale, consumption, transportation etc. of liquor, while in most states the sale, consumption, and transportation etc. of liquor is permitted subject to certain conditions.

Municipality Laws

The State legislatures are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions and implement schemes in relation to public health and sanitation. Accordingly, State governments have enacted laws authorizing municipalities to regulate public health, including regulations for issuance of a health trade license to operate eating outlets, restaurants and hotels, along with prescribing penalties for non-compliance.

Lift and Escalators Legislations

The State legislatures have also enacted laws for the regulation of installation, maintenance and safe working of lifts and escalators and of all machinery and apparatus used for such lifts and escalators. Under such legislations, the owners of premises are required to apply for permissions to install and operate lifts and escalators from the prescribed statutory authority. Penalties have been prescribed for violation of the provisions of the legislations.

Aviation Related Laws

Aircraft Act, 1934 ("Aircraft Act")

The Aircraft Act and the Aircraft Rules, 1937 (the "**Aircraft Rules**") set out provisions in relation to manufacture, possession, use, operation, sale, import and export of aircrafts. Under the Aircraft Act, the Directorate General of Civil Aviation ("**DGCA**") and such other officers as specified by the Central Government are empowered to regulate aircraft operations and perform safety oversight functions. The Aircraft Rules sets out the general safety conditions for aircraft operations and provisions relating to, *inter alia*, the mechanism for registration and marking of aircrafts, licensing of aircraft personnel and procurement of certificate of airworthiness. Rule 134A of the Aircraft Rules requires a non-scheduled operator's permit to be obtained from the DGCA to operate non-scheduled air transport services. The Civil Aviation Requirement Section 3 Series 'C' Part III issued under the Aircraft Rules ("**CAR**") sets out the requirements for grant of permit to operate non-scheduled air transport services. In case of any breach of any requirements of the Aircraft Act, the Aircraft Rules and the CAR, the non-scheduled operator's permit is liable to be suspended or cancelled and could subject the operator to penal action.

Taxation Laws

The tax related laws that are pertinent include the Income tax Act, 1961, the Central Goods and Services Tax Act, 2017 and the relevant state legislations for goods and services tax.

Laws Relating to Employment

Our operations are subject to compliance with certain additional labor and employment laws in India. These include, but are not limited to, the following:

- Child Labour (Protection and Prohibition) Act, 1986
- Contract Labour (Regulation & Abolition) Act, 1970
- Employees Compensation Act, 1923
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Employees' State Insurance Act, 1948
- Equal Remuneration Act, 1976
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- The Maternity Benefit Act, 1961

Foreign Investment

Under the consolidated FDI Policy (effective from August 28, 2017) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India and the provisions of the Foreign Exchange Management Act, 1999 along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, 100% foreign investment through the automatic route, i.e., without requiring prior governmental approval, is permitted in companies engaged in the hotels/hospitality sector, subject to compliance with certain prescribed pricing guidelines and reporting requirements. Further, 100% foreign investment through the automatic route is also permitted in companies providing non-scheduled air transport services, subject to compliance with certain conditions.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated in New Delhi, as a public limited company on January 22, 1981 under the Companies Act, 1956 and received a certificate of commencement of business on May 4, 1981 from the RoC. Our Company has not changed its name since incorporation. The Corporate Identity Number of our Company is U74899DL1981PLC011274.

Changes in Registered Office

The registered office of our Company is situated at Barakhamba Lane, New Delhi 110 001, India.

Details of any change in the registered office of our Company since incorporation are set forth below:

Date of change of registered office	Address of registered office
November 13, 1987	The address of the registered office of our Company was changed from 6, Tilak Marg, Sagar Apartments, New Delhi 110 001, India to Barakhamba Lane, New Delhi 110 001, India

The change in the registered office of our Company was made due to administrative and operational convenience.

Main Objects of our Company

The main objects of our Company as contained in the Memorandum of Association are as follows:

1. *"To enterprise, undertake and carry on the business of hotelier, motelier, road-house, auto-court, holiday-camps, restaurant owners, refreshment room contractors, refreshment room proprietors, apartment house keepers and to appropriate any part or/parts of the property of the company for the purpose of inn, hotel, tavern, caravansary, apartment, pension, bungalow, flat, lodge, hermitage, villa, cottage, hut cabin, castle, kiosk, suite, chalets, cafeteria, saloon, club, club-house, grill room, coffee house, canteen, cafe, bar, alehouse, discotheque and other like places for the accommodation of customers, tourists, pilgrims, visitors and guests.*

2. *To build, alter, adapt, construct, repair, uphold, maintain, fit up and furnish any property for the purpose of club-house, hall, pavilion, assembly-hall, auditorium, concert-hall, meeting-house, shopping-arcade, health-resort, gymnasium, billiard room, sanitorium, gardens, swimming pools, reading room, card room, theatres, cinema, ball-room, song and music-hall for the entertainment, amusement and recreation for inmates and to afford accommodation for public, social, commercial and cultural meetings, gatherings of all descriptions and to let out on lease or otherwise the whole or any part of the property of the company for any of the above mentioned purposes or otherwise.*

3. *To arrange, provide, equip, organize rooms, garages, godowns and other places of safe custody for bailment, deposit or protection of valuable goods and commodities and all other buildings necessary or convenient for establishing and carrying on the business of hotel industry."*

The main objects as contained in the Memorandum of Association enable our Company to carry on our existing business.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company.

Date of shareholders' resolution	Nature of amendment
August 25, 1981*	Amendment to Clause V: The initial authorized share capital of our Company of ₹10,000,000 comprising 100,000 equity shares of ₹100 each was increased to ₹50,000,000 comprising 500,000 equity shares of ₹100 each
January 27, 1982*	Amendment to Clause V: The authorized share capital of our Company of ₹50,000,000 comprising 500,000 equity shares of ₹100 each was increased to ₹100,000,000 comprising 1,000,000 equity shares of ₹100 each
November 14, 1983*	Amendment to Clause V: The authorized share capital of our Company was altered by way of sub-division to ₹100,000,000 comprising 10,000,000 equity shares of ₹10 each, whereby one equity share of ₹100 each was sub-divided into 10 equity shares of ₹10 each. The authorized share capital of ₹100,000,000 comprising 10,000,000 equity shares of ₹10 each was increased to ₹125,000,000 comprising 12,500,000 equity shares of ₹10 each
September 28, 1994*	Amendment to Clause V: The authorized share capital of our Company of ₹125,000,000 comprising 12,500,000 equity shares of ₹10 each was increased to ₹131,000,000 comprising 13,100,000 equity shares of ₹10 each
March 4, 1995*	Amendment to Clause V: The authorized share capital of our Company of ₹131,000,000 comprising 13,100,000 equity shares of ₹10 each was increased to ₹140,000,000 comprising 14,000,000 equity shares of ₹10 each
December 18, 1995*	Amendment to Clause V: The authorized share capital of our Company of ₹140,000,000 comprising 14,000,000 equity shares of ₹10 each was increased to ₹400,000,000 comprising 40,000,000 equity shares of ₹10 each
September 6, 2004*	Amendment to Clause V: The authorized share capital of our Company of ₹400,000,000 comprising 40,000,000 equity shares of ₹10 each was increased to ₹1,000,000,000 comprising 100,000,000 equity shares of ₹10 each
August 24, 2007	Amendment to Part C of Clause III to include the following sub-clauses: *23. To acquire, purchase, sell, own, manage, improve and develop any land, plot(s) of land or immovable property(ies) including industrial, commercial, residential, farm land, plot(s), building(s), house(s), apartment(s), plot(s) or area(s) within or outside the limits of Municipal Corporation or other local bodies anywhere within or outside India, to divide the same into suitable plots and to rent or sell plot(s) for building(s)/constructing residential houses, bungalows, business premises, colony(ies), commercial block(s) comprising offices and shops and rent or sell the same and realize the cost in lump sum or in easy instalments or by hire purchase system or otherwise either singly or jointly or in partnership with any person(s) or body corporate or partnership firm.* *24. To construct, purchase, develop or otherwise acquire, foreclose, purchase in auction, hire, lease or sell on hire purchase system any plots, buildings, houses, bungalows, factories, sheds, recreational clubs and facilities including golf course, sports and social clubs, trade premises, plant, machinery, public buildings, lands, farms, or any other kind of asset, estate or property (movable or immovable) rights or things in action and to carry on the business as proprietors, developers, builders, managers, operators, hirers and dealers of land and all kinds of movable and immovable properties.*

* See "*Capital Structure*" on page 101.

Major Events

The table below sets forth some of the key events in the history of our Company:

Calendar Year	Event
1981	Incorporation of our Company
1982	Executed a license deed with the New Delhi Municipal Corporation for construction of a five-star hotel at Barakhamba Lane, New Delhi
1984	Listing of Equity Shares of our Company on the Delhi Stock Exchange and the BSE
1988	The LaLiT New Delhi commenced operations
1996	Listing of global depository receipts of our Company on the Luxembourg Stock Exchange
1998	The LaLiT Grand Palace Srinagar commenced operations
2000	Listing of Equity Shares of our Company on the NSE

Calendar Year	Event
2001	The LaLiT Ashok Bangalore commenced operations
2002	The LaLiT Laxmi Villas Palace Udaipur commenced operations
2003	Voluntary de-listing of Equity Shares of our Company from the Delhi Stock Exchange, the BSE and the NSE
2004	The LaLiT Golf & Spa Resort Goa commenced operations
2004	The LaLiT Mumbai commenced operations
2007	The LaLiT Temple View Khajuraho commenced operations
2008	Re-branding of our hotels as "*The LaLiT*"
2009	The LaLiT Resort & Spa Bekal (Kerala) commenced operations
2011	Kitty Su, New Delhi commenced operations
2012	The LaLiT Jaipur commenced operations
2013	The LaLiT Chandigarh partially commenced operations
2013	The LaLiT Traveller Jaipur commenced operations
2013	The Lalit Suri Hospitality School in Faridabad commenced operations
2014	The LaLiT Traveller Khajuraho commenced operations
2014	The LaLiT Great Eastern Kolkata commenced operations
2015	Global depository receipts of our Company delisted from the Luxembourg Stock Exchange
2017	The LaLiT Mangar commenced operations
2017	Executed a management consultancy services agreement and licensing agreement with St. Olave's Limited, one of our Group Companies and a member of our Promoter Group, for operation of The LaLiT London

Awards, Certifications and Recognitions

We have received the following recent awards, certifications and recognitions:

Calendar Year	Award/Certification/Recognition
	The LaLiT New Delhi
2015	Joint Winner of National Tourism Award 2013-2014 for the "Best Hotel Based Meeting Venue"
2015	Kitty Su received the "best night club of the year" award at the Indian Restaurant Awards
2015	The Grill Room received "Delhi's best European fine dining restaurant" award at the Times Food Guide Awards
2015 and 2016	Kitty Su received the Times Nightlife Award 2015 and 2016, respectively, for "best night club"
2016 and 2017	National Tourism Award 2014-2015 and National Tourism Award 2015-2016 for the "hotel providing best facilities for differently abled guests"
2017	"Certificate of Excellence" from Tripadvisor.com
2017	Baluchi received the "Best Indian Restaurant in a Hotel" award at the EazyDiner Foodie Awards– People's Choice
2017	Kitty Su received the "Best Night Club NCR" award at the India Nightlife Convention and Awards
	The LaLiT Mumbai
2015	The "excellent performance 2015-2016" award by Goibibo.com
2016	The "loved by guest" award by Hotels.com (Expedia)
2015 and 2016	The "gold circle award" award by Agoda.com
	The LaLiT Ashok Bangalore
2013	The "Best Convention Hotel in India" award at the International Hotel Awards for Asia Pacific
2017	OKO received the "best sushi for the year" award from EazyDiner Foodie Awards – People's Choice
2018	Kitty KO received the "best lounge bar (nightlife)" award at the Times Food and Nightlife Awards
	The LaLiT Great Eastern Kolkata
2015	Rejuve – The Spa won the "best new spa (hotel)" award at the GeoSpa AsiaSpa Awards
2016	Wilson's The Pub won the "Award for Excellence" from The Telegraph Food Guide
2018	Our chef, Ms. Madhumita Mohanta, won the "chef of the year" award from Times Food and Nightlife Awards
2018	The Legacy Grill won the "best European in premium dining" award from Times Food and Nightlife Awards
2018	The Bakery won the "best dessert destination of the city" award from the Telegraph Food Guide Awards
	The LaLiT Jaipur
2013	The "Best Airport Hotel India" award at the International Hotel Awards for Asia Pacific

2014	The "Platinum Pick" award from Makemytrip.com
2015	The award for most popular banquet venue at the Dainik Bhaskar Reader's Choice Awards, 2014
2015	Baluchi received a "Certificate of Excellence" from Tripadvisor.com
2017	"Certificate of Excellence" from Tripadvisor.com
The LaLiT Chandigarh	
2015	24/7 won the "Best All-Day Dining Category" award at the Times Food Awards
2016	The "Customer Choice" award from Makemytrip.com
2016	OKO won the "Best Pan Asian in Fine Dining Category" award at the Times Food Awards
2016	Baluchi won the "Noteworthy Newcomer – North Indian" award at the Times Food Awards
2016 and 2017	Kitty Su received the "Best Night Club" award at the Times Nightlife Awards
2017	Baluchi won the "Best North Indian – Fine Dining Category" award at the Times Food Awards
2017	"Certificate of Excellence" from Tripadvisor.com
The LaLiT Grand Palace Srinagar	
2017	The "Best Luxury Hill Resort" award by Outlook Traveller Awards
The LaLiT Laxmi Vilas Palace Udaipur	
2012	Awards for "third among top hotels (overall review)", "excellent among top 5 star hotels (dining quality)" and "first among top hotels (room quality)" at the Travel Guru Awards in 2012.
The LaLiT Golf & Spa Resort Goa	
2013	The "Best Golf Resort India" award at the International Hotel Awards for Asia Pacific
2014	Corta's received the "best shack food" award from The Times Food Awards for the year 2015
2016	Trinity's Goan Hospitality Award of Excellence in the categories of "best 5-star wedding destination (South)" and the "best 5-star horticulturalist & landscaping (South)", and Trinity's Goan Hospitality Award of Notable Achievement in the categories of "best 5-star with exotic cuisine restaurants (South)" and the "best 5-star F&B manager (South)"
The LaLiT Resort & Spa Bekal (Kerala)	
2015	Rejuve – the Spa won the GeoSpa AsiaSpa Award for the "Best Ayurvedic Spa & Wellness Center"
2017	The "Best Beach Property" award by Outlook Traveller Boutique Hotel Awards
2017	Rejuve – the Spa won the "Best Ayurvedic Spa & Wellness Center" award at the GeoSpa AsiaSpa Awards
2018	Rated as "Outstanding 5.0 out of 5 – 2018" by the customers of Hotels.com
The LaLiT Temple View Khajuraho	
2015	Listed on Tripoto.com in "10 best luxury hotels in India"
2017	Listed on Tripoto.com in "29 Best Hotels of 29 States in India"
2017	"Certificate of Excellence" from Tripadvisor.com
The LaLiT London	
2017	The "Best U.K. city hotel with 51 rooms and above" award at the Boutique Hotel Guest Experience Awards
2017	The "New Market Entrant of the Year – UK" at the India Inc. UK India Awards
2017	Baluchi received the "Open Table Diners' Choice Award"
Other Awards	
2015	Our Chairperson and Managing Director, Dr. Jyotsna Suri received the "Best CEO - Hospitality Sector" award at the Global Women Achievers Awards
2017	The Lalit Suri Hospitality Group received the "best employer brand" award at the National Talent Management Leadership Awards
2018	The Lalit Suri Hospitality Group received the "Women at work leadership" award at the Employee Engagement Leadership Awards
2018	Our loyalty program received the "best card based loyalty program" award at the Customer Loyalty Awards

Other Details regarding our Company

For details of our Company's corporate profile, business, marketing, description of our activities, products, services, market of each segment, the growth of our Company, profits due to foreign operations and country-wise analysis, standing of our Company in relation to prominent competitors, technology, market, capacity build-up, suppliers, major customers, environmental issues and geographical segment, see "*Industry*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 140, 172 and 520, respectively.

For details of the management of our Company and its managerial competence, see "*Our Management*" on page 219.

Capital raising activities through equity or debt

Initial Public Issue, Rights Issue and Delisting of Equity Shares

Our Company had made a public issue of 2,700,000 Equity Shares through a prospectus dated June 8, 1984, which comprised a fresh issuance of 1,997,010 Equity Shares and an offer for sale of 702,990 Equity Shares and such Equity Shares were allotted on October 15, 1984. Pursuant to the public issue, the Equity Shares were listed on the BSE and the Delhi Stock Exchange on November 4, 1984 and November 16, 1984, respectively. Subsequently, the Equity Shares were also listed on the NSE with effect from May 10, 2000.

Pursuant to a letter of offer dated March 18, 1991, our Company also undertook a rights issue to our Shareholders and a preferential issue to the employees of our Company (including Indian working Directors/workers), and on May 27, 1991, allotted 3,333,334 Equity Shares on rights basis to our Shareholders and their nominees and 166,666 Equity Shares on preferential basis to the employees of our Company (including Indian working Directors/workers).

Pursuant to an open offer made by our corporate Promoter, Deeksha Holding Limited, under the 1997 Takeover Code and approval by our Company pursuant to a shareholders' resolution dated July 31, 2002, the Equity Shares were voluntarily delisted from the Delhi Stock Exchange, the BSE and the NSE with effect from June 6, 2003, June 11, 2003 and June 17, 2003, respectively.

GDR Issuance

Our Company made an offering of 1,300,000 Global Depository Receipts ("**GDRs**") representing 2,600,000 Equity Shares at an issue price of US$15 per GDR, amounting to US$19.5 million pursuant to an offering memorandum dated May 16, 1996. These GDRs were allotted on May 23, 1996 and listed on the Luxembourg Stock Exchange on May 23, 1996. The GDRs were delisted from the Luxembourg Stock Exchange with effect from October 29, 2015, and as at the date of this Draft Red Herring Prospectus, no GDRs are outstanding.

For further details regarding our capital raising activities through equity issuances, see "*Capital Structure*" on page 101.

NCD Issuances

Our Company has, in the past, issued an aggregate of 1,400 secured, redeemable non-convertible debentures of ₹ 1,000,000 each (the "**NCDs**") aggregating to ₹ 1,400 million, in three tranches during Fiscal Years 2009 and 2010, on private placement basis, which were listed on the wholesale debt market segment of the BSE. Our Company has subsequently fully re-paid and redeemed the NCDs and accordingly, each of the three tranches of NCDs have been delisted with effect from February 26, 2014, March 21, 2014 and May 4, 2015, respectively.

For further details regarding our indebtedness, see "*Financial Indebtedness*" on page 517.

Total Number of Shareholders of our Company

Our Company has 7,231 Shareholders as on June 27, 2018. For further information, see "*Capital Structure*" on page 101*.

** The total number of Shareholders has been computed based on the folio numbers in our Company's register of members and the records of the Company's share transfer agent.*

Injunctions or restraining orders against our Company

As at the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as at the date of filing of this Draft Red Herring Prospectus.

Changes in the activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years which may have had a material effect on the profits and losses of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings from financial institutions/banks and conversion of loans into equity

In the past, there have been delays in payment of interest and repayment of principal in relation to certain of our Company's loans, which are currently not outstanding. For details on defaults in complying with certain terms and conditions of our Company's loans and other borrowings that are currently outstanding, see "*Risk Factors - Restrictive covenants under our financing agreements may limit our strategic decisions and operations. We have breached certain of these restrictive covenants in the past"* on page 22.

None of our loans have been rescheduled or been converted into Equity Shares.

Lock outs and strikes

There have been no lock outs or strikes at any of the units of our Company or our Subsidiaries.

Time and cost overruns

Our Company has, in the past from time to time, experienced instances of delays in relation to completion of construction of certain hotel projects from our initial estimated date of completion and commencement of operation of our hotels. These instances of time overruns have arisen on account of, among other things, delays in receiving relevant governmental approvals, changes in the design of our hotel to meet the luxury standards and norms in the industry, and changes in contractors engaged by us. As a result of such delays, we have also experienced cost overruns for certain of our hotel projects. Such time and cost overruns are in the ordinary course of our business. For details, see "*Risk Factors – We are exposed to a range of development risks relating to our new hotel projects. We may incur substantial pre-opening costs that may be difficult to recoup quickly.*" on page 34.

Holding Company

Our Company does not have a holding company.

Subsidiaries

As at the date of this Draft Red Herring Prospectus, our Company has the following Subsidiaries:

1. Jyoti Limited;
2. Apollo Zipper India Limited;
3. Prime Cellular Limited;
4. Prima Buildwell Private Limited; and
5. Kujjal Builders Private Limited.*

** Kujjal Builders Private Limited has become a Subsidiary of our Company pursuant to an amendment to the Joint Venture Agreement in respect of Kujjal Builders Private Limited dated June 1, 2017. For details, see "–*

Shareholders' agreements – Joint Venture Agreement in respect of Kujjal Builders Private Limited" on page 216. Accordingly, Kujjal Builders has been considered a subsidiary of our Company in the Restated Consolidated Financial Information.

Unless otherwise stated, the information below is as at the date of this Draft Red Herring Prospectus:

1. Jyoti Limited

Corporate Information

Jyoti Limited was incorporated as a private limited company under the Jammu and Kashmir Companies Act, 1927 on January 22, 1964 and became a deemed public limited company pursuant to Section 43A(1) of the Companies Act, 1956 with effect from November 22, 1998. Jyoti Limited subsequently became a public limited company on July 27, 2005. The registered office of Jyoti Limited is located at Gulab Bhavan Palace, Gupkar Road, Srinagar, Jammu and Kashmir 190 001, India. Its Corporate Identity Number is U55101JK1964PLC000286.

Jyoti Limited is authorized under its memorandum of association to, *inter alia*, develop and lease out any land acquired by it and prepare such land for building purposes and to construct, maintain and manage any hotels, clubs or restaurants. Jyoti Limited has entered into a perpetual lease deed for the land and structure of The LaLiT Grand Palace Srinagar, which has been licensed to our Company for a term of 99 years.

Capital Structure

The authorized share capital of Jyoti Limited is ₹ 10,000,000 divided into 100,000 equity shares of face value of ₹ 100 each. The issued, subscribed and paid-up share capital of Jyoti Limited is ₹ 6,300,400 divided into 63,004 equity shares of face value of ₹ 100 each.

Shareholding Pattern

Name of shareholder	Number of equity shares	Percentage of issued capital (%)
Bharat Hotels Limited	62,998	100.00
Dr. Jyotsna Suri	1	0.00*
Mr. Ramesh Suri	1	0.00*
Deeksha Holding Limited	1	0.00*
Jyotsna Holding Private Limited	1	0.00*
Mr. Keshav Suri	1	0.00*
Mr. Narinder Batra	1	0.00*
Total	63,004	**100.00**

* *Negligible.*

There are no accumulated profits or losses of Jyoti Limited not accounted for by our Company.

2. Apollo Zipper India Limited

Corporate Information

AZIL was incorporated as a private limited company (Government Company) under the Companies Act, 1956 on January 20, 2004 and became a public limited company pursuant to a shareholders' resolution adopted on January 28, 2006. The registered office of AZIL is located at 18, Hemanta Basu Sarani, Kolkata, West Bengal 700 069, India. Its Corporate Identity Number is U36999WB2004PLC097656.

AZIL is authorized under its memorandum of association to, *inter alia*, carry on the business of hotels and restaurants. AZIL owns The LaLiT Great Eastern Kolkata. For details, see "– *Shareholders' Agreements – Shareholders Agreement in respect of AZIL*" on page 216.

Capital Structure

The authorized share capital of AZIL is ₹ 10,000,000 divided into 1,000,000 equity shares of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of AZIL is ₹ 8,087,100 divided into 808,710 equity shares of face value of ₹ 10 each.

Shareholding Pattern

Name of shareholder	Number of equity shares	Percentage of issued capital (%)
Bharat Hotels Limited	727,832	90.00
Governor of West Bengal (for and on behalf of the Government of West Bengal)	80,869	10.00
Ms. Gita Bhattachargee (for and on behalf of the Government of West Bengal)	1	0.00*
Mr. Biswanath Mukherjee (for and on behalf of the Government of West Bengal)	1	0.00*
Dr. Jyotsna Suri	1	0.00*
Ms. Deeksha Suri	1	0.00*
Mr. Ramesh Suri	1	0.00*
Ms. Ritu Suri	1	0.00*
Ms. Divya Suri Singh	1	0.00*
Mr. Sarthak Sachdev	1	0.00*
Mr. Anish Chanana	1	0.00*
Total	808,710	**100.00**

* *Negligible.*

There are no accumulated profits or losses of AZIL not accounted for by our Company.

3. Prime Cellular Limited

Corporate Information

Prime Cellular was incorporated as a private limited company under the Companies Act, 1956 on March 24, 1995. Pursuant to a resolution passed by the shareholders of Prime Cellular on June 5, 2006, Prime Cellular became a public limited company and a fresh certificate of incorporation was issued by the RoC on July 25, 2006. The registered office of Prime Cellular is located at 401, World Trade Tower, Barakhamba Lane, New Delhi 110 001, India. Its Corporate Identity Number is U74899DL1995PLC066703.

Prime Cellular is authorized under its memorandum of association to, *inter alia*, engage in the business of providing telecommunications services and manufacturing and dealing in electronic and electrical appliances including cellular phones and telephone and wireless equipment. Prime Cellular is also authorized to construct, purchase, acquire, develop and take over from time to time restaurants, bars, liquor, vends, wholesale and retail vends of foreign liquor, cafeterias, bakeries, shop, catering establishments, tourist bungalows, hotels huts, motels, guest houses, entertainment projects, and other places of tourist, archaeological and historic interest. Prime Cellular owns 50% of the share capital of, and exercises management control over, Kujjal Builders Private Limited, which has leasehold rights over the land on which The LaLiT Chandigarh is situated. For details, see "– *Shareholders' Agreements – Joint Venture Agreement in respect of Kujjal Builders Private Limited*" on page 216.

Capital Structure

The authorized share capital of Prime Cellular is ₹ 400,000,000 divided into 4,000,000 equity shares of face value of ₹ 100 each. The issued, subscribed and paid-up share capital of Prime Cellular is ₹ 400,000,000 divided into 4,000,000 equity shares of face value of ₹ 100 each.

Shareholding Pattern

Name of shareholder	Number of equity shares	Percentage of issued capital (%)
Bharat Hotels Limited	3,984,000	99.60
Dr. Jyotsna Suri	7,000	0.18
Deeksha Holding Limited	5,000	0.13
Ms. Divya Suri Singh	1,000	0.03
Mr. Ramesh Suri	1,000	0.03
Mr. Keshav Suri	1,000	0.03
Jyotsna Holding Private Limited	1,000	0.03
Total	4,000,000	**100.00**

There are no accumulated profits or losses of Prime Cellular not accounted for by our Company.

4. Prima Buildwell Private Limited

Corporate Information

Prima Buildwell was incorporated as a private limited company under the Companies Act, 1956 on June 14, 2006. The registered office of Prima Buildwell is located at 25, Ground Floor, World Trade Centre, New Delhi 110 001, India. Its Corporate Identity Number is U70109DL2006PTC149732.

Prima Buildwell is authorized under its memorandum of association to, *inter alia*, trade in any immovable property and to create, sell or deal in freehold and leasehold ground rents and to construct, operate or manage, within or outside India, any buildings or constructions including hotels. Premium Holding Limited (one of our Group Companies) and Prima Buildwell together hold a 50% stake in Cavern Hotel & Resort FZCO, our Joint Venture. For details, see "– *Shareholders' Agreements – Joint Venture Agreement in respect of Cavern Hotel & Resort FZCO*" on page 217.

Capital Structure

The authorized share capital of Prima Buildwell is ₹50,000,000 divided into 5,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of Prima Buildwell is ₹30,100,000 divided into 3,010,000 equity shares of face value of ₹10 each.

Shareholding Pattern

Name of shareholder	Number of equity shares	Percentage of issued capital (%)
Bharat Hotels Limited	3,009,999	100.00
Dr. Jyotsna Suri	1+	0.00*
Total	3,010,000	**100.00**

* *Negligible.*
+*Beneficial interest held by our Company.*

There are no accumulated profits or losses of Prima Buildwell not accounted for by our Company.

5. Kujjal Builders Private Limited

Corporate Information

Kujjal Builders was incorporated as a private limited company under the Companies Act, 1956 on August 22, 2005. The registered office of Kujjal Builders is located at 51 and 52, Ground Floor, World Trade Centre, Barakhamba Lane, New Delhi 110 001, India. Its Corporate Identity Number is U70101DL2005PTC139829.

Kujjal Builders is authorized under its memorandum of association to, *inter alia*, trade in any immovable property and to create, sell or deal in freehold and leasehold ground rents and to construct, operate or manage, within or outside India, any buildings or constructions including hotels. Kujjal Builders has leasehold rights over the land on which The LaLiT Chandigarh is situated. For details, see "– *Shareholders' Agreements – Joint Venture Agreement in respect of Kujjal Builders Private Limited*" on page 216.

Capital Structure

The authorized share capital of Kujjal Builders is ₹800,000,000 divided into 80,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of Kujjal Builders is ₹800,000,000 divided into 80,000,000 equity shares of face value of ₹10 each.

Shareholding Pattern

Name of shareholder	Number of equity shares	Percentage of issued capital (%)
Prime Cellular Limited	40,000,000	50.00
Eila Builders & Developers Limited	40,000,000	50.00
Total	**80,000,000**	**100.00**

There are no accumulated profits or losses of Kujjal Builders not accounted for by our Company.

Entity Controlled by our Company

The Lalit Suri Educational & Charitable Trust

LSECT is a public charitable trust registered under the Indian Trusts Act, 1882, formed pursuant to a deed of public trust dated December 8, 2011. Our Company is the settlor of LSECT. The office of LSECT is located at Lower Ground Floor, World Trade Centre, Barakhamba Avenue, New Delhi 110 001.

LSECT is an entity controlled by our Company and is consolidated in our Restated Consolidated Financial Information.

LSECT was established as an irrevocable educational/charitable trust for, *inter alia*, running the The Lalit Suri Hospitality School in Faridabad and to undertake other activities which will be of service to the community and of general public utility.

The trustees of LSECT are: Dr. Jyotsna Suri, Ms. Divya Suri Singh, Ms. Deeksha Suri, Mr. Keshav Suri (in each case, during their tenure as directors of our Company) and our Company (until its existence and in perpetuity).

Joint Venture

As at the date of this Draft Red Herring Prospectus, one of our Subsidiaries, Prima Buildwell, has the following Joint Venture:

Cavern Hotel & Resort FZCO

Corporate Information

Cavern was incorporated under the laws of Jebel Ali Free Zones authority, Dubai on April 22, 2007. The registered office of Cavern is located at P.O. Box No.17777, Dubai, UAE.

The objects for which Cavern is established under its memorandum of association include, *inter alia*, real estate management services, hotel management, facilities management services, real estate consultancies, hotel apartment rental, and renting residential units on time-sharing basis.

For details regarding the joint venture agreement in relation to Cavern, see "– *Shareholders' Agreements – Joint Venture Agreement in respect of Cavern Hotel & resort FZCO*" on page 217.

Capital Structure

The authorized share capital of Cavern is AED600,000 divided into 6 equity shares of face value of AED100,000 each. The issued, subscribed and paid-up share capital of Cavern is AED600,000 divided into 6 equity shares of face value of AED100,000 each.

Shareholding Pattern

Name of shareholder	Number of shares	Percentage of issued capital (%)
Lost City Development LLC	3	50
Premium Holding Limited	2	33.33
Prima Buildwell Private Limited	1	16.67
Total	6	**100.00**

As at March 31, 2018, a loss of ₹23.36 million of Cavern has not been accounted for by our Company.

Other Confirmations

None of our Subsidiaries, LSECT or our Joint Venture (i) is listed or refused listing of equity shares on any stock exchange in India or abroad, (ii) has become a sick company within the meaning of SICA, (iii) is under winding up, or (iv) has been declared as insolvent under the provisions of the IBC.

Significant Sale/Purchase between Subsidiaries, LSECT and our Company

None of our Subsidiaries, LSECT or Joint Venture is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

For details of transactions by our Company with our Subsidiaries, LSECT and Joint Venture during the last Financial Year, see "*Related Party Transactions*" and "*Financial Statements*" on pages 259 and 261, respectively.

Common Pursuits

There are no common pursuits between our Company and our Subsidiaries, LSECT and Joint Venture. However, our Subsidiaries, LSECT and Joint Venture are engaged in lines of business that are similar and/or synergistic to our Company, as set forth below:

Jyoti Limited has leasehold rights over the property at which The LaLiT Grand Palace Srinagar is situated pursuant to a perpetual lease deed dated November 22, 1997, and has licensed this property to our Company under the terms of a license deed dated February 3, 1998, as amended, for 99 years.

AZIL owns The LaLiT Great Eastern Kolkata and our Company has entered into an operating and management agreement dated November 19, 2013 with AZIL in respect of this hotel.

Prime Cellular owns 50% of the share capital of, and exercises management control over, Kujjal Builders, which has leasehold rights for 99 years over the land on which The LaLiT Chandigarh is situated under a lease deed dated February 22, 2007. Our Company has entered into an operating and management agreement dated November 19, 2013 with Kujjal Builders in respect of this hotel.

LSECT operates The Lalit Suri Hospitality School pursuant to a lease agreement with the Governor of Haryana acting through the Director, Tourism Department, State of Haryana, dated October 8, 2009, as amended, for an initial period of 33 years. Our Company is the settlor of LSECT.

Cavern Hotel & Resort FZCO was incorporated for the design, development, construction, marketing and management of the Lost City Hotel and Spa in Dubai, which project could not be implemented.

Business Interest between our Company and our Subsidiaries

Except as disclosed above and in "*Our Business*", "*Related Party Transactions*" and "*Financial Statements*" on pages 172, 259 and 261, respectively, none of our Subsidiaries, LSECT or our Joint Venture has any business interest in our Company.

Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets

Schemes of Amalgamation

Scheme of amalgamation with Malbros Hotels Limited

Pursuant to a scheme of amalgamation sanctioned by the Delhi High Court on July 25, 1996 and the Bombay High Court on October 10, 1996 (the "**Malbros Scheme**"), Malbros Hotels Limited, was merged into our Company with effect from April 15, 1996. The RoC confirmed the registration of the orders of the Delhi High Court and Bombay High Court on January 27, 1997. Prior to the merger, Malbros Hotels Limited was a subsidiary of our Company in which our Company held a 66.67% equity interest, and owned certain real property in Mumbai.

The scheme, *inter alia*, provided for the transfer of all the immovable and movable assets, debts, liabilities, contracts, legal proceedings and general reserves of Malbros Hotels Limited to our Company. The swap ratio for the merger was 500 Equity Shares for one equity share of ₹ 100 each of Malbros Hotels Limited. Accordingly, 900,000 Equity Shares were allotted to Deeksha Holding Limited and 600,000 Equity Shares were allotted to Jyotsna Holding Private Limited, the then shareholders of Malbros Hotels Limited, in lieu of the 1,800 equity shares and 1,200 equity shares of ₹ 100 each of Malbros Hotels Limited held by them, respectively. Pursuant to the Malbros Scheme, Malbros Hotels Limited was dissolved.

Scheme of Amalgamation with Khajuraho Hotels Limited

Pursuant to a scheme of amalgamation sanctioned by the Delhi High Court on September 3, 2007 (the "**Khajuraho Scheme**"), Khajuraho Hotels Limited was merged into our Company with effect from April 1, 2006. The RoC confirmed the registration of the order of the Delhi High Court on September 28, 2007. Prior to the merger, Khajuraho Hotels Limited was a subsidiary of our Company in which our Company held a 99.97% equity interest, and owned The LaLiT Temple View Khajuraho. The rationale for the Khajuraho Scheme was that the amalgamation would enable the combined business to be carried on more conveniently and advantageously with pooling and efficient utilization of resources, reduction in overheads and other expenses and improvement in other parameters.

The Khajuraho Scheme, *inter alia,* provided for the transfer of all the assets (including the entire business), properties, capital, work in progress, investments of all kinds, cash balance with banks, rights, powers, licenses, employees at their current terms and conditions, debts, borrowings and liabilities, present or future, secure or unsecured, and pending proceedings of Khajuraho Hotels Limited to our Company. In consideration for the merger, our Company was required to pay the other shareholders of Khajuraho Hotels Limited a sum of ₹ 100 per equity share of Khajuraho Hotels Limited, and, in the event that any shareholders did not accept such payment, our Company was required to consolidate the shares of such shareholders and issue Equity Shares in lieu thereof to a trustee of Khajuraho Hotels Limited. Such trustee was required to sell such Equity Shares and pay our Company the net proceeds of such sale, which our Company was required to distribute to the relevant shareholders. Pursuant to the Khajuraho Scheme, Khajuraho Hotels Limited was dissolved.

Scheme of Amalgamation with Udaipur Hotels Limited

Pursuant to a scheme of amalgamation sanctioned by the Delhi High Court on August 19, 2013 (the "**Udaipur Scheme**"), Udaipur Hotels Limited was merged into our Company with effect from April 1, 2012. The order of the Delhi High Court was filed with the RoC by our Company on October 31, 2013. Prior to the merger, Udaipur Hotels Limited was a subsidiary of our Company in which our Company held a 99.99% equity interest, and owned the LaLiT Laxmi Vilas Palace Udaipur. The rationale for the Udaipur Scheme was, *inter alia*, to integrate and combine the businesses of the companies effectively, to promote better and more economical planning of future capital expenditure, to achieve savings and economies of scale and facilitate a steady rate of dividend to the shareholders.

The Udaipur Scheme, *inter alia,* provided for the transfer of all the assets, properties, rights, powers, licenses, liabilities, debt and pending proceedings of Udaipur Hotels Limited to our Company. As the valuation of Udaipur Hotels Limited was negative, the swap ratio determined under the Udaipur Scheme was nil. However, our Company decided to pay the other shareholders of Udaipur Hotels Limited a sum of ₹ 100 per equity share of Udaipur Hotels Limited. Pursuant to the Udaipur Scheme, Udaipur Hotels Limited was dissolved.

Revaluation of Assets

Pursuant to a report dated March 2009 of Kanti Karamsey & Co., government registered estate valuers, our Company had revalued the carrying value of the land and building in relation to The LaLiT Mumbai from their carrying value of ₹ 307.82 million and ₹ 1,194.30 million, respectively to ₹ 2,338.26 million and ₹ 1,632.13 million, respectively, as on March 31, 2009, resulting in creation of revaluation reserve of ₹ 2,468.27 million.

Pursuant to a report dated November 2009 of Kanti Karamsey & Co., government registered estate valuers, our Company had revalued the carrying value of the building in relation to The LaLiT Golf & Spa Resort Goa from its original value of ₹ 524.82 million to ₹ 1,327.21 million as on November 30, 2009, resulting in creation of revaluation reserve of ₹ 802.39 million.

Pursuant to a report dated March 2009 of Kanti Karamsey & Co., government registered estate valuers, AZIL had revalued the carrying value of the land in relation to The LaLiT Great Eastern Kolkata from their original value of ₹ 3.69 million to ₹ 600.73 million as on March 31, 2009, resulting in creation of revaluation reserve of ₹ 597.04 million.

Shareholders' agreements

Shareholders Agreement in respect of AZIL

Our Company has entered into a Shareholders Agreement dated November 30, 2005 (the "**AZIL SHA**") with the Governor of West Bengal ("**Government**") to record the terms and conditions and the manner in which the affairs of AZIL are to be conducted following the purchase by our Company of 90% of AZIL's paid-up share capital from the Government. The Government had transferred the management and undertaking of the Great Eastern Hotel, Kolkata (now known as The LaLiT Great Eastern Kolkata) to AZIL with effect from October 5, 2005.

The AZIL SHA includes provisions relating to, *inter alia*, (i) composition of the board of directors of AZIL, quorum right of the Government and certain affirmative voting rights of the Government (such as, *inter alia,* in relation to alteration of the charter documents of AZIL, any change of end use of the hotel or the land on which the hotel is situated, issue of further equity shares without pre-emptive rights to members or conversion of loans into equity shares); (ii) right of first refusal to be provided by the Government or our Company, as applicable, to the other shareholder in the event of a proposed transfer of all or any part of their shares in AZIL; (iii) tag-along right of the Government in the event of a proposed sale by our Company; and (iv) right of the Government to purchase our Company's shares in AZIL in the event of an Event of Bankruptcy (as defined in the AZIL SHA). The AZIL SHA also includes provisions relating to the consequences of an Event of Default (as defined in the AZIL SHA) and termination of the AZIL SHA (including upon our Company ceasing to hold at least 51% of the share capital of AZIL and the Government ceasing to hold at least 5% of the share capital of AZIL).

Pursuant to letters dated April 28, 2017 and August 24, 2017, the Government informed AZIL that it is contemplating exiting from certain of its joint ventures, including AZIL. AZIL and our Company have not received any further communication from the Government in this connection as at the date of this Draft Red Herring Prospectus.

Joint Venture Agreement in respect of Kujjal Builders Private Limited

Our Subsidiary, Prime Cellular Limited, has entered into a Joint Venture Agreement dated January 18, 2007 with Kujjal Builders and Eila Builders & Developers Limited ("**Eila**"), as amended pursuant to an agreement dated

June 1, 2017 among our Company, Prime Cellular Limited, Kujjal Builders and Eila (the "**Amendment**") relating to the governance, management and operation of Kujjal Builders (the "**Kujjal JVA**"). Under the Kujjal JVA, each of Prime Cellular and Eila are required to have a 50% stake in Kujjal Builders. Pursuant to the Amendment, the board of directors of Kujjal Builders is required to consist of five directors – two directors nominated by Eila and three directors nominated by Prime Cellular, and the chairman of the board of directors of Kujjal Builders is to be appointed from among the directors nominated by Prime Cellular.

Under the Kujjal JVA, the purpose of Kujjal Builders was to develop and operate a hotel and convention centre in Chandigarh (now known as The LaLiT Chandigarh).

The Kujjal JVA includes provisions relating to, *inter alia*, (i) the management of Kujjal Builders; (ii) right of first offer of each shareholder in the event the other shareholder wishes to sell its shares; (iii) tag along rights of the shareholders; (iv) consequences upon an Event of Deadlock (as defined in the Kujjal JVA); and (v) termination of the Kujjal JVA, including upon either shareholder holding less than 50% of the share capital of Kujjal Builders.

Joint Venture Agreement in respect of Cavern Hotel & Resort FZCO

Our Subsidiary, Prima Buildwell, has entered into a Joint Venture Agreement dated February 15, 2007 (the "**Cavern JVA**") with Lost City Developments LLC and Premium Holdings Limited (Premium Holdings Limited and Prima Buildwell, together, the "**Premium Shareholders**"). Pursuant to the Cavern JVA, Cavern was incorporated with 50% of the shares of Cavern being held by Lost City and 50% by the Premium Shareholders. Lost City and the Premium Shareholders entered into the Cavern JVA for the design, development, construction, marketing and management of the Lost City Hotel and Spa in Dubai, which project has not yet been implemented.

The Cavern JVA includes provisions relating to, *inter alia*, (i) establishment of the joint venture company in the Jebel Ali Free Zone, Dubai, UAE; (ii) transfer restrictions on the shares held by the parties (including the right of first offer and tag along rights); (iii) financial and operational matters, including the governance of Cavern and composition of the board of directors of Cavern; (iv) right to use the Bharat Hotels intellectual property; (v) termination of the joint venture; (vi) forced buyout in the event of termination; and (vii) consequences upon an Event of Deadlock (as defined in the Cavern JVA).

Other Agreements

Management Consultancy Services Agreement and Licensing Agreement in respect of The LaLiT London

On December 6, 2017, our Company executed a management consultancy services agreement and licensing agreement (the "**London Agreement**") with St. Olave's Limited, one of our Group Companies and a member of our Promoter Group. Pursuant to the London Agreement, with effect from April 1, 2017, our Company has been exclusively engaged by St. Olave's Limited to provide management consultancy services in connection with the operation, management and supervision of The LaLiT London, which includes the following services (i) general advisory services in connection with the operations, sales and marketing of The LaLiT London; (ii) assistance with the development of sales and marketing programs with respect to the operations and facilities of The LaLiT London; (iii) recruitment for key positions for The LaLiT London; (iv) assistance with setting up processes in relation to operation and management; (v) providing relevant technical training to the staff; and (vi) providing a central booking and reservation system. In consideration for the services performed by our Company, St. Olave's Limited is required to pay our Company a service fee equivalent to 5% of the gross operating profit of The LaLiT London for every Fiscal Year or part thereof.

Pursuant to the London Agreement, our Company has granted St. Olave's Limited a non-exclusive, limited license to use the trademark "The LaLiT" in relation to the operation and management of The LaLiT London. This license also extends to any other intellectual property owned by our Company and required by St. Olave's Limited in respect of the operation and management of The LaLiT London, including use and benefit of our Company's accounting, management and marketing knowledge and experience connected with the trade name and trade styling of "The LaLiT". In consideration for the grant of the trademark license, St. Olave's Limited is required to pay our Company royalty equivalent to 2% of the gross revenue of The LaLiT London for every Fiscal Year or part thereof.

The London Agreement is valid for a period of 10 years from April 1, 2017 (the "**Term**"), unless terminated earlier. The parties may renew the agreement for a further period on terms and conditions as may be mutually agreed between the parties. The London Agreement may be terminated prior to the completion of the Term (i) if either party defaults in performing its obligations and fails to rectify the breach within 60 days of being notified by the other party of such breach; (ii) upon occurrence of a force majeure event; (iii) in case of termination of any right in favor of St. Olave's Limited to occupy and manage The LaLiT London; or (iv) if the use by St. Olave's Limited of the trademark "The LaLiT" is prejudicial to the right of our Company in such trademark.

OUR MANAGEMENT

Board of Directors

In accordance with our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. Currently, our Board comprises 10 Directors.

The following table sets forth details regarding our Board:

S. No.	Name, Designation, Address, Occupation, Term, Nationality and DIN	Age (in years)	Other Directorships
1.	**Dr. Jyotsna Suri** ***Designation***: Chairperson and Managing Director ***Address***: N-119, Panchsheel Park New Delhi 110 017 India ***Occupation***: Business ***Term***: For three years with effect from October 16, 2017 (Not liable to retire by rotation) ***Nationality***: Indian ***DIN***: 00004603	65	*Indian Companies*: • Apollo Zipper India Limited • Bharat Hotels Aviations Private Limited • Deeksha Holding Limited • Jyoti Limited • Jyotsna Holding Private Limited • Prima Buildwell Private Limited • Prima Realtors Private Limited • Prima Telecom Limited • Responsible Builders Private Limited • Rohan Motors Limited • Special Protection Services Private Limited • Subros Limited *Foreign Companies*: • Cavern Hotel & Resort FZCO
2.	**Ms. Divya Suri Singh** ***Designation***: Executive Director ***Address***: A1/21, Safdar Jang Enclave New Delhi 110 029 India ***Occupation***: Business ***Term***: For three years with effect from August 26, 2017 (Liable to retire by rotation) ***Nationality***: Indian ***DIN***: 00004559	43	*Indian Companies:* • Bharat Hotels Aviations Private Limited • Deeksha Holding Limited • Deeksha Human Resource Initiatives Limited • Global Autotech Limited • Jyoti Limited • Jyotsna Holding Private Limited • Mangar Hotels & Resorts Limited • Premium Exports Limited • Premium Farm Fresh Produce Limited • Prima Buildwell Private Limited • Prima Realtors Private Limited • Prime Cellular Limited • Responsible Builders Private Limited • Special Protection Services Private Limited *Foreign Companies*: -
3.	**Ms. Deeksha Suri** ***Designation***: Executive Director ***Address***: C5/5, First Floor Vasant Vihar New Delhi 110 057 India ***Occupation***: Business ***Term***: For three years with effect from August 26, 2017 (Liable to retire by rotation) ***Nationality***: Indian ***DIN***: 00005367	38	*Indian Companies*: • Deeksha Holding Limited • Deeksha Human Resource Initiatives Limited • Hotel and Restaurant Association of Northern India • Jyotsna Holding Private Limited • Mangar Hotels & Resorts Limited • Premium Exports Limited • Premium Farm Fresh Produce Limited • Prima Telecom Limited • Prime Cellular Limited • Responsible Builders Private Limited • Special Protection Services Private Limited *Foreign Companies*: -

S. No.	Name, Designation, Address, Occupation, Term, Nationality and DIN	Age (in years)	Other Directorships
4.	**Mr. Keshav Suri** ***Designation***: Executive Director ***Address***: B-1/3, 2nd Floor Vasant Vihar New Delhi 110 057 India ***Occupation***: Business ***Term***: For three years with effect from August 26, 2017 (Liable to retire by rotation) ***Nationality***: Indian ***DIN***: 00005370	33	*Indian Companies*: • Apollo Zipper India Limited • Deeksha Holding Limited • Deeksha Human Resource Initiatives Limited • Jyotsna Holding Private Limited • KronoKare Cosmetics Private Limited • Mangar Hotels & Resorts Limited • Premium Exports Limited • Prime Cellular Limited • Responsible Builders Private Limited • Special Protection Services Private Limited *Foreign Companies*: -
5.	**Mr. Ramesh Suri** ***Designation***: Non-Executive Director ***Address***: N-119, Panchsheel Park New Delhi 110 017 India ***Occupation***: Business ***Term***: Liable to retire by rotation ***Nationality***: Indian ***DIN***: 00176488	78	*Indian Companies*: • Anbros Motors Private Limited • Apollo Zipper India Limited • Deeksha Holding Limited • Global Autotech Limited • GLOBALYDK Electric Private Limited • Hemkunt Service Station Private Limited • JTEKT India Limited • Jyotsna Holding Private Limited • Mercantile Capital and Financial Services Private Limited • Prima Telecom Limited • R.R. Holdings Private Limited • Rohan Motors Limited • S.H.S. Transport Private Limited • Subros Limited • Tempo Automobiles Private Limited *Foreign Companies*: • Cavern Hotel & Resort FZCO • Thai Subros Limited
6.	**Dr. Mohmmad Yousuf Khan** ***Designation***: Independent Director ***Address***: S-378, Panchsheel Park New Delhi 110 017 India ***Occupation***: Advisor ***Term***: For five years with effect from September 27, 2016 ***Nationality***: Indian ***DIN***: 00751929	74	*Indian Companies*: • Chenab Valley Power Projects Private Limited • Essel MF Trustee Limited • Raheja Developers Limited • Realvalue Realtors Private Limited • Star Health and Allied Insurance Company Limited • Starcom Information Technology Limited *Foreign Companies*: -
7.	**Mr. Vivek Mehra** ***Designation***: Independent Director ***Address***: B-314, New Friends Colony New Delhi 110 065 India ***Occupation***: Management consultant	63	*Indian Companies*: • Clean Solar Power (Hiriyur) Private Limited • DLF Limited • Embassy Office Parks Management Services Private Limited • Grassroot Trading Network for Women • HT Media Limited • Jubilant Life Sciences Limited *Foreign Companies*:

S. No.	Name, Designation, Address, Occupation, Term, Nationality and DIN	Age (in years)	Other Directorships
	Term: For five years with effect from July 21, 2017 ***Nationality***: Indian ***DIN***: 00101328		• RHT Health Trust Manager Pte. Ltd.
8.	**Mr. Dhruv Prakash** ***Designation***: Independent Director ***Address***: A-14, Sector 26 Noida 201 301 India ***Occupation***: Management consultant ***Term***: For five years with effect from July 21, 2017 ***Nationality***: Indian ***DIN***: 05124958	66	*Indian Companies*: • Indiamart Intermesh Limited • SBI Mutual Fund Trustee Company Private Limited *Foreign Companies*: -
9.	**Mr. Ranjan Mathai** ***Designation***: Independent Director ***Address***: A-1003, Ridgeview IFS Apts New IFS CGHS Sector 54, Gurugram 122 011 India ***Occupation***: Retired from Government Service ***Term***: For five years with effect from August 29, 2017 ***Nationality***: Indian ***DIN***: 07572976	66	*Indian Companies*: • HDFC Standard Life Insurance Company Limited • Jet Airways (India) Limited *Foreign Companies*: -
10.	**Ms. Shovana Narayan** ***Designation*:** Independent Director ***Address*:** T-2, LL-103, CWG Village Near Akshardam Mandir, Laxmi Nagar New Delhi 110 092, India ***Occupation*:** Artist ***Term*:** For five years with effect from October 16, 2017 ***Nationality*:** Indian ***DIN*:** 07957359	67	*Indian Companies*: - *Foreign Companies*: -

Relationship between our Directors

Except as below, none of our Directors are related to each other:

Name	Relationship
Dr. Jyotsna Suri	Mother of Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri and sister-in-law of Mr. Ramesh Suri

Ms. Divya Suri Singh	Daughter of Dr. Jyotsna Suri and sister of Ms. Deeksha Suri and Mr. Keshav Suri and niece of Mr. Ramesh Suri
Ms. Deeksha Suri	Daughter of Dr. Jyotsna Suri and sister of Ms. Divya Suri Singh and Mr. Keshav Suri and niece of Mr. Ramesh Suri
Mr. Keshav Suri	Son of Dr. Jyotsna Suri and brother of Ms. Divya Suri Singh and Ms. Deeksha Suri and nephew of Mr. Ramesh Suri
Mr. Ramesh Suri	Brother-in-law of Dr. Jyotsna Suri and uncle of Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri

Brief Biographies of our Directors

Dr. Jyotsna Suri is the Chairperson and Managing Director of our Company. She has been on our Board since January 11, 1989. She was appointed as the Joint Managing Director of our Company with effect from December 1, 1989 and as the Chairperson and Managing Director of our Company with effect from October 16, 2006. She has a bachelor's degree in English from Miranda House College, Delhi University and has been conferred an honorary degree of Doctor of Laws from the University of Warwick, U.K. She was the President of the Federation of Indian Chambers of Commerce and Industry ("**FICCI**") in 2015 and has been the Chairperson of the FICCI Creative Industries Committee since 2015 and the Chairperson of the FICCI Tourism Committee since 2006. She has received various awards such as 'Outstanding Business Woman Award' at the PHD Annual Awards for Excellence in 2016, the InWENA trophy for 'Women Entrepreneur(s)/Intrapreneur(s) of the Decade' at the InWENA Awards in 2016 and the 'BEST CEO – Hospitality Sector' at the Global Women Achievers Awards in 2015.

Ms. Divya Suri Singh is an Executive Director of our Company. She has been a Director of our Company since August 26, 2009 and has been associated with our Company as legal advisor since 2001. She holds a bachelor's degree in commerce from Shri Ram College of Commerce, Delhi University and a bachelor's degree in law from King's College London. She is enrolled as an advocate with the Bar Council of Delhi. She was the Chairperson of the Young FICCI Ladies Organization in 2012-2013. Since 2014, she has been a member of the Young Presidents' Organization.

Ms. Deeksha Suri is an Executive Director of our Company. She has been a Director of our Company since August 26, 2009 and is responsible for manpower planning, human resource development and general administration functions of our Company. She holds a diploma in business studies from The London School of Economics and Political Science. She was included in 'Power Rangers', a list of the 25 most influential women professionals in India, by India Today in 2012.

Mr. Keshav Suri is an Executive Director of our Company. He has been a Director of our Company since August 26, 2009 and is responsible for operations and projects functions of our Company. He holds a master's degree in law from The School of Oriental and African Studies, University of London and a master of science degree in international management from King's College, London. He has played a significant role in creating the strategy for Kitty Su. He has been featured in GQ's list of 'The 50 Most Influential Young Indians 2017' and was awarded 'Face of the Future' at the North India Travel Awards 2016.

Mr. Ramesh Suri is a Non-Executive Director of our Company. He has been a Director of our Company since January 22, 1981. He holds a bachelor's degree in science from Panjab University. He was awarded the Corporate Excellence Award 2005 for 'Best Industrialist of the Year' by the Foundation of Indian Industry & Economists in January 2006.

Dr. Mohmmad Yousuf Khan is an Independent Director of our Company. He has been on our Board since December 22, 2005 and was appointed as an Independent Director with effect from September 27, 2014. He holds a bachelor's degree in science from the University of Jammu & Kashmir and has been conferred an honorary doctorate of philosophy in business management from Burkes University, UK. He was the Chairman of Jammu and Kashmir Bank Limited.

Mr. Vivek Mehra is an Independent Director of our Company. He has been on our Board since July 21, 2017. He holds a bachelor's degree in commerce (hons.) from the University of Delhi. He has been a member of the Institute of Chartered Accountants of India since August 1, 1979. He has worked as a partner with Price Waterhouse Coopers Private Limited and as a tax partner, managing partner and nominal partner with P.R. Mehra & Co.

Mr. Dhruv Prakash is an Independent Director of our Company. He has been on our Board since July 21, 2017. He holds a bachelor's degree in science from Meerut University, a master's degree in science (chemistry) from Meerut University and a post-graduate diploma in business administration from the Indian Institute of Management Ahmedabad. He has worked with Amar Dye-Chem Limited, DCM Financial Services Limited, DCM Toyota Limited, Escorts Limited, Helion Ventures Private Limited, Hewitt Associates (India) Private Limited, Hindustan Reprographics Limited and Korn/Ferry International Private Limited.

Mr. Ranjan Mathai is an Independent Director of our Company. He has been on our Board since August 29, 2017. He holds a bachelor's degree in arts (special) from Fergusson College, the University of Poona and a master of arts degree in politics from the University of Poona. He passed his civil services exam and joined the Indian Foreign Service in 1974. He was appointed the Foreign Secretary of India for two years in July 2011.

Ms. Shovana Narayan is an Independent Director of our Company. She has been on our Board since October 16, 2017. She holds a bachelor of science degree (hons.) in physics from the University of Delhi. She holds a master's degree in science (physics) from the University of Delhi, a master of philosophy degree in social sciences from the Panjab University and a master of philosophy degree in defence and strategic studies from the University of Madras. She has been awarded the Padma Shri by the Government of India in 1992. She has also been conferred an honorary degree of Doctor of Letters by the Indira Kala Sangeet Vishwavidyalaya, Chattisgarh.

Confirmations

1. None of our Directors is or was a director of any listed company whose shares have been or were suspended from being traded on the BSE or the NSE in the five years immediately preceding the date of filing of this Draft Red Herring Prospectus.

2. Except as stated below, none of our Directors is or was a director of any listed company that has been or was delisted from any stock exchange.

a. Dr. Jyotsna Suri, Mr. Ramesh Suri, Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri

Name of the company	Premium Exports Limited ("**PEL**")
Listed on	DSE
Date of delisting	PEL was listed on the DSE prior to its shift to the BSE dissemination board pursuant to a letter dated May 18, 2015 from the DSE. PEL was removed from the dissemination board of the BSE with effect from September 19, 2017.
Compulsory or voluntary delisting	Voluntary delisting
Reasons for delisting	100% equity shares of the company were held by the promoters/relatives of the promoters and an application was made to the BSE dissemination board for voluntary delisting.
Whether relisted	No
Term (along with relevant dates) of Director in the above company	Dr. Jyotsna Suri : Approximately 8 years; October 16, 2006 to October 24, 2014 Mr. Ramesh Suri: Approximately 9 years; October 16, 2006 to March 31, 2015 Ms. Divya Suri Singh: Approximately 8 years; January 19, 2010 - Till date Ms. Deeksha Suri: Approximately 8 years; January 19, 2010 - Till date Mr. Keshav Suri: Approximately 10 years; July 10, 2007 - Till date

b. Dr. Jyotsna Suri, Mr. Ramesh Suri, Ms. Divya Suri Singh, Ms. Deeksha Suri, Mr. Keshav Suri and Dr. Mohmmad Yousuf Khan

Name of the company	Bharat Hotels Limited
Listed on	BSE, NSE, DSE and the Luxembourg Stock Exchange
Date of delisting	*Equity Shares*: The Equity Shares of our Company were delisted with effect from June 6, 2003, June 11, 2003 and June 17, 2003 from the DSE, BSE and the NSE, respectively. *GDRs*: The GDRs of our Company were delisted from the Luxembourg Stock Exchange with effect from October 29, 2015. *NCDs*: Each of the three tranches of the NCDs issued by our Company was delisted from the wholesale debt market segment of the BSE with effect from February 26, 2014, March 21, 2014 and May 4, 2015.
Compulsory or voluntary delisting	Voluntary delisting
Reasons for delisting	*Equity Shares*: Voluntarily delisted pursuant to open offer by our corporate Promoter, Deeksha Holding Limited. *GDRs*: The GDRs of our Company were delisted on conversion into Equity Shares. *NCDs*: The NCDs of our Company were repaid in tranches and thereby delisted.

Whether relisted	No
Term (along with relevant dates) of Director in the above company	Dr. Jyotsna Suri: Approximately 29 years; January 11, 1989 – Till date Mr. Ramesh Suri: Approximately 37 years; Since incorporation of our Company (January 22, 1981) – Till date Ms. Divya Suri Singh: Approximately 8 years; August 26, 2009 – Till date Ms. Deeksha Suri: Approximately 8 years; August 26, 2009 – Till date Mr. Keshav Suri: Approximately 8 years; August 26, 2009 – Till date Dr. Mohmmad Yousuf Khan: Approximately 12 years; December 22, 2005 – Till date

For further details regarding delisting of the securities of our Company, see "*History and Certain Corporate Matters – Other details regarding our Company – Capital raising activities through equity or debt*" on page 208.

3. In relation to Dr. Mohmmad Yousuf Khan's previous directorship in Juniper Wealth Advisory Private Limited ("**Juniper**"), Dr. Mohmmad Yousuf Khan's name currently appears in the lists of directors that are disqualified under Section 164(2)(a) of the Companies Act, 2013 issued by the RoC. However, based on clarifications provided by Dr. Mohmmad Yousuf Khan and our Company, the RoC has issued a letter dated May 30, 2018 to Dr. Mohmmad Yousuf Khan, noting that Dr. Mohammad Yousuf Khan had ceased to be a director in Juniper with effect from July 1, 2014, and clarifying that he is not a disqualified director under Section 164(2) of the Companies Act, 2013 in relation to Juniper.

Terms of Appointment of the Executive Directors

Dr. Jyotsna Suri

Dr. Jyotsna Suri was appointed as an additional Director of our Company with effect from January 11, 1989 and as a Director of our Company with effect from November 2, 1989. Dr. Jyotsna Suri was appointed as the Joint Managing Director of our Company with effect from December 1, 1989 and as the Chairperson and Managing Director of our Company with effect from October 16, 2006 pursuant to a resolution of our Shareholders dated November 15, 2006. She was last re-appointed as the Chairperson and Managing Director under the Companies Act, 2013 for a period of three years with effect from October 16, 2017 pursuant to a board resolution dated July 21, 2017 and a resolution of our Shareholders dated August 23, 2017.

The following are the principal terms of remuneration of Dr. Jyotsna Suri as Managing Director of our Company, as set out in the board resolution dated July 21, 2017 and the resolution of our Shareholders dated August 23, 2017:

Particulars	Remuneration
Salary	Up to ₹ 775,000 per month, subject to revision by our Board, from time to time, taking into account the performance of our Company.
Commission	Up to 1% of the net profits of our Company, subject to the ceiling in Section 197 of the Companies Act, 2013 and computed in accordance with Section 198 and other applicable provisions of the Companies Act, 2013.
Perquisites	Perquisites will be restricted to an amount equal to Dr. Jyotsna Suri's annual salary and will be as follows: • Dr. Jyotsna Suri will be entitled to (i) reimbursement of medical expenses for herself and her family (i.e., dependent children and dependent parents), subject to a ceiling of one month's salary in a year or three months' salary over a period of three years, (ii) leave travel concession for herself and her family (i.e., dependent children and dependent parents) in accordance with the rules of our Company, (iii) personal accident insurance in accordance with the rules of our Company, subject to maximum premium of ₹ 4,000 per annum, (iv) club membership fees, which will not include admission or life membership fees and will be subject to a maximum of two clubs, (v) reimbursement of entertainment, travelling and all other expenses incurred for the business of our Company in accordance with the rules of our Company, (vi) a car with a driver and a telephone at her residence for the business of our Company, and (vii) any other allowances, benefits and perquisites available to the senior officers of our Company from time to time in accordance with the rules of our Company. • Contribution to provident fund, superannuation fund or annuity fund will be in accordance with the rules of our Company and will not be included in the computation of the ceiling on perquisites. Gratuity will not exceed half a month's salary for each completed year of service. • The provision of car for conducting our Company's business and telephone at Dr. Jyotsna Suri's residence will not be considered perquisites. Personal long distance calls and use of car for private purposes will be billed to Dr. Jyotsna Suri.

Ms. Divya Suri Singh

Ms. Divya Suri Singh was appointed as a Director of our Company with effect from August 26, 2009. She was last re-appointed as a Director under the Companies Act, 2013 for a period of three years with effect from August 26, 2017 pursuant to a board resolution dated July 21, 2017 and a resolution of our Shareholders dated August 23, 2017.

The following are the principal terms of remuneration of Ms. Divya Suri Singh as an Executive Director of our Company, as set out in the board resolution dated July 21, 2017 and a resolution of our Shareholders dated August 23, 2017:

Particulars	Remuneration
Salary	Up to ₹ 775,000 per month, subject to revision by our Board, from time to time, taking into account the performance of our Company.
Commission	Up to 1% of the net profits of our Company, subject to the ceiling in Section 197 of the Companies Act, 2013 and computed in accordance with Section 198 and other applicable provisions of the Companies Act, 2013.
Perquisites	Perquisites will be restricted to an amount equal to Ms. Divya Suri Singh's annual salary and will be as follows: • Ms. Divya Suri Singh will be entitled to (i) reimbursement of medical expenses for herself and her family (i.e., spouse, dependent children and dependent parents), subject to a ceiling of one month's salary in a year or three months' salary over a period of three years, (ii) leave travel concession for herself and her family (i.e., spouse, dependent children and dependent parents) in accordance with the rules of our Company, (iii) personal accident insurance in accordance with the rules of our Company, subject to maximum premium of ₹ 4,000 per annum, (iv) club membership fees, which will not include admission or life membership fees and will be subject to a maximum of two clubs, (v) reimbursement of entertainment, travelling and all other expenses incurred for the business of our Company in accordance with the rules of our Company, (vi) a car with a driver and a telephone at her residence for the business of our Company, and (vii) any other allowances, benefits and perquisites available to the senior officers of our Company from time to time in accordance with the rules of our Company. • Contribution to provident fund, superannuation fund or annuity fund will be in accordance with the rules of our Company and will not be included in the computation of the ceiling on perquisites. Gratuity will not exceed half a month's salary for each completed year of service. • The provision of car for conducting our Company's business and telephone at Ms. Divya Suri Singh's residence will not be considered perquisites. Personal long distance calls and use of car for private purposes will be billed to Ms. Divya Suri Singh.

Ms. Deeksha Suri

Ms. Deeksha Suri was appointed as a Director of our Company with effect from August 26, 2009. She was last re-appointed as a Director under the Companies Act, 2013 for a period of three years with effect from August 26, 2017 pursuant to a board resolution dated July 21, 2017 and a resolution of our Shareholders dated August 23, 2017.

The following are the principal terms of remuneration of Ms. Deeksha Suri as Executive Director of our Company, as set out in the board resolution dated July 21, 2017 and a resolution of our Shareholders dated August 23, 2017:

Particulars	Remuneration
Salary	Up to ₹ 775,000 per month, subject to revision by our Board, from time to time, taking into account the performance of our Company.
Commission	Up to 1% of the net profits of our Company, subject to the ceiling in Section 197 of the Companies Act, 2013 and computed in accordance with Section 198 and other applicable provisions of the Companies Act, 2013.
Perquisites	Perquisites will be restricted to an amount equal to Ms. Deeksha Suri's annual salary and will be as follows: • Ms. Deeksha Suri will be entitled to (i) reimbursement of medical expenses for herself and her family (i.e., spouse and dependent parents), subject to a ceiling of one month's salary in a year or three months' salary over a period of three years, (ii) leave travel concession for herself and her

	family (i.e., spouse and dependant parents) in accordance with the rules of our Company, (iii) personal accident insurance in accordance with the rules of our Company, subject to maximum premium of ₹ 4,000 per annum, (iv) club membership fees, which will not include admission or life membership fees and will be subject to a maximum of two clubs, (v) reimbursement of entertainment, travelling and all other expenses incurred for the business of our Company in accordance with the rules of our Company, (vi) a car with a driver and a telephone at her residence for the business of our Company, and (vii) any other allowances, benefits and perquisites available to the senior officers of our Company from time to time in accordance with the rules of our Company. • Contribution to provident fund, superannuation fund or annuity fund will be in accordance with the rules of our Company and will not be included in the computation of the ceiling on perquisites. Gratuity will not exceed half a month's salary for each completed year of service. • The provision of car for conducting our Company's business and telephone at Ms. Deeksha Suri's residence will not be considered perquisites. Personal long distance calls and use of car for private purposes will be billed to Ms. Deeksha Suri.

Mr. Keshav Suri

Mr. Keshav Suri was appointed as a Director of our Company with effect from August 26, 2009. He was last re-appointed as an Executive Director under the Companies Act, 2013 for a period of three years with effect from August 26, 2017 pursuant to a board resolution dated July 21, 2017 and a resolution of our Shareholders dated August 23, 2017.

The following are the principal terms of remuneration of Mr. Keshav Suri as Executive Director of our Company, as set out in the board resolution dated July 21, 2017 and a resolution of our Shareholders dated August 23, 2017:

Particulars	Remuneration
Salary	Up to ₹ 775,000 per month, subject to revision by our Board, from time to time, taking into account the performance of our Company
Commission	Up to 1% of the net profits of our Company, subject to the ceiling in Section 197 of the Companies Act, 2013 and computed in accordance with Section 198 and other applicable provisions of the Companies Act, 2013
Perquisites	Perquisites will be restricted to an amount equal to Mr. Keshav Suri's annual salary and will be as follows: • Mr. Keshav Suri will be entitled to (i) reimbursement of medical expenses for himself and his family (i.e., dependent parents), subject to a ceiling of one month's salary in a year or three months' salary over a period of three years, (ii) leave travel concession for himself and his family (i.e., dependent parents) in accordance with the rules of our Company, (iii) personal accident insurance in accordance with the rules of our Company, subject to maximum premium of ₹4,000 per annum, (iv) club membership fees, which will not include admission or life membership fees and will be subject to a maximum of two clubs, (v) reimbursement of entertainment, travelling and all other expenses incurred for the business of our Company in accordance with the rules of our Company, (vi) a car with a driver and a telephone at his residence for the business of our Company, and (vii) any other allowances, benefits and perquisites available to the senior officers of our Company from time to time in accordance with the rules of our Company. • Contribution to provident fund, superannuation fund or annuity fund will be in accordance with the rules of our Company and will not be included in the computation of the ceiling on perquisites. Gratuity will not exceed half a month's salary for each completed year of service. • The provision of car for conducting our Company's business and telephone at Mr. Keshav Suri's residence will not be considered perquisites. Personal long distance calls and use of car for private purposes will be billed to Mr. Keshav Suri.

Payment or Benefit to Directors

The sitting fees/other remuneration paid to our Directors for Fiscal Year 2018 are as follows:

1. **Remuneration to Executive Directors:**

During Fiscal Year 2018, the aggregate remuneration (including perquisites) paid to Dr. Jyotsna Suri was ₹ 8.40 million, and to each of Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri was ₹ 7.20 million.

2. **Remuneration to Non-Executive Directors and Independent Directors:**

Pursuant to a resolution dated July 21, 2016 adopted by our Board, our Non-Executive Directors and Independent Directors are entitled to receive sitting fees of ₹ 50,000 for attending each meeting of our Board. Pursuant to a resolution dated May 7, 2007 adopted by our Board, our Non-Executive Directors and Independent Directors are entitled to receive sitting fees of ₹ 20,000 for attending each meeting of the committees of our Board.

The details of the sitting fees paid to our Non-Executive Director and Independent Directors during Fiscal Year 2018 are as follows:

S. No.	Name of Director	Sitting Fees Paid (in ₹)
1.	Mr. Ramesh Suri	500,000
2.	Dr. Mohmmad Yousuf Khan	480,000
3.	Mr. Vivek Mehra	260,000
4.	Mr. Dhruv Prakash	330,000
5.	Mr. Ranjan Mathai	150,000
6.	Ms. Shovana Narayan	50,000

In relation to our Chairperson and Managing Director and Executive Directors, there is no contingent or deferred payment accrued for Fiscal Year 2018.

Shareholding of our Directors in our Company

Our Directors do not hold any qualification shares in our Company.

For details of shareholding of our Directors in our Company, see "*Capital Structure – Details of the shareholding of our Directors, Key Management Personnel and Senior Personnel as at the date of filing of this Draft Red Herring Prospectus*" on page 113.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

Interest of Directors

1. All Directors may be deemed to be interested to the extent of (i) sitting fees, if any, payable to them for attending meetings of our Board or its committees and other remuneration payable or reimbursement of expenses to them, (ii) Equity Shares, if any, already held by them or their relatives or any firms, companies, hindu undivided families and trusts in which our Directors are interested as a director, member, partner, *karta* or trustee, or that may be subscribed for and allotted to them out of the Issue in terms of the Red Herring Prospectus and any dividend payable to them and other benefits arising out of such shareholding, (iii) transactions entered into in the ordinary course of business with companies in which our Directors hold directorship, and (iv) their directorship on the board of directors of, and/or their shareholding in, our Subsidiaries. For details regarding shareholding of our Directors, see "*Capital Structure – Notes to Capital Structure – Details of the shareholding of our Directors, Key Management Personnel and Senior Personnel as at the date of filing of this Draft Red Herring Prospectus*" on page 113.

   Dr. Jyotsna Suri, Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri are trustees of LSECT.

2. Our Company has not entered into any service contracts pursuant to which our Directors are entitled to benefits upon termination of their employment or retirement.

3. There are no loans that have been availed by our Directors from our Company, our Subsidiaries or LSECT that are outstanding as at the date of this Draft Red Herring Prospectus.

   None of the beneficiaries of loans, advances or sundry debtors are related to our Directors.

4. None of our Directors is a party to any bonus or profit sharing plan by our Company, other than commission payable to Dr. Jyotsna Suri, Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri. For details see "- *Terms of Appointment of the Executive Directors*" on page 224.

5. Except as disclosed in "*Our Promoters and Promoter Group – Interest of Promoters and Common Pursuits – Lease/License Arrangements between our Company and Promoters and members of our Promoter Group*", "*Related Party Transactions*" and "*Financial Statements*" on pages 243, 259 and 261, respectively, no amount or benefit has been paid or given within the preceding two years or is intended to be paid or given to any of our Directors, except normal remuneration for services rendered as Directors and/or as Key Management Personnel. Our Director, Dr. Jyotsna Suri, has given unsecured loans to certain of our Subsidiaries and LSECT which are currently outstanding, and is interested to the extent of any interest earned on these unsecured loans. For details, see "*Risk Factors - Our Company, our Subsidiaries, LSECT and certain of our Group Companies have loans that may be recalled by their respective lenders at any time*", "*Related Party Transactions*", "*Financial Statements*" and "*Financial Indebtedness*" on pages 52, 259, 261 and 517, respectively.

6. Except Dr. Jyotsna Suri and Mr. Ramesh Suri who are Promoters of our Company, our Directors do not have any other interest in the promotion of our Company. Deeksha Holding Limited, our corporate Promoter, is also promoted by Dr. Jyotsna Suri, and Dr. Jyotsna Suri, Ms. Divya Suri Singh, Ms. Deeksha Suri, Mr. Keshav Suri and Mr. Ramesh Suri are directors and shareholders of Deeksha Holding Limited.

7. Except as disclosed in "*Our Promoters and Promoter Group – Interest of Promoters and Common Pursuits – Lease/License Arrangements between our Company and Promoters and members of our Promoter Group*", "*Related Party Transactions*" and "*Financial Statements*" on pages 243, 259 and 261, respectively, our Directors have no interest in: (i) any property acquired by our Company, Subsidiaries or LSECT within the two years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, Subsidiaries or LSECT as at the date of this Draft Red Herring Prospectus, and (ii) any transaction by our Company, Subsidiaries or LSECT for the acquisition of land, construction of building or supply of machinery.

8. Our Directors are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Directors or to such firm or company in cash or shares or otherwise by any person either to induce him or her to become, or to help him qualify as a Director, or otherwise for services rendered by him or her or by the firm or company in which he or she is interested, in connection with the promotion or formation of our Company.

9. Except as stated in "*Our Promoters and Promoter Group*", "*Related Party Transactions*" and "*Financial Statements*" on pages 238, 259 and 261, respectively, and as disclosed in this section, our Directors do not have any other interest in our business.

Changes in our Board during the last three years

Name	Date of appointment/cessation	Reason for change*
Ms. Shovana Narayan	October 16, 2017	Appointment as Independent Director
Dr. Jyotsna Suri	October 16, 2017	Re-appointment as Chairperson and Managing Director
Mr. Lalit Bhasin	September 6, 2017	Cessation due to resignation
Mr. Ranjan Mathai	August 29, 2017	Appointment as Independent Director
Mr. Dharam Vir Batra	August 14, 2017	Cessation due to resignation
Ms. Divya Suri Singh	August 26, 2017	Re-appointment as Executive Director
Ms. Deeksha Suri	August 26, 2017	Re-appointment as Executive Director

Mr. Keshav Suri	August 26, 2017	Re-appointment as Executive Director
Mr. Vivek Mehra	July 21, 2017	Appointment as Independent Director
Mr. Dhruv Prakash	July 21, 2017	Appointment as Independent Director
Mr. Hanuwant Singh	June 30, 2017	Cessation due to death
Mr. Vinod Kishanchand Khanna	April 27, 2017	Cessation due to death
Mr. Hanuwant Singh	September 27, 2016	Appointment as Director
Mr. Lalit Bhasin	September 27, 2016	Re-appointment as Independent Director
Dr. Mohmmad Yousuf Khan	September 27, 2016	Re-appointment as Independent Director
Mr. Vinod Kishanchand Khanna	September 27, 2016	Re-appointment as Independent Director
Mr. Chakor Lalchand Doshi	July 20, 2016	Cessation due to resignation
Mr. Abhay Kumar Navalmal Firodia	May 21, 2016	Cessation due to resignation

*****The aforementioned changes to our Board in the past three years do not include regularization of Directors.*

Borrowing Powers of our Board

In accordance with our Articles of Association and pursuant to resolutions adopted by our Shareholders on September 23, 2015, our Board is authorized to:

(i). borrow such sums of money, which together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of our Company and its free reserves (i.e., reserves not set apart for any specific purpose), provided that the total amount of money that may be borrowed by our Board shall not exceed ₹ 20,000 million; and

(ii). create mortgages and/or charges on all or any of the moveable or immoveable properties (present and future) of our Company for the purpose of securing any loan obtained, or that may be obtained, from any bank, financial institution or other lender, including body corporate or persons, together with interest, costs, charges, expenses and any other money payable by or Company, for an amount not exceeding ₹ 20,000 million, together with any interests, charges, costs, expenses and all other monies payable by our Company to the concerned lenders.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the corporate governance requirements of the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, particularly in relation to constitution of our Board and the committees thereof.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. Our corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of committees of our Board, as required under law. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company's executive management provides our Board with detailed reports on its performance periodically.

Currently our Board has 10 Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board comprises four Executive Directors and six Non-Executive Directors, including five Independent Directors, and four women Directors.

Committees of the Board

In addition to the committees of our Board described below, our Board may constitute committees for various functions from time to time.

Audit Committee

The members of our Audit Committee are:

1. Dr. Mohmmad Yousuf Khan (*Chairman*);
2. Mr. Vivek Mehra;

3. Mr. Keshav Suri; and
4. Mr. Dhruv Prakash.

Our Audit Committee was constituted by our Board pursuant to a resolution dated December 12, 1987 and was last reconstituted by our Board pursuant to a resolution dated May 15, 2018. The terms of reference of the Audit Committee were last revised by our Board pursuant to a resolution dated October 16, 2017.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

a. Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b. Recommending to our Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the auditors of our Company;

c. Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

d. Approving payments to the statutory auditors for any other services rendered by statutory auditors;

e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:

   i. Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

   ii. Changes, if any, in accounting policies and practices and reasons for the same;

   iii. Major accounting entries involving estimates based on the exercise of judgment by management;

   iv. Significant adjustments made in the financial statements arising out of audit findings;

   v. Compliance with listing and other legal requirements relating to financial statements;

   vi. Disclosure of any related party transactions;

   vii. Qualifications and modified opinions in the draft audit report;

   viii. Going concern assumption; and

   ix. Compliance with accounting standards.

f. Reviewing with the management, the quarterly, half-yearly and annual financial statements and auditor's report thereon before submission to our Board for approval;

g. Scrutinizing inter-corporate loans and investments;

h. Conducting valuation of undertakings or assets of our Company, wherever it is necessary;

i. Evaluating internal financial controls and risk management systems;

j. Reviewing with our management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter;

k. Approving or subsequently modifying transactions of our Company with related parties;

l. Reviewing all transactions that may be entered into with any person otherwise than on arm's length basis;

m. Formulating policy on materiality of related party transactions and also on dealing with related party transactions;

n. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

o. Reviewing, with our management, the performance of statutory and internal auditors and adequacy of the internal control systems;

p. 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;

q. Discussion with internal auditors on any significant findings and follow up thereon;

r. 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 our Board;

s. 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;

t. Reviewing the reasons for any substantial default in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

u. Reviewing and overseeing the functioning of the whistle blower mechanism and/or vigil mechanism;

v. Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

w. Monitoring the end use of funds raised through public offers, private placement/preferential issue, etc. and related matter; and

x. Perform such other functions as may be delegated by our Board and/or prescribed under the SEBI Listing Regulations, Companies Act, 2013 or other applicable law.

The powers of the Audit Committee include the following:

a. To investigate activity within its terms of reference;

b. To seek information from any employees;

c. To obtain outside legal or other professional advice; and

d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations;

b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c. Management letters/letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses;

e. The appointment, removal and terms of remuneration of the chief internal auditor; and

f. Statement of deviations:

   i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

   ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

The Audit Committee is required to meet at least four times in a year in accordance with the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Mr. Dhruv Prakash (*Chairman*);
2. Dr. Mohmmad Yousuf Khan;
3. Mr. Ramesh Suri; and
4. Ms. Shovana Narayan.

The Nomination and Remuneration Committee was constituted by our Board pursuant to a resolution dated May 30, 2011 and was last reconstituted by our Board pursuant to a resolution dated May 15, 2018. The terms of reference of the Nomination and Remuneration Committee were last revised by our Board pursuant to a resolution dated October 16, 2017.

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations and its terms of reference include the following:

a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to our Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

b. Formulation of criteria for evaluation of independent directors and our Board;

c. Devising a policy on diversity of our Board;

d. Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to our Board their appointment and removal and carry out evaluation of every director's performance;

e. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

f. Recommend remuneration of our Executive Directors and any increase therein from time to time, within the limit approved by the members of our Company;

g. Recommend remuneration to our Non-Executive Directors in the form of sitting fees for attending meetings of our Board and its committees, remuneration for other services, commission on profits;

h. Engage the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

i. Formulate terms and conditions of the employee stock option scheme (ESOS) and/or employee stock purchase scheme (ESPS), determine eligibility criteria, grant and vesting of options, including vesting period, pricing, make allotment of shares pursuant to exercise of options and to administer and supervise and recommend modifications in the same;

j. Ensure implementation of ESOS/ESPS as per the SEBI ESOP Regulations, as amended from time to time; and

k. Perform such other functions as may be delegated by our Board and/or prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, the SEBI ESOP Regulations, each as amended or other applicable law.

Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

1. Mr. Ramesh Suri (*Chairman*);
2. Dr. Jyotsna Suri; and
3. Ms. Divya Suri Singh.

The Stakeholders Relationship Committee was constituted by our Board pursuant to a resolution dated September 30, 1984 and was last reconstituted by our Board pursuant to a resolution dated July 21, 2017. The terms of reference of the Stakeholders Relationship Committee were last revised by our Board pursuant to a resolution dated October 16, 2017 to include the following:

a. Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends; and

b. Perform such other functions as may be delegated by our Board and/or prescribed under the SEBI Listing Regulations and the Companies Act, 2013 or other applicable law.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Dr. Jyotsna Suri (*Chairperson*);
2. Ms. Divya Suri Singh; and
3. Ms. Shovana Narayan.

The Corporate Social Responsibility Committee was constituted by our Board pursuant to a resolution dated March 14, 2014 and was last reconstituted by our Board pursuant to a resolution dated October 16, 2017. The terms of reference of the Corporate Social Responsibility Committee were last revised by our Board pursuant to a resolution dated October 16, 2017:

The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013 and the applicable rules thereunder and its terms of reference include the following:

a. Formulating and recommending to our Board the corporate social responsibility policy of our Company, including any amendments thereto, in accordance with Schedule VII of the Companies Act;

b. Recommending the amount of expenditure to be incurred on the corporate social responsibility activities;

c. Reviewing and monitoring the implementation of corporate social responsibility policy of our Company; and

d. Performing such other duties and functions as our Board may require the Corporate Social Responsibility Committee to undertake to promote the corporate social responsibility activities of our Company.

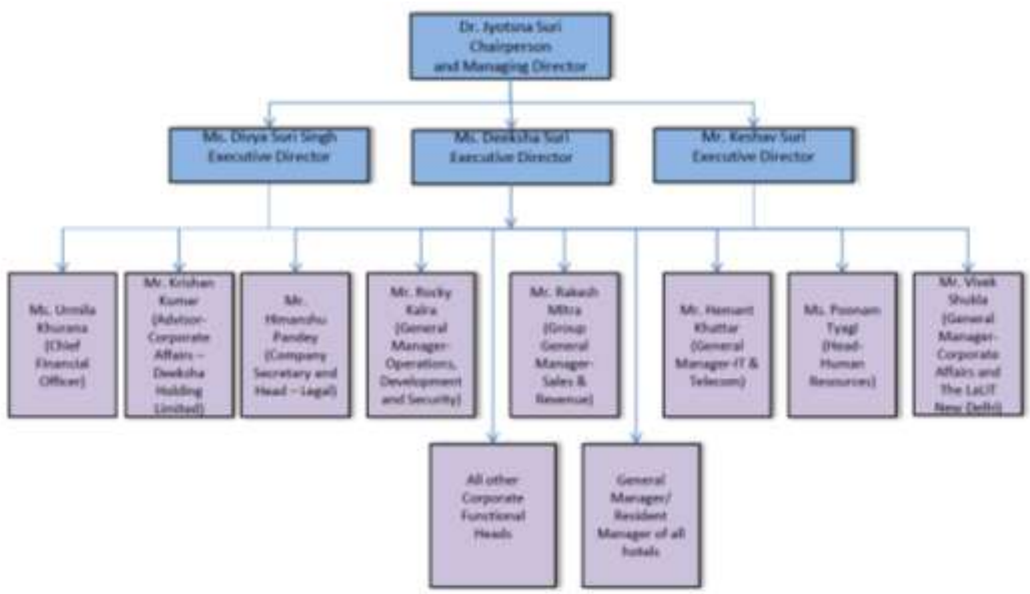
IPO Committee

The members of the IPO Committee are:

1. Dr. Jyotsna Suri;
2. Ms. Divya Suri Singh; and
3. Mr. Keshav Suri.

The IPO Committee was constituted by our Board pursuant to a resolution dated August 29, 2017. The IPO Committee is authorized to approve and decide upon all activities in connection with the Issue, including, but not limited to, to approve this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Issue, to appoint various intermediaries, negotiating and executing Issue related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

Management Organisation Structure:



Key Management Personnel of our Company

In addition to the Chairperson and Managing Director of our Company and the other Executive Directors of our Company, whose details are disclosed in "– *Brief Biographies of our Directors*" on page 222, the following are the Key Management Personnel of our Company as at the date of this Draft Red Herring Prospectus:

Ms. Urmila Khurana, aged 61, is the Chief Financial Officer of our Company and has been associated with our Company since March 1, 2018. She was appointed as Senior Vice President – Finance on March 1, 2018 and was designated as Chief Financial Officer of our Company with effect from May 15, 2018. She has been an associate member of the Institute of Chartered Accountants of India since November 15, 1985. She has 36 years of work experience. Prior to joining our Company, she was associated with the Taj Group (The Indian Hotels Company Limited), the Marriott International (Starwood Hotels & Resorts India Private Limited) and Tata Teleservices Limited. During Fiscal Year 2018, she was paid a gross compensation of ₹ 0.32 million by our Company.

Ms. Poonam Tyagi, aged 42, is the Head of Human Resources of our Company and has been associated with our Company since February 3, 2014. She holds a bachelor's degree in commerce from Hemwati Nandan Bahuguna Garhwal University and a post graduate diploma in business management from Shri Guru Ram Rai Institute of Technology & Science. She has 21 years of work experience. Prior to joining our Company, she was associated with Amar Ujala Prakashan, Dharampal Satyapal Limited, Indfos Industries Limited and Jubilant Oil & Gas Private Limited. During Fiscal Year 2018, she was paid a gross compensation of ₹ 2.91 million by our Company.

Mr. Rakesh Mitra, aged 40, is the Group General Manager – Sales & Revenue of our Company. He was associated with our Company from May 17, 2002 and was transferred to our Subsidiary, AZIL with effect from November 1, 2011. He was subsequently transferred to our Company with effect from November 1, 2017. He holds a master's degree in business administration from the University of Western Sydney. He has worked as the General Manager at The LaLiT Great Eastern Kolkata and has held various general management roles in our hotels at Mumbai, Goa and Khajuraho. During Fiscal Year 2018, he was paid a gross compensation of ₹ 1.61 million by our Company and ₹ 3.95 million by AZIL.

Mr. Hemant Khattar, aged 48, is the General Manager – IT & Telecom of our Company and has been associated with our Company since May 1, 1990. He holds a post graduate diploma in computer application from the India Education Centre, Centre for Computer Education, Research & Training. He has over 28 years of experience in information technology. Prior to joining our Company, he was a system analyst at Sachar Vasudeva & Associates, Chartered Accountants. During Fiscal Year 2018, he was paid a gross compensation of ₹ 2.30 million by our Company.

Mr. Vivek Shukla, aged 46, is the General Manager – Corporate Affairs and The LaLiT New Delhi and has been associated with our Company since April 13, 2005. He has over 25 years of experience in the hospitality sector. He has completed a diploma course in hotel management from the Institute of Hotel Management, Catering Technology & Applied Nutrition, Mumbai. Prior to joining our Company, he was associated with the Taj Group (Indian Hotels Company Limited), The Oberoi Group (EIH Limited), the Renaissance Mumbai Convention Centre Hotel & Marriott Executive Apartments, and the Grand Hyatt Mumbai (Juniper Hotels Private Limited). During Fiscal Year 2018, he was paid a gross compensation of ₹ 4.49 million by our Company.

Mr. Rocky Kalra, aged 51, is the General Manager – Operations, Development and Security of our Company and has been associated with our Company since March 16, 2009. He holds a bachelor's degree in commerce from the University of Delhi, a trade diploma in restaurant and counter services from the Board of Technical Education Delhi and certification in advance marketing from the School of Hotel Administration at Cornell University. He has over 28 years of work experience. Prior to joining our Company, he was associated with ITC Maurya Sheraton Hotels & Towers, New Delhi, The Park, New Delhi, the master franchisee of Costa Coffee, UK (Devyani International Limited), Nirulas Corner House Private Limited and Vishal Retail Limited. During Fiscal Year 2018, he was paid a gross compensation of ₹ 3.35 million by our Company.

Mr. Himanshu Pandey, aged 43, is the Company Secretary and Head Legal and the Compliance Officer of our Company. He has been associated with our Company since October 27, 2009 and was designated as Company Secretary and Head Legal of our Company with effect from October 16, 2017. He holds a bachelor's degree in commerce from Hemwati Nandan Bahuguna Garhwal University and a bachelor's degree in law from the University of Delhi. He has been an associate member of the Institute of Company Secretaries in India since January 10, 2000. He has over 18 years of work experience in company secretarial and legal affairs. Prior to joining our Company, he was associated with Sigma Corporation (India) Limited, the MBD Group and Jindal Iron & Steel Company Limited. During Fiscal Year 2018, he was paid a gross compensation of ₹ 1.89 million by our Company.

Senior Personnel

Mr. Krishan Kumar, aged 55, is the managing director of Eila Builders & Developers Limited, a subsidiary of Deeksha Holding Limited, our corporate Promoter, and also our Group Company and member of our Promoter Group. He is also Advisor – Corporate Affairs of Deeksha Holding Limited. He was initially associated with Premium Exports Limited, our Group Company and Promoter Group entity, as a company secretary from February 1, 1992 and has been associated with Deeksha Holding Limited in various capacities since October 1, 2001. He was appointed as the managing director of Eila Builders & Developers Limited for a duration of two years with effect from May 24, 2018. He was also appointed as Advisor – Corporate Affairs of Deeksha Holding Limited for a duration of two years with effect from May 24, 2018. During the period April 1, 2011 to June 30, 2017, he was also a consultant with Jyotsna Holding Private Limited, one of our Group Companies and a member of our Promoter Group, in the field of corporate affairs. He is a fellow member of the Institute of Company Secretaries of India. He holds a bachelor's degree in law from the University of Delhi. During Fiscal Year 2018, he was paid a gross compensation of ₹ 3.06 million by Deeksha Holding Limited as salary and ₹ 0.06 million by Jyotsna Holding Private Limited as consultancy fees.

All the Key Management Personnel are permanent employees of our Company. Mr. Krishan Kumar, a Senior Personnel, is the managing director of Eila Builders & Developers Limited, a Group Company and member of our Promoter Group, and is also Advisor – Corporate Affairs in our corporate Promoter, Deeksha Holding Limited.

Except as disclosed in "– *Relationship between our Directors*" on page 227 in relation to our Directors, none of our Key Management Personnel or Senior Personnel are related to each other.

Shareholding of Key Management Personnel and Senior Personnel

Except as disclosed in "*Capital Structure – Notes to Capital Structure – Details of the shareholding of our Directors, Key Management Personnel and Senior Personnel as at the date of filing of this Draft Red Herring Prospectus*" on page 113, none of our Key Management Personnel and Senior Personnel hold Equity Shares in our Company as at the date of filing of this Draft Red Herring Prospectus. For details of stock options held by our Key Management Personnel, see "*Capital Structure – Notes to Capital Structure – Employee Stock Option Plan*" on page 115.

Loans to Key Management Personnel and Senior Personnel

There is no amount outstanding as at the date of the Draft Red Herring Prospectus under any loan given by our Company to the benefit of any Key Management Personnel or Senior Personnel.

Bonus or Profit Sharing Plan of our Key Management Personnel and Senior Personnel

There is no bonus or profit sharing plan for our Key Management Personnel and Senior Personnel. Our Company has instituted Prayas, an incentive scheme for employees achieving fiscal targets for Fiscal Year 2018. Pursuant to this scheme, certain employees of our Company were paid certain incentive amounts for their contribution to our Company, including Mr. Vivek Shukla who was paid an incentive of ₹ 74,605 for Fiscal Year 2018 by our Company.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel and Senior Personnel were selected as members of our senior management.

Interest of Key Management Personnel and Senior Personnel

1. Other than as disclosed in this section in relation to our Chairperson and Managing Director and other Executive Directors and Mr. Krishan Kumar, and to the extent of their shareholding in our Company and stock options held by certain Key Management Personnel pursuant to the ESOP 2017, our Key Management Personnel and Senior Personnel do not have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business.

2. There is no deferred or contingent compensation payable to any of our Key Management Personnel or Senior Personnel for Fiscal Year 2018.

3. Except as disclosed in "*Our Promoters and Promoter Group*", "*Related Party Transactions*" and "*Financial Statements*" on pages 238, 259 and 261, respectively, the commission payable to Dr. Jyotsna Suri, Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri, and the incentive that is paid to Mr. Vivek Shukla pursuant to the Prayas incentive scheme, none of our Key Management Personnel and Senior Personnel has been paid any consideration of any nature from our Company, other than their remuneration.

Changes in the Key Management Personnel during the last three years

The changes in the key management personnel in the last three years are as follows:

Name	Date of Appointment/Resignation	Reason for Change
Ms. Urmila Khurana	May 15, 2018	Appointed as Chief Financial Officer
Mr. Madhav Sikka	March 24, 2018	Resigned as Chief Financial Officer
Ms. Urmila Khurana	March 1, 2018	Appointed as Senior Vice President - Finance
Mr. Rakesh Mitra	November 1, 2017	Transferred as Group General Manager – Sales & Revenue from Apollo Zipper India Limited, a Subsidiary of our Company
Mr. Himanshu Pandey	October 16, 2017	Appointed as Company Secretary
Mr. Sandeep Chandna	September 20, 2017	Resigned as Company Secretary
Mr. Sandeep Chandna	February 15, 2017	Appointed as Company Secretary
Mr. Himanshu Pandey	February 15, 2017	Resigned as Company Secretary
Mr. Himanshu Pandey	September 10, 2015	Appointed as Company Secretary

Payment or Benefit to Officers of our Company

Except as stated in this section and any statutory payments made by our Company, no amount or benefit has been paid or given in the preceding two years or is intended to be paid or given to any of our Company's officers, except remuneration for services rendered as Directors, officers or employees of our Company.

Except as stated in "*Financial Statements*" on page 261, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors or our Promoters.

Employee Stock Option Plan

For details, see "*Capital Structure – Notes to Capital Structure – Employee Stock Option Plan*" on page 115.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

Dr. Jyotsna Suri, Mr. Ramesh Suri and Deeksha Holding Limited are the Promoters of our Company.

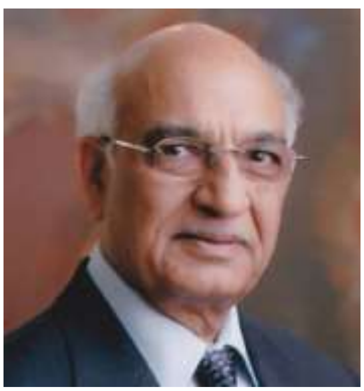
Details of our individual Promoters

Dr. Jyotsna Suri is our Chairperson and Managing Director. For a complete profile of Dr. Jyotsna Suri, i.e., her age, residential address, educational qualifications, professional experience, positions/posts held in the past and other directorships and special achievements, see "*Our Management*" on page 219.

Dr. Jyotsna Suri holds 7,255,935 Equity Shares constituting 9.55% of the pre-Issue equity share capital of our Company. The Lalit Suri (HUF), of which she is a member, holds 202,950 Equity Shares constituting 0.27% of the pre-Issue equity share capital of our Company.

Dr. Jyotsna Suri's voter identification number is NEC0394833. Dr. Jyotsna Suri does not have a driving license.

Other than as disclosed in " – *Promoter Group*", "*History and Certain Corporate Matters*", "*Our Management*" and "*Our Group Companies*" on pages 240, 204, 219 and 245, respectively, Dr. Jyotsna Suri is not involved in any other venture.



Mr. Ramesh Suri is our Non-Executive Director. For a complete profile of Mr. Ramesh Suri, i.e., his age, residential address, educational qualifications, professional experience, positions/posts held in the past and other directorships and special achievements, see "*Our Management*" on page 219.

Mr. Ramesh Suri holds 1,219,998 Equity Shares constituting 1.61% of the pre-Issue equity share capital of our Company. The Ramesh Suri (HUF), of which he is the *karta*, holds 159,999 Equity Shares constituting 0.21% of the pre-Issue equity share capital of our Company.

Mr. Ramesh Suri's voter identification number is NEC0394817. Mr. Ramesh Suri does not have a driving license.

Other than as disclosed in " – *Promoter Group*", "*History and Certain Corporate Matters*", "*Our Management*" and "*Our Group Companies*" on pages 240, 204, 219 and 245, respectively, Mr. Ramesh Suri is not involved in any other venture.

Our Company confirms that the permanent account number, bank account number and passport number of the individual Promoters will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

Details of our corporate Promoter

Deeksha Holding Limited

Deeksha Holding Limited was incorporated on June 10, 1983 as Deeksha Holding Private Limited, a private limited company, under the Companies Act, 1956 with the RoC. Subsequently, Deeksha Holding Private Limited was converted into a public limited company and its name was changed to Deeksha Holding Limited pursuant to a fresh certificate of incorporation issued by the RoC on October 1, 2001. The Corporate Identity Number of Deeksha Holding Limited is U65910DL1983PLC015912. Deeksha Holding Limited is a non-banking financial company pursuant to a certificate of registration issued by the Reserve Bank of India on April 21, 1998.

The registered office of Deeksha Holding Limited is located at 26 and 27, Ground Floor, World Trade Centre, Barakhamba Lane, New Delhi 110 001.

Deeksha Holding Limited is engaged in the business of, *inter alia*, acquiring, disposing of shares and interest in companies and associations.

Deeksha Holding Limited is promoted by Dr. Jyotsna Suri, a Promoter of our Company, who is also the natural person in control.

The shareholding pattern of Deeksha Holding Limited as at the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name	Number of equity shares of ₹ 100 each	Percentage of shareholding
1.	Dr. Jyotsna Suri	171,099	72.81
2.	Mr. Jayant Nanda	35,000	14.89
3.	Premium Exports Limited	19,720	8.39
4.	Mr. Keshav Suri	9,020	3.84
5.	Jyotsna Holding Private Limited	20	0.01
6.	Ms. Deeksha Suri	20	0.01
7.	Mr. Ramesh Suri	20	0.01
8.	Ms. Ritu Suri	20	0.01
9.	Ms. Raj Kumari Nanda	20	0.01
10.	Lalit Suri (HUF)	20	0.01
11.	Ms. Shradha Suri	20	0.01
12.	Ms. Deergh Kaur	20	0.01
13.	Ms. Divya Suri Singh	1	0.00*
	Total	**235,000**	**100.00**

**Negligible.*

The composition of the board of directors of Deeksha Holding Limited as at the date of this Draft Red Herring Prospectus is as follows:

1. Dr. Jyotsna Suri
2. Mr. Ramesh Suri
3. Mr. Keshav Suri
4. Ms. Divya Suri Singh
5. Ms. Deeksha Suri
6. Ms. Deergh Kaur
7. Ms. Anita Nanda
8. Ms. Asha Bansal

There has been no change in the control or management of Deeksha Holding Limited in the three years preceding the filing of this Draft Red Herring Prospectus.

Financial Information

The following table sets forth certain details of the audited financial results of Deeksha Holding Limited for the three most recent Fiscal Years for which audited financial results are available:

(in ₹ million, except per share data)

Particulars	For the year ended March 31		
	2017	**2016**	**2015**
Equity Capital	23.50	23.50	23.50
Reserves and Surplus	1,657.97	1,644.01	1,575.16
Total income (Including other income)	101.38	126.92	80.57
Profit/(Loss) after tax	13.96	68.85	26.54
Earnings per share (basic) (face value ₹ 100) (in ₹)	59.40	292.98	112.92
Earnings per share (diluted) (face value ₹ 100) (in ₹)	59.40	292.98	112.92
Book value per equity share (in ₹)	7,155.18	7,095.78	6,802.80

Dividend (%)	-	-	-
Net asset value per share (in ₹)	7,155.18	7,095.78	6,703.80

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Deeksha Holding Limited holds 30,717,301 Equity Shares constituting 40.42% of the pre-Issue equity share capital of our Company.

As at the date of this Draft Red Herring Prospectus, the equity shares of Deeksha Holding Limited are not listed on any stock exchange.

Our Company confirms that the permanent account number, bank account number and company registration number of Deeksha Holding Limited, and the address of the Registrar of Companies where Deeksha Holding Limited is registered, will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

Promoter Group

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group.

Individuals forming part of the Promoter Group:

1. Mr. Anil Nath;
2. Ms. Chetna Dhruv Batra;
3. Ms. Deeksha Suri;
4. Ms. Divya Suri Singh;
5. Mr. Jayant Nanda;
6. Mr. Keshav Suri;
7. Mr. Pravesh Nanda;
8. Ms. Pushpa Anand;
9. Ms. Raj Kumari Nanda;
10. Ms. Rashi Sood;
11. Ms. Reva Gandhi;
12. Ms. Ritu Suri;
13. Mr. Roshan Lal Suri;
14. Ms. Santosh Chanana; and
15. Ms. Shradha Suri.

Entities forming part of the Promoter Group:

1. Lalit Suri (HUF);
2. Yashpal Nanda (HUF);
3. Jayant Nanda (HUF);
4. Ramesh Suri (HUF);
5. Anbros Motors Private Limited;
6. Autotech Ancillaries Limited;
7. Autovahan Tyres Private Limited;
8. Bee Pee Motors Private Limited;
9. Bharat Hotels Aviations Private Limited;
10. Bharat Hotels (Thailand) Company Limited;
11. BWI Educon Ventures Private Limited;
12. Cargo Air Services Private Limited;
13. Cargo Construction Company Private Limited;
14. Cargo Infratech Private Limited;
15. Cargo Logistics (India) Private Limited;
16. Cargo Motors (Delhi) Private Limited;
17. Cargo Motors (Gujrat) Private Limited;

18. Cargo Motors (Kutch) Private Limited;
19. Cargo Motors (Punjab) Private Limited;
20. Cargo Motors (Rajasthan) Private Limited;
21. Cargo Motors Private Limited;
22. Cargo Power and Infrastructure Private Limited;
23. Cargo Solar Power (Gujarat) Private Limited;
24. Cargo-Z&J Technologies Private Limited;
25. Coldform Engineering Private Limited;
26. DB Motors Private Limited;
27. Deeksha Human Resource Initiatives Limited;
28. Eila Builders & Developers Limited;
29. Fibcom India Limited;
30. Global Autotech Limited;
31. GLOBALYDK Electric Private Limited;
32. Godawri Capital Private Limited;
33. Godawri Motors Private Limited;
34. Grand Hotel and Investments Limited;
35. Hemkunt Service Station Private Limited;
36. JN Infratech Private Limited;
37. J N Port Private Limited;
38. Jyotsna Holding Private Limited;
39. Karriers Finance Private Limited;
40. Mangar Hotels & Resorts Limited;
41. Mercantile Capital and Financial Services Private Limited;
42. Nargol Infrastructure Private Limited;
43. Nargol Infratech Private Limited;
44. Nargol Rail Links Private Limited;
45. Premium Exports Limited;
46. Premium Farm Fresh Produce Limited;
47. Premium Holdings Limited;
48. Prima Infratech Private Limited;
49. Prima Realtors Private Limited;
50. Prima Telecom Limited;
51. Responsible Builders Private Limited;
52. Rohan Auto Sales Private Limited;
53. Rohan Motors Limited;
54. R. R. Holdings Private Limited
55. Sawalka Autotech Private Limited;
56. S.H.S. Transport Private Limited;
57. Special Protection Services Private Limited;
58. St. Olave's Limited;
59. Subros Limited;
60. Sunvisors (India) Private Limited;
61. Tempo Automobiles Private Limited;
62. Teriot Steels Private Limited;
63. Thermosol Glass Private Limited;
64. Three Sixty Life Style Private Limited;
65. Trishul Leasing Private Limited;
66. United Great Enterprise Limited;
67. Wellworth Agencies Private Limited; and
68. Yash Raj Ports Private Limited.

Shareholding of Promoter Group in our Company

For details of the shareholding of our Promoter Group in our Company, see "*Capital Structure – Notes to Capital Structure – Details of the shareholding of our Promoters, members of our Promoter Group and directors of our corporate Promoter, Deeksha Holding Limited, as at the date of filing of this Draft Red Herring Prospectus*" on page 113.

Interest of Promoters and Common Pursuits

1. Our Promoters are interested in our Company to the extent (i) that they have promoted our Company, (ii) of their shareholding and the shareholding of their relatives and entities in which they are associated as promoters in our Company and our Subsidiaries, and dividend payable, if any, and other distributions in respect of the equity shares held by them or their relatives, (iii) in case of Dr. Jyotsna Suri, of being a trustee in LSECT, (iv) in case of Dr. Jyotsna Suri, of being our Chairperson and Managing Director and the compensation and perquisites payable to her, (v) in case of Dr. Jyotsna Suri and Mr. Ramesh Suri, of being directors of our Company and our Subsidiaries and of being subscribers to the Memorandum of Association of our Company, (vi) in case of Mr. Ramesh Suri, of receiving sitting fees payable to him for attending meetings of our Board and the committees of our Board in which he is a member, and any sitting fees payable for attending meetings of the board and its committees in relation to our Subsidiaries, in which he is a member, (vii) in case of Deeksha Holding Limited, of the shareholding of its promoter, Dr. Jyotsna Suri, and its directors in our Company, and (viii) that our Company or our Subsidiaries have undertaken transactions or business arrangements with our Promoters, or their relatives or entities in which our Promoters hold shares or entities in which our Promoters are members of the board of directors or firms in which relatives of our Promoters hold interest. For details regarding the shareholding of our Promoters and directors of Deeksha Holding Limited in our Company, and the directorships of our individual Promoters, see "*Capital Structure*" and "*Our Management*" on pages 101 and 219, respectively, and for business transactions between our Company and our Promoters and the members of our Promoter Group, see "*Related Party Transactions*" and "*Financial Statements*" on pages 259 and 261, respectively.

2. Except as disclosed in this section and in "*Related Party Transactions*" and "*Financial Statements*" on pages 259 and 261, respectively, our Promoters have no interest in any property acquired within the two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

3. Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce them to become or to qualify them as a director or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

4. Our Promoter, Dr. Jyotsna Suri, has given unsecured loans to certain of our Subsidiaries and LSECT which are currently outstanding. Our Promoter, Deeksha Holding Limited, has also given unsecured loans to AZIL and LSECT which are currently outstanding. Accordingly, Dr. Jyotsna Suri and Deeksha Holding Limited are interested to the extent of any interest earned on these loans. For details, see "*Risk Factors - Our Company, our Subsidiaries, LSECT and certain of our Group Companies have loans that may be recalled by their respective lenders at any time*", "*Related Party Transactions*", "*Financial Indebtedness*" and "*Financial Statements*" on pages 52, 259, 517 and 261, respectively.

5. Except as disclosed in "*Related Party Transactions*" and "*Financial Statements*" on pages 259 and 261, respectively, our Promoters are not related to any of the sundry debtors of our Company or beneficiaries of loans and advances of our Company.

6. Except as disclosed in this section and in "*Our Management*", "*Related Party Transactions*" and "*Financial Statements*" on pages 219, 259 and 261, respectively, there has been no payment or benefits to our Promoters or the members of our Promoter Group during the two years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or the members of our Promoter Group.

7. Except for the trademark "Aum", registered in the name of our corporate Promoter, Deeksha Holding Limited, which we are authorized to use pursuant to a trademark license agreement dated April 1, 2010 and letter dated September 30, 2015, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company. For details, see "*Our Business*" on page 172.

Lease/License Arrangements between our Company and Promoters and members of our Promoter Group

Set forth below are details of certain properties leased by our Company from our Promoters or members of our Promoter Group:

S. No.	Lessor	Date of agreement	Location of property	Monthly lease rental (₹)*	Current Lease Period	Purpose
1.	Ms. Deeksha Suri	October 1, 2017	C-88, Panchsheel Enclave, New Delhi – 110 017	200,000	October 1, 2017 – August 31, 2018	Residential facilities for officers/employees of our Company
2.	Ms. Divya Suri Singh	October 1, 2017	D-95, Panchsheel Enclave, New Delhi – 110 017	200,000	October 1, 2017 – August 31, 2018	Residential facilities for officers/employees of our Company
3.	Deeksha Holding Limited	April 1, 2018	Part of area measuring 1,835 sq.mts. under Khasra No.442 (New Khasra No. 52/30), Village Bakauli, Alipur, Delhi – 110 036	316,800	April 1, 2018 – February 28, 2019	Business operations
4.	Dr. Jyotsna Suri	October 1, 2017	N-119 (Ground Floor), Panchsheel Park, New Delhi 110 017	250,000	October 1, 2017 – August 31, 2018	Operating the office of the Chairperson and Managing Director

**Plus applicable taxes, if any.*

Our Company has entered into a license agreement dated June 23, 1995 and supplemental agreements of license dated January 17, 2001 and April 1, 2009 with our corporate Promoter, Deeksha Holding Limited whereby our Company undertook the construction and operation of The LaLiT Golf & Spa Resort Goa on land owned by Deeksha Holding Limited in Nagorcem-Palolem, Cancona, Goa and currently pays an annual license fee of ₹ 11.00 million in respect of this land to Deeksha Holding Limited. Pursuant to an agreement with Deeksha Holding Limited dated June 29, 2016, our Company has been authorized to use nine villas constructed by our Company on land owned by Deeksha Holding Limited, on the same property as The LaLiT Golf & Spa Resort Goa, for its hoteliering business. Under this agreement, the day-to-day maintenance and any charges levied by the municipal or any government authority in Goa are covered by our Company in respect of the villas and other vacant land belonging to Deeksha Holding Limited, and are not recoverable from Deeksha Holding Limited. The net income earned from the hoteliering business in respect of the villas is distributed equally between our Company and Deeksha Holding Limited. The agreement is valid from June 29, 2016 to June 28, 2021 and is renewable on such terms as may be mutually agreed between Deeksha Holding Limited and our Company.

Our Company has entered into a memorandum of understanding dated November 8, 2017 with Prima Realtors Private Limited ("**PRPL**"), one of our Group Companies and a member of our Promoter Group, for a long-term license over the property owned by PRPL at Mangalore. Our Company proposes to build and operate a hotel at this property. As at the date of this Draft Red Herring Prospectus, our Company had not entered into a definitive license agreement for this property. Our Promoter, Dr. Jyotsna Suri, is also a promoter of PRPL.

Eila Builders & Developers Limited, one of our Group Companies and a member of our Promoter Group, owns 50% of the equity share capital of Kujjal Builders, our Subsidiary, which has leasehold rights for 99 years over the land on which The LaLiT Chandigarh is situated under a lease deed dated February 22, 2007.

Grand Hotel and Investments Limited ("**GHIL**"), one of our Group Companies and a member of our Promoter Group, is carrying on the business of hotel property investment and owns The LaLiT London and the land on which The LaLiT London is situated. GHIL is a wholly-owned subsidiary of Premium Holdings Limited ("**PHL**"), one of our Group Companies and a member of our Promoter Group, and PHL is a wholly-owned subsidiary of our corporate Promoter, Deeksha Holding Limited. Our Company provides management consultancy services on an exclusive basis to St. Olave's Limited, one of our Group Companies and a member of our Promoter Group ("**St. Olave's**") in relation to The LaLiT London pursuant to a management consultancy services agreement and licensing agreement with St. Olave's executed on December 6, 2017 and effective from April 1, 2017. Further, pursuant to this agreement, our Company has also granted a limited, non-exclusive license for use of "The LaLiT" trademark to St. Olave's in connection with the operation and management of The LaLiT

London. For details regarding the management consultancy services agreement and licensing agreement with St. Olave's, see "*History and Certain Corporate Matters – Other Agreements*" on page 217.

Litigation involving our Promoters

Except as disclosed in "*Outstanding Litigation and Material Developments*" on page 559, there is no litigation or regulatory action involving our Promoters.

Confirmations

None of our Promoters have been declared as Wilful Defaulters. Further, there are no violations of securities laws committed by any of our Promoters in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters and members of our Promoter Group have been debarred from accessing the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

Change in control of our Company

There has not been any change in the control of our Company during the five years immediately preceding the date of filing this Draft Red Herring Prospectus.

Companies with which our Promoters have disassociated in the last three years

Except as disclosed below, none of our Promoters have disassociated themselves from any company during the three years preceding the date of filing of this Draft Red Herring Prospectus.

S. No.	Name of Entity	Date of Disassociation	Reasons for Disassociation
Mr. Ramesh Suri			
1.	Tempo Finance (North) Private Limited	July 7, 2017	Struck-off in the records of the registrar of companies

Sick or defunct corporate Promoter

Deeksha Holding Limited is not a sick industrial company within the meaning of the SICA, or a defunct company, or been declared insolvent under the provisions of the IBC, and no application has been made to any registrar of companies for striking off the name of Deeksha Holding Limited in the five years preceding the date of filing of this Draft Red Herring Prospectus.

OUR GROUP COMPANIES

Pursuant to a resolution of our Board dated June 22, 2018, our Board has noted that in accordance with the SEBI ICDR Regulations, the following companies shall be considered our Group Companies: (i) companies which constitute part of related parties of our Company under applicable accounting standards (Indian Accounting Standard (Ind-AS) 24) on the basis of the restated consolidated financial statements disclosed in "*Financial Statements*" on page 261, with the exception of the subsidiaries of our Company, the joint venture of our Company and the corporate promoter of our Company, and (ii) other companies considered material by our Board. The resolution dated June 22, 2018 adopted by our Board specifies that a company is considered material for the purpose of disclosure as a group company in any offer document relating to the Issue if the following conditions are met: (a) our Company or our Promoters have a direct or indirect interest in such company and our Company has entered into one or more transactions with such company in the relevant financial year, cumulatively exceeding 1% of the turnover of our Company on a consolidated basis for Fiscal Year 2018; or (b) companies which, subsequent to the date of the latest restated consolidated financial statements included in this Draft Red Herring Prospectus, would require disclosure in the consolidated financial statements of our Company for the Fiscal Year 2019 as entities covered under Ind-AS 24, in addition to those companies covered under Ind-AS 24 in the latest restated consolidated financial statements.

In the Board resolution dated June 22, 2018, our Board has clarified that any company that constitutes part of the related parties of our Company under Ind-AS 24 in the restated consolidated financial statements included in this Draft Red Herring Prospectus and that has ceased to be so subsequent to the date of the latest restated consolidated financial statements included in this Draft Red Herring Prospectus but prior to filing of this Draft Red Herring Prospectus, and accordingly would not be required to be disclosed as a company under Ind-AS 24 for such subsequent period, shall not be considered as a group company for purposes of disclosure in this Draft Red Herring Prospectus.

Based on the above, the following companies are our Group Companies:

1. Cargo Hospitality Private Limited;
2. Cargo Motors (Delhi) Private Limited;
3. Cargo Motors (Rajasthan) Private Limited;
4. Cargo Motors Private Limited;
5. Deeksha Human Resource Initiatives Limited;
6. Eila Builders & Developers Limited;
7. Fibcom India Limited;
8. Global Autotech Limited;
9. Godawri Motors Private Limited;
10. Grand Hotel and Investments Limited;
11. Hemkunt Service Station Private Limited;
12. Jyotsna Holding Private Limited;
13. L.P Hospitality Private Limited;
14. Mercantile Capital and Financial Services Private Limited;
15. Premium Exports Limited;
16. Premium Farm Fresh Produce Limited;
17. Premium Holdings Limited;
18. Prima Realtors Private Limited;
19. Prima Telecom Limited;
20. Responsible Builders Private Limited;
21. Rohan Motors Limited;
22. St. Olave's Limited;
23. Subros Limited; and
24. Tempo Automobiles Private Limited.

A. Details of our Top Five Group Companies (listed Group Companies and largest unlisted Group Companies based on turnover)

1. **Subros Limited**

Corporate Information

Subros Limited ("**Subros**") was incorporated on February 14, 1985 as Subros Private Limited, a private limited company, under the Companies Act, 1956 with the RoC. Upon conversion into a public limited company, its name was changed to Subros Limited and a fresh certificate of incorporation was issued by the RoC on October 17, 1985. Its CIN is L74899DL1985PLC020134. Subros is engaged in the business of manufacturing of automotive air-conditioning systems.

Interest of our Promoters

Our Promoters, Deeksha Holding Limited, Dr. Jyotsna Suri and Mr. Ramesh Suri hold 10,137,760, 1,619,200 and 1,419,040 equity shares of face value of ₹ 2 each constituting 16.90%, 2.70% and 2.36%, respectively, of the issued and paid-up equity share capital of Subros. Jyotsna Holding Private Limited, R. R. Holdings Private Limited, Ramesh Suri (HUF) and Ms. Ritu Suri, members of our Promoter Group, also hold 3,448,000, 3,208,000, 3,040,000, 1,128,000 equity shares of face value of ₹ 2 each constituting 5.75%, 5.35%, 5.06% and 1.88%, respectively, of the equity share capital of Subros. Our Promoters, Dr. Jyotsna Suri and Mr. Ramesh Suri are also directors on the board of directors of Subros. Further, Dr. Jyotsna Suri is also interested in Subros to the extent of certain transactions entered into between them. Dr. Jyotsna Suri has leased out property situated at N-119 (Second Floor), Panchsheel Park, New Delhi to Subros Limited pursuant to a lease deed dated October 1, 2017 for a period of 11 months at a monthly rent of ₹ 250,000 plus taxes, if any, at the applicable rates. Mr. Ramesh Suri is also interested in Subros to the extent of certain transactions entered into between Subros and Ramesh Suri (HUF). Ramesh Suri (HUF) has leased out certain properties situated at World Trade Centre, Barakhamba Lane, New Delhi to Subros.

Financial Information

The following table sets forth certain details in relation to the audited financial results of Subros for the three most recent Fiscal Years for which audited financial results are available:

(in ₹ million, unless otherwise stated)

Particulars	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
Equity Capital	119.98	119.98	119.98
Reserves (excluding revaluation reserve)	3,927.70	3,358.10	3,233.68
Sales and Other Income/Turnover	19,203.20	15,421.80	13,093.27
Profit/(Loss) after tax	606.20	133.30	240.04
Earnings per share (face value of ₹ 2) (in ₹)	10.11	2.22	4.00
Diluted earnings per share (face value of ₹2) (in ₹)	10.11	2.22	4.00
Net Asset Value per share (in ₹)	67.47	57.98	55.90

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Subros was listed on the BSE on September 27, 1988, on the DSE on October 12, 1988 and on the NSE on July 13, 2005. The equity shares of Subros are currently listed on the BSE and the NSE.

Share Price Information

The following table sets forth details of the highest and lowest price on the BSE and the NSE of Subros during the six months preceding the date of this Draft Red Herring Prospectus:

Month	BSE		NSE	
	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)
December 2017	320.60	248.55	321.00	247.60
January 2018	442.00	301.40	444.00	302.60
February 2018	380.60	292.60	380.30	288.00

Month	BSE		NSE	
	High (in ₹)	Low (in ₹)	High (in ₹)	Low (in ₹)
March 2018	343.00	280.10	345.00	281.00
April 2018	355.00	292.50	345.70	294.00
May 2018	337.95	287.00	342.00	285.45

Source: *www.bseindia.com* and *www.nseindia.com*

The closing equity share price of Subros as on June 26, 2018 on the BSE and the NSE was ₹ 297.10 and ₹ 297.20, respectively.

There has been no change in capital structure of Subros in the last six months.

Subros has issued secured rated listed redeemable non-convertible debentures in 2017 on a private placement basis.

Mechanism for redressal of investor grievance

The board of directors of Subros has constituted a stakeholders relationship committee in accordance with Regulation 20 of the SEBI Listing Regulations to look into the redressal of shareholder/investor complaints. Subros normally takes seven working days to resolve various types of investor grievances.

Investor grievance

Subros received 10 investor complaints in the last three Fiscal Years and all investor complaints were attended to in that period. As on June 27, 2018, there is one investor complaint pending with respect to Subros.

2. **Cargo Motors Private Limited**

Corporate Information

Cargo Motors Private Limited ("**CMPL**") was incorporated on September 3, 1959 as a private limited company under the Companies Act, 1956 with the RoC. Its CIN is U50101DL1959PTC003124. CMPL is engaged in the business of manufacturing and dealing in motor vehicles of all kinds, motor parts, accessories, oils, lubricants, tyres and tubes of all kinds and description.

Interest of our Promoters

Our Promoter, Dr. Jyotsna Suri, holds 1,000 equity shares of face value of ₹ 10 each constituting 0.00% (Negligible) of the issued and paid-up equity share capital of CMPL. Mr. Jayant Nanda, Ms. Raj Kumari Nanda, Jayant Nanda (HUF), Mr. Pravesh Nanda, Ms. Chetna Dhruv Batra, Yashpal Nanda (HUF) and Karriers Finance Private Limited, members of our Promoter Group, also hold 64,854,500, 851,600, 20,000, 19,000, 10,000, 8,400 and 500 equity shares of face value of ₹ 10 each constituting 64.85%, 0.85%, 0.02%, 0.02%, 0.01%, 0.01% and 0.00% (Negligible), respectively, of the equity share capital of CMPL.

Financial Information

The following table sets forth certain details in relation to the audited financial results of CMPL for the three most recent Fiscal Years for which the audited financial results are available:

(in ₹ million, unless otherwise stated)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Equity Capital	1,000.00	1,000.00	1,000.00
Reserves (excluding revaluation reserve)	722.65	704.77	672.48
Sales and Other Income/Turnover	16,309.12	17,915.94	17,065.70
Profit/(Loss) after tax	17.88	32.29	33.97
Earnings per share (face value of ₹ 10) (in ₹)	0.18	0.32	0.45
Diluted earnings per share (face value ₹ 10) (in ₹)	0.18	0.32	0.45
Net Asset Value per share (in ₹)	17.23	17.05	16.72

There are no significant notes of the auditors in relation to the aforementioned financial statements.

3. **Global Autotech Limited**

Corporate Information

Global Autotech Limited ("**GAL**") was incorporated on May 20, 2003 as Global Autotech Private Limited, a private limited company under the Companies Act, 1956 with the RoC. Upon conversion into a public limited company on April 28, 2005, its name was changed to Global Autotech Limited. Its CIN is U34300DL2003PLC120424. GAL is engaged in the business of manufacturing, processing, assembling, servicing and repairing of automotive components, spare parts and accessories.

Interest of our Promoters

Our Promoters, Deeksha Holding Limited, Dr. Jyotsna Suri and Mr. Ramesh Suri, hold 2,600,000, 2,399,000 and 1,350,000 equity shares of face value of ₹ 10 each constituting 13.00%, 12.00% and 6.75%, respectively, of the issued and paid-up equity share capital of GAL. Mercantile Capital and Financial Services Private Limited, Coldform Engineering Private Limited, Ms. Ritu Suri, R. R. Holding Private Limited, Ramesh Suri (HUF) and Jyotsna Holding Private Limited, members of our Promoter Group, also hold 9,350,000, 2,500,000, 1,200,000, 400,000, 200,000 and 1,000 equity shares of face value of ₹ 10 each constituting 46.75%, 12.50%, 6.00%, 2.00%, 1.00% and 0.01%, respectively, of the equity share capital of GAL. Our Promoter, Mr. Ramesh Suri, is also a director on the board of directors of GAL.

Financial Information

The following table sets forth certain details in relation to the audited financial results of GAL for the three most recent Fiscal Years for which audited financial results are available:

(in ₹ million, unless otherwise stated)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Equity Capital	200.00	200.00	200.00
Reserves (excluding revaluation reserve)	343.74	283.26	256.24
Sales and Other Income/Turnover	3,018.38	2,289.31	2,005.43
Profit/(Loss) after tax	60.48	41.46	30.64
Earnings per share (face value of ₹ 10) (in ₹)	3.02	2.07	1.05
Diluted earnings per share (face value of ₹ 10) (in ₹)	3.02	2.07	1.05
Net Asset Value per share (in ₹)	27.19	24.17	22.81

There are no significant notes of the auditors in relation to the aforementioned financial statements.

4. **Cargo Motors (Rajasthan) Private Limited**

Corporate Information

Cargo Motors (Rajasthan) Private Limited ("**CMRPL**") was incorporated on April 27, 2004 as a private limited company under the Companies Act, 1956 with the RoC. Its CIN is U50101DL2004PTC126082. CMRPL is engaged in the business of buying, selling and being dealers of automobiles and motor vehicles.

Interest of our Promoters

Our Promoters do not have any interest in CMRPL. Mr. Jayant Nanda, Ms. Raj Kumari Nanda, Cargo Motors Private Limited and Jayant Nanda (HUF), members of our Promoter Group, hold 860,000, 150,000, 150,000 and 140,000 equity shares of face value of ₹ 10 each constituting 34.40%, 6.00%, 6.00% and 5.60%, respectively, of the equity share capital of CMRPL.

Financial Information

The following table sets forth certain details in relation to the audited financial results of CMRPL for the three most recent Fiscal Years for which audited financial results are available:

(in ₹ million, unless otherwise stated)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Equity Capital	25.00	25.00	25.00
Reserves (excluding revaluation reserve)	33.48	31.17	28.32
Sales and Other Income/Turnover	3,845.97	4,549.99	3,017.13
Profit/(Loss) after tax	2.31	2.85	2.79
Earnings per share (face value of ₹ 10) (in ₹)	0.92	1.14	1.12
Diluted earnings per share (face value of ₹ 10) (in ₹)	0.92	1.14	1.12
Net Asset Value per share (in ₹)	23.40	22.47	21.33

There are no significant notes of the auditors in relation to the aforementioned financial statements.

5. **Rohan Motors Limited**

Corporate Information

Rohan Motors Limited ("**RML**") was incorporated on March 15, 1988 as Rohan Motors Private Limited, a private limited company, under the Companies Act, 1956 with the RoC. Upon conversion into a public limited company on August 22, 2001, its name was changed to Rohan Motors Limited. Its CIN is U74899DL1988PLC030957. RML is an authorized dealer of an automobile company for sale and service of all models of vehicles and parts produced by such automobile company.

Interest of our Promoters

Our Promoters, Deeksha Holding Limited, Mr. Ramesh Suri and Dr. Jyotsna Suri hold 162,800, 150,000 and 49,100 equity shares of face value of ₹ 100 each constituting 32.56%, 30.00% and 9.82%, respectively, of the issued and paid-up equity share capital of RML. Jyotsna Holding Private Limited, Ms. Ritu Suri, Ms. Shradha Suri and Ramesh Suri (HUF), members of our Promoter Group, also hold 51,100, 50,000, 30,000 and 7,000 equity shares of face value of ₹ 100 each constituting 10.22%, 10.00%, 6.00% and 1.40%, respectively, of the equity share capital of RML. Our Promoters, Dr. Jyotsna Suri and Mr. Ramesh Suri, are also directors on the board of directors of RML.

Financial Information

The following table sets forth certain details in relation to the audited financial results of RML for the three most recent Fiscal Years for which audited financial results are available:

(in ₹ million, unless otherwise stated)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Equity Capital	50.00	50.00	50.00
Reserves (excluding revaluation reserve)	426.37	356.12	313.98
Sales and Other Income/Turnover	13,105.29	11,379.07	10,194.64
Profit/(Loss) after tax	70.24	48.17	51.95
Earnings per share (face value of ₹ 100) (in ₹)	140.49	96.34	138.39
Diluted earnings per share (face value ₹ 100) (in ₹)	140.49	96.34	138.39
Net Asset Value per share (in ₹)	952.74	812.25	727.95

There are no significant notes of the auditors in relation to the aforementioned financial statements.

B. Details of Group Companies that have a negative net worth

1. **Cargo Hospitality Private Limited**

Corporate Information

Cargo Hospitality Private Limited ("**CHPL**") was incorporated on May 29, 2007 as a private limited company under the Companies Act, 1956 with the RoC. Its CIN is U55101DL2007PTC164067. CHPL is engaged in the business of running hotels and resorts.

Interest of our Promoters

Our Promoters do not have any interest in CHPL. Cargo Power and Infrastructure Private Limited, a member of our Promoter Group, holds 10,000 equity shares of face value of ₹ 10 each (including one equity share held by Mr. Jayant Nanada, as nominee of Cargo Power and Infrastructure Private Limited) constituting 100.00% of the equity share capital of CHPL.

Financial Information

The following table sets forth certain details in relation to the audited financial results of CHPL for the three most recent Fiscal Years for which audited financial results are available:

(in ₹ million, unless otherwise stated)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Equity Capital	0.10	0.10	0.10
Reserves (excluding revaluation reserve)	(1.23)	(1.20)	(0.14)
Sales and Other Income/Turnover	-	-	-
Profit/(Loss) after tax	(0.03)	(1.06)	(0.01)
Earnings per share (face value of ₹ 10) (in ₹)	(3.17)	(106.24)	(1.39)
Diluted earnings per share (face value of ₹ 10) (in ₹)	(3.17)	(106.24)	(1.39)
Net Asset Value per share (in ₹)	(113.31)	(110.13)	(3.89)

There are no significant notes of the auditors in relation to the aforementioned financial statements of CHPL.

CHPL has had a negative net worth in Fiscal Years 2017, 2016 and 2015.

2. **Godawri Motors Private Limited**

Corporate Information

Godawri Motors Private Limited ("**GMPL**") was incorporated on July 9, 1998 as a private limited company under the Companies Act, 1956 with the RoC. Its CIN is U34103DL1998PTC094880. GMPL is engaged in the business of manufacturing, importing and exporting, buying, selling, stocking, supplying and distributing, wholesale and retail dealing and repairing and working on motorcars.

Interest of our Promoters

Our Promoters do not have any interest in GMPL. Ms. Divya Suri Singh, a member of our Promoter Group, holds 210,200 equity shares of face value of ₹ 10 each constituting 84.01% of the equity share capital of GMPL.

Financial Information

The following table sets forth certain details in relation to the audited financial results of GMPL for the three most recent Fiscal Years for which audited financial results are available:

(in ₹ million, unless otherwise stated)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Equity Capital	2.50	2.50	2.50
Reserves (excluding revaluation reserve)	(37.86)	(35.49)	(34.93)
Sales and Other Income/Turnover	1,073.48	1,015.89	890.34
Profit/(Loss) after tax	(2.37)	(0.57)	(13.06)
Earnings per share (face value of ₹ 10) (in ₹)	(9.46)	(2.26)	(52.19)
Diluted earnings per share (face value of ₹ 10) (in ₹)	(9.46)	(2.26)	(52.19)
Net Asset Value per share (in ₹)	(141.32)	(131.85)	(129.59)

There are no significant notes of the auditors in relation to the aforementioned financial statements of GMPL.

GMPL has had a negative net worth in Fiscal Years 2017, 2016 and 2015.

3. **L.P Hospitality Private Limited**

Corporate Information

L.P Hospitality Private Limited ("**LPHPL**") was incorporated on January 25, 1995 as a private limited company under the Companies Act, 1956 with the RoC. Its CIN is U74899DL1995PTC064746. LPHPL is engaged in the hospitality and restaurant business.

Interest of our Promoters

Our Promoters do not have any interest in LPHPL.

Financial Information

The following table sets forth certain details in relation to the audited financial results of LPHPL for the three most recent Fiscal Years for which audited financial results are available:

(in ₹ million, unless otherwise stated)

Particulars	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Equity Capital	86.17	86.17	86.17
Reserves (excluding revaluation reserve)	(111.89)	(113.98)	(114.18)
Sales and Other Income/Turnover	91.88	84.18	64.00
Profit/(Loss) after tax	2.10	0.20	(15.50)
Earnings per share (face value of ₹ 10) (in ₹)	0.24	0.02	(1.80)
Diluted earnings per share (face value of ₹ 10) (in ₹)	0.24	0.02	(1.80)
Net Asset Value per share (in ₹)	(0.33)	(3.23)	(3.25)

There are no significant notes of the auditors in relation to the aforementioned financial statements of LPHPL.

LPHPL has had a negative net worth in Fiscal Years 2017, 2016 and 2015.

4. **St. Olave's Limited**

Corporate Information

St. Olave's Limited ("**St. Olave's**") was incorporated on March 31, 2016 as a private company under the Companies Act, 2006 of the United Kingdom with the Registrar of Companies for England and Wales. Its company registration number is 10093051. St. Olave's is engaged, *inter alia,* in the business of managing and operating five star hotels/resorts and carrying out day-to-day operations of such five star hotels/resorts.

Interest of our Promoters

Our Promoters do not have any interest in St. Olave's. Mr. Jayant Nanda, a member of our Promoter Group, holds one equity share of face value of GBP1 constituting 100.00% of the equity share capital of St. Olave's.

Financial Information

The following table sets forth certain details in relation to the financial results of St. Olave's for the most recent Fiscal Year:

(in GBP million, unless otherwise stated)

Particulars	Fiscal Year 2017
Equity Capital (in GBP)	1.00
Reserves (excluding revaluation reserve)	(0.49)
Sales and Other Income/Turnover	0.11
Profit/(Loss) after tax	(0.49)

Earnings per share (face value of GBP 1) (in GBP)	(493,384)
Diluted earnings per share (face value of GBP 1) (in GBP)	(493,384)
Net Asset Value per share (in GBP)	(493,384)

The above financial information is unaudited as St. Olave's is not required to prepare audited financial statements.

St. Olave's has had a negative net worth in Fiscal Year 2017.

C. Other Group Companies

1. **Cargo Motors (Delhi) Private Limited**

Corporate Information

Cargo Motors (Delhi) Private Limited ("**CMDPL**") was incorporated on December 3, 2013 as a private limited company under the Companies Act, 1956 with the RoC. Its CIN is U34102DL2013PTC261544. CMDPL is engaged in the business of dealing and manufacturing in motor vehicles of all kinds, motor parts, accessories, oils, lubricants, tyres and tubes of all kinds and description.

Interest of our Promoters

Our Promoters do not have any interest in CMDPL. Mr. Jayant Nanda, Ms. Chetna Dhruv Batra and Ms. Raj Kumari Nanda, members of our Promoter Group, hold 3,150,000, 180,000 and 70,000 equity shares of face value of ₹ 10 each constituting 56.25%, 3.21% and 1.25%, respectively, of the equity share capital of CMDPL.

2. **Deeksha Human Resource Initiatives Limited**

Corporate Information

Deeksha Human Resource Initiatives Limited ("**DHRIL**") was incorporated on September 22, 2003 as Deeksha Human Resource Initiatives Private Limited, a private limited company, under the Companies Act, 1956 with the RoC. Upon its conversion to a public limited company, its name was changed to Deeksha Human Resource Initiatives Limited on March 9, 2004. Its CIN is U74999DL2003PLC122354. DHRIL is engaged in the business of providing human resource consultancy services, marketing and development.

Interest of our Promoters

Our Promoters, Deeksha Holding Limited, Dr. Jyotsna Suri and Mr. Ramesh Suri, hold 18,500, 7,500 and 500 equity shares of face value of ₹ 10 each constituting 37.00%, 15.00% and 1.00%, respectively, of the issued and paid-up equity share capital of DHRIL. Ms. Deeksha Suri, Jyotsna Holding Private Limited, Premium Exports Limited and Responsible Builders Private Limited, members of our Promoter Group, also hold 20,000, 2,500, 500 and 500 equity shares of face value of ₹ 10 each constituting 40.00%, 5.00%, 1.00% and 1.00%, respectively, of the equity share capital of DHRIL.

3. **Eila Builders & Developers Limited**

Corporate Information

Eila Builders & Developers Limited ("**Eila**") was incorporated on January 2, 2006 as Eila Builders & Developers Private Limited, a private limited company, under the Companies Act, 1956 with the RoC. Upon its conversion to a public limited company, its name was changed to Eila Builders & Developers Limited on April 2, 2014. Its CIN is U70101DL2006PLC144365. Eila is engaged in the business of investing in its group companies.

Interest of our Promoters

Our Promoter, Deeksha Holding Limited, holds 40,242,645 equity shares of face value of ₹ 10 each (including five equity shares held by nominees of Deeksha Holding Limited) constituting 90.43% of the issued and paid-up equity share capital of Eila. Accordingly, Eila is a subsidiary of Deeksha Holding Limited. Deeksha Human

Resource Initiatives Limited, a member of our Promoter Group, also holds 4,257,355 equity shares of face value of ₹ 10 each constituting 9.57% of the equity share capital of Eila.

4. **Fibcom India Limited**

Corporate Information

Fibcom India Limited ("**FIL**") was incorporated on December 9, 1994 as a public limited company under the Companies Act, 1956 with the RoC. It received its certificate of commencement of business on January 17, 1995. Its CIN is U74899DL1994PLC063318. FIL is engaged in the business of designing, developing and manufacturing of products, sub-systems and systems relating to telecommunication.

Interest of our Promoters

Our Promoters, Dr. Jyotsna Suri, Deeksha Holding Limited and Mr. Ramesh Suri hold 2,875,000, 1,437,500 and 100 equity shares of face value of ₹ 10 each constituting 25.00%, 12.50% and 0.00% (Negligible) of the issued and paid-up equity share capital of FIL. Ms. Shradha Suri, Mercantile Capital and Financial Services Private Limited, Jyotsna Holding Private Limited and Ramesh Suri (HUF), members of our Promoter Group, also hold 5,462,500, 1,149,800, 575,000 and 100 equity shares of face value of ₹ 10 each constituting 47.50%, 10.00%, 5.00% and 0.00% (Negligible), respectively, of the equity share capital of FIL. Our Promoter, Deeksha Holding Limited, holds 3,800,000 preference shares of face value of ₹ 10 each constituting 100.00% of the preference share capital of FIL.

5. **Grand Hotel and Investments Limited**

Corporate Information

Grand Hotel and Investments Limited ("**GHIL**") was incorporated on June 28, 2005 as an international business company in the British Virgin Islands under the British Virgin Island Business Companies Act governed by the International Business Companies Act (Cap 291). Its CIN is 663596. GHIL is engaged in the business of hotel property investment.

Interest of our Promoters

Premium Holdings Limited, a member of our Promoter Group and a wholly owned subsidiary of our corporate Promoter, Deeksha Holding Limited, holds 1 equity share of face value of USD1 constituting 100.00% of the equity share capital of GHIL.

6. **Hemkumt Service Station Private Limited**

Corporate Information

Hemkunt Service Station Private Limited ("**HSSPL**") was incorporated on May 28, 1975 as a private limited company under the Companies Act, 1956 with the RoC. Its CIN is U74899DL1975PTC007775. HSSPL is engaged in the business of owning and maintaining petrol pumps.

Interest of our Promoters

Our Promoter, Mr. Ramesh Suri, holds 2,450 equity shares of face value of ₹ 100 each constituting 49.00% of the issued and paid-up equity share capital of HSSPL. Ms. Ritu Suri, a member of our Promoter Group, also holds 2,550 equity shares of face value of ₹ 100 each constituting 51.00% of the equity share capital of HSSPL. Our Promoter, Mr. Ramesh Suri is a director on the board of directors of HSSPL.

7. **Jyotsna Holding Private Limited**

Corporate Information

Jyotsna Holding Private Limited ("**JHPL**") was incorporated on December 31, 1983 as a private limited company under the Companies Act, 1956 with the RoC. Its CIN is U67120DL1983PTC017257. JHPL is registered with the Reserve Bank of India as a non-banking financial company pursuant to a certificate of registration dated April 21, 1998. JHPL is engaged in the business of being a non-banking financial institution.

Interest of our Promoters

Our Promoter, Dr. Jyotsna Suri, holds 127,801 equity shares of face value of ₹ 100 each constituting 64.32% of the issued and paid-up equity share capital of JHPL. Mr. Keshav Suri and Ms. Raj Kumari Nanda, members of our Promoter Group, also hold 70,880 and 1 equity shares of face value of ₹ 100 each constituting 35.68% and 0.00% (Negligible), respectively, of the equity share capital of JHPL. Our Promoters, Dr. Jyotsna Suri and Mr. Ramesh Suri, are also directors on the board of directors of JHPL.

8. **Mercantile Capital and Financial Services Private Limited**

Corporate Information

Mercantile Capital and Financial Services Private Limited ("**MCFSPL**") was incorporated on August 22, 1994 as Mercantile Capital and Financial Services Limited, a public limited company, under the Companies Act, 1956 with the RoC. It received its certificate of commencement of business on September 12, 1994. Upon its conversion to a private limited company, its name was changed to Mercantile Capital and Financial Services Private Limited on November 24, 2004. Its CIN is U74899DL1994PTC060999. MCFSPL is registered with the Reserve Bank of India as a non-banking financial company pursuant to a certificate of registration dated September 11, 2002. MCFSPL is engaged in the business of being a non-banking financial institution.

Interest of our Promoters

Our Promoters, Deeksha Holding Limited, Dr. Jyotsna Suri and Mr. Ramesh Suri, hold 920,000, 50,000 and 10,000 equity shares of face value of ₹ 10 each constituting 92.00%, 5.00% and 1.00%, respectively, of the issued and paid-up equity share capital of MCFSPL. Mr. Keshav Suri and Ms. Ritu Suri, members of our Promoter Group, also hold 10,000 and 10,000 equity shares of face value of ₹ 10 each constituting 1.00% and 1.00%, respectively, of the equity share capital of MCFSPL. Our Promoter, Mr. Ramesh Suri, is also a director on the board of directors of MCFSPL. MCFSPL is a subsidiary of our corporate Promoter, Deeksha Holding Limited.

9. **Premium Exports Limited**

Corporate Information

Premium Exports Limited ("**PEL**") was incorporated on November 13, 1987 as a public limited company under the Companies Act, 1956 with the RoC. It received its certificate of commencement of business on November 20, 1987. Its CIN is U52110DL1987PLC029757. PEL is currently not engaged in any business activity.

Interest of our Promoters

Our Promoters, Dr. Jyotsna Suri and Mr. Ramesh Suri, hold 520,700 and 5,000 equity shares of face value of ₹ 10 each constituting 86.78% and 0.83%, respectively, of the issued and paid-up equity share capital of PEL. Mr. Keshav Suri, Ms. Deeksha Suri, Ms. Ritu Suri and Mr. Jayant Nanda, members of our Promoter Group, also hold 60,000, 9,000, 5,000 and 100 equity shares of face value of ₹ 10 each constituting 10.00%, 1.50%, 0.83% and 0.02%, respectively, of the equity share capital of PEL.

10. **Premium Farm Fresh Produce Limited**

Corporate Information

Premium Farm Fresh Produce Limited ("**PFFPL**") was incorporated on September 16, 2005 as a public limited company under the Companies Act, 1956 with the RoC. It received its certificate of commencement of business on December 12, 2005. Its CIN is U01121DL2005PLC140879. PFFPL is currently not engaged in any business activity.

Interest of our Promoters

Our Promoters, Deeksha Holding Limited, Dr. Jyotsna Suri, Mr. Ramesh Suri hold 24,570,000, 20,000 and 10,000 equity shares of face value of ₹ 10 each constituting 96.09%, 0.08% and 0.04% of the issued and paid-up equity share capital of PFFPL. Ms. Divya Suri Singh, Mr. Keshav Suri, Ms. Ritu Suri, Ms. Deeksha Suri and Ms. Shradha Suri, members of our Promoter Group, also hold 918,000, 40,000, 10,000, 1,000 and 1,000 equity shares of face value of ₹ 10 each constituting 3.59%, 0.16%, 0.04%, 0.00% (Negligible) and 0.00% (Negligible), respectively, of the equity share capital of PFFPL.

11. **Premium Holdings Limited**

Corporate Information

Premium Holdings Limited ("**PHL**") was incorporated on September 16, 1993 under the Companies Act, 1931 to 1993 with the General Registry, Isle of Man. Its registration number is 064495C. PHL is engaged in the business of asset holding.

Interest of our Promoters

Our Promoter, Deeksha Holding Limited, holds 115,000 equity shares of face value of USD1 each constituting 100.00% of the issued and paid-up equity share capital of PHL. PHL is a wholly owned subsidiary of our corporate Promoter, Deeksha Holding Limited.

12. **Prima Realtors Private Limited**

Corporate Information

Prima Realtors Private Limited ("**PRPL**") was incorporated on May 17, 2006 as a private limited company under the Companies Act, 1956 with the RoC. Its CIN is U70101DL2006PTC148864. PRPL is engaged in the business of being proprietors, managers and consultants of hotels and restaurants.

Interest of our Promoters

Our Promoter, Dr. Jyotsna Suri, holds 800,000 equity shares of face value of ₹ 10 each constituting 49.98% of the issued and paid-up equity share capital of PRPL. Mr. Jayant Nanda and Jyotsna Holding Private Limited, members of our Promoter Group, also hold 800,000 and 500 equity shares of face value of ₹ 10 each constituting 49.98% and 0.04%, respectively, of the equity share capital of PRPL. Our Promoter, Dr. Jyotsna Suri, is also a director on the board of directors of PRPL.

13. **Prima Telecom Limited**

Corporate Information

Prima Telecom Limited ("**PTL**") was incorporated on March 24, 1995 as Prima Telecom Private Limited, a private limited company, under the Companies Act, 1956 with the RoC. Upon its conversion to a public limited company, its name was changed to Prima Telecom Limited on August 3, 2001. Its CIN is U74899DL1995PLC066700. PTL is engaged in the business of providing telecommunication and data communication services.

Interest of our Promoters

Our Promoters, Deeksha Holding Limited, Dr. Jyotsna Suri and Mr. Ramesh Suri, hold 235,000, 40,000 and 20,000 equity shares of face value of ₹ 100 each constituting 29.00%, 4.90% and 2.50% of the issued and paid-up equity share capital of PTL. Ms. Shradha Suri, Mercantile Capital and Financial Services Private Limited, S.H.S. Transport Private Limited, Ms. Ritu Suri, Ms. Deeksha Suri and Mr. Keshav Suri, members of our Promoter Group, also hold 251,250, 113,750, 91,666, 20,000, 20,000 and 20,000 equity shares of face value of ₹ 100 each constituting 31.00%, 14.00%, 11.30%, 2.50%, 2.50% and 2.50%, respectively, of the equity share capital of PTL. Our Promoters, Dr. Jyotsna Suri and Mr. Ramesh Suri are also directors on the board of directors of PTL.

14. **Responsible Builders Private Limited**

Corporate Information

Responsible Builders Private Limited ("**RBPL**") was incorporated on May 20, 1988 as a private limited company under the Companies Act, 1956 with the RoC. Its CIN is U74899DL1988PTC031773. RBPL is registered with the Reserve Bank of India as a non-banking financial company pursuant to a certificate of registration dated December 9, 2000. RBPL is engaged in the business of being a non-banking financial institution.

Interest of our Promoters

Our Promoter, Dr. Jyotsna Suri, holds 560 equity shares of face value of ₹ 100 each constituting 54.37% of the issued and paid-up equity share capital of RBPL. Lalit Suri (HUF) and Mr. Keshav Suri, members of our Promoter Group, also hold 270 and 200 equity shares of face value of ₹ 100 each constituting 26.21% and 19.42%, respectively, of the equity share capital of RBPL. Our Promoter, Dr. Jyotsna Suri, is also a director on the board of directors of RBPL.

15. **Tempo Automobiles Private Limited**

Corporate Information

Tempo Automobiles Private Limited ("**TAPL**") was incorporated on August 25, 1995 as Rohan Automobiles Private Limited Company, a private limited company under the Companies Act, 1956 with the RoC. Its name was changed to Tempo Automobiles Private Limited on October 23, 1998. Its CIN is U74899DL1998PTC071981. TAPL is engaged in the business of running a dealership for light commercial vehicles and having service centres at Delhi and Gurgaon.

Interest of our Promoters

Our Promoter, Mr. Ramesh Suri holds 166,580 equity shares of face value of ₹ 10 each constituting 66.63% of the issued and paid-up equity share capital of TAPL. Ms. Ritu Suri, a member of our Promoter Group, also holds 83,420 equity shares of face value of ₹ 10 each constituting 33.37% of the equity share capital of TAPL. Our Promoter, Mr. Ramesh Suri, is also a director on the board of directors of TAPL.

Certain Confirmations

None of our Group Companies has been debarred from accessing the capital market for any reasons by the SEBI or any other authorities. None of our Group Companies has been identified as a Wilful Defaulter.

Except for Subros, none of our Group Companies is listed on any stock exchange. None of our Group Companies has made any public or rights issue in the last three years.

None of our Group Companies is a sick company within the meaning of the SICA, or is under winding up, or has been declared as insolvent under the provisions of the IBC.

Group Companies with negative net worth

Except for CHPL, LPHPL and GMPL, none of our Group Companies has a negative net worth as at the date of their last audited financial statements. Further, St. Olave's has a negative net worth as at the date of the last financial statements of St. Olave's.

Loss making Group Companies

CHPL, Eila, FIL, PFFPL, PRPL and GMPL have incurred losses as at the date of their last audited financial statements. Further, St. Olave's has incurred a loss as at the date of the last financial statements of St. Olave's. Also see, "*Risk Factors – Our Group Companies have incurred losses during the last three Fiscal Years*" on page 52.

Defunct Group Companies

There is no defunct Group Company and no applications have been made to the concerned registrar of companies in India for striking off the name of any of our Group Companies in the five years preceding the date of filing of this Draft Red Herring Prospectus.

Nature and Extent of Interest of Group Companies

In the promotion of the Company

None of our Group Companies has any interest in the promotion of our Company.

In the properties acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with the SEBI or proposed to be acquired or in transactions for acquisition of land, construction of buildings and supply of machinery

Except as disclosed under " – *Common Pursuits*" in this section, none of our Group Companies are interested in: (i) the properties acquired by our Company in the two years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired, or (ii) any transactions for the acquisition of land, construction of building or supply of machinery.

Business and Other Interests

Except as disclosed in this section and in "*Related Party Transactions*" and "*Financial Statements*" on pages 259 and 261, respectively, and to the extent of any shareholding in our Company and dividend payable in relation thereto, none of our Group Companies has any business and other interest in our Company.

For details in relation to the shareholding of our Group Companies in our Company, refer to "*Capital Structure – Notes to Capital Structure – Details of the shareholding of our Promoters, members of our Promoter Group and directors of our corporate Promoter, Deeksha Holding Limited, as at the date of filing of this Draft Red Herring Prospectus*" on page 113.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

There are no business transactions within our Group Companies which impact the financial performance of our Company.

Common Pursuits

Except as disclosed below, there are no common pursuits between our Company and our Group Companies. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

Eila, one of our Group Companies and a member of our Promoter Group, is engaged in the business of investing in group companies and owns 50% of the equity share capital of Kujjal Builders, our Subsidiary, which has leasehold rights for 99 years over the land on which The LaLiT Chandigarh is situated under a lease deed dated February 22, 2007.

Grand Hotel and Investments Limited ("**GHIL**"), one of our Group Companies and a member of our Promoter Group, is carrying on the business of hotel property investment and owns the The LaLiT London and the land on which The LaLiT London is situated. GHIL is a wholly-owned subsidiary of Premium Holdings Limited ("**PHL**"), one of our Group Companies and a member of our Promoter Group, and PHL is a wholly-owned subsidiary of our corporate Promoter, Deeksha Holding Limited. Our Company provides management consultancy services on an exclusive basis to St. Olave's Limited, one of our Group Companies and a member of our Promoter Group ("**St. Olave's**") in relation to The LaLiT London pursuant to a management consultancy services agreement and licensing agreement with St. Olave's executed on December 6, 2017 and effective from April 1, 2017. Further, pursuant to this agreement, our Company has also granted a limited, non-exclusive license for use of "The LaLiT" trademark to St. Olave's in connection with the operation and management of The LaLiT London. For details regarding the management consultancy services agreement and licensing agreement with St. Olave's, see "*History and Certain Corporate Matters – Other Agreements*" on page 217.

LPHPL, one of our Group Companies, is engaged in the hospitality and restaurant business and owns *Vibe by the LaLiT Traveller* hotel in Faridabad. Our Company has entered into an operating and management agreement dated March 6, 2009 with LPHPL pursuant to which our Company provides technical services, management, marketing and operational services to LPHPL for the operation of *Vibe by the LaLiT Traveller.* LPHPL will pay our Company a service fee of 2% p.a. on the gross operating income under the agreement for the operating term of the agreement. Our Company and LPHPL entered into an addendum agreement dated December 6, 2011 pursuant to which our Company has licensed the use of our trademark, *The LaLiT Traveller,* to LPHPL for operating the hotel brand *Vibe by the LaLiT Traveller*.

PRPL, one of our Group Companies and a member of our Promoter Group, is engaged in the business of being a proprietor, manager and consultant of hotels and restaurants and has entered into a memorandum of understanding dated November 8, 2017 with our Company for a long-term license over the property owned by PRPL at Mangalore. As at the date of this Draft Red Herring Prospectus, our Company had not entered into a definitive license agreement for this property.

CHPL, one of our Group Companies, is engaged in the business of running hotels and resorts and has entered into a memorandum of understanding dated November 8, 2017 with our Company for a long-term license over the property owned by CHPL at Pune. As at the date of this Draft Red Herring Prospectus, our Company had not entered into a definitive license agreement for this property.

Significant Sale/Purchase between Group Companies and our Company and our Subsidiaries

There are no sales or purchases between our Company and/or Subsidiaries and/or Group Companies where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Litigation

Except as disclosed in "*Outstanding Litigation and Material Developments*" on page 559, there is no litigation or regulatory action involving our Group Companies.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Financial Years, see note 46 to our Restated Standalone Financial Information on page 346 and note 46 to our Restated Consolidated Financial Information on page 471.

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividends on the Equity Shares will be recommended by our Board at their discretion and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the Companies Act.

The declaration of dividends, if any, in the future will depend on a number of factors that our Board deems relevant, including but not limited to our Company's profits, capital requirements, rate of dividend distribution tax, contractual obligations, applicable legal restrictions, overall financial condition and restrictive covenants under loan or financing arrangements of our Company. For further details, see "*Financial Indebtedness*" on page 517.

The details of dividend on Equity Shares declared by our Company during the last five Fiscal Years are detailed in the following table:

Particulars	For the Financial Year ended March 31				
	2018[+*]	2017*	2016	2015	2014
Number of Equity Shares at the time of declaration of dividend	75,991,199	75,991,199	75,991,199	75,991,199	75,991,199
Face Value (in ₹)	10.00	10.00	10.00	10.00	10.00
Dividend per Equity Share (in ₹)	1.00	1.00	0.75	0.50	0.50
Dividend distribution tax (in ₹ million)	15.47	15.47	11.60	7.74	6.46
Total dividend, including dividend distribution tax (in ₹ million)	91.46	91.46	68.59	45.74	44.46

[+] *Proposed; Pursuant to resolution dated June 22, 2018, the Board of Directors approved the recommendation of declaration of dividend of ₹ 1.00 per Equity Share to the Shareholders for the Financial Year ended March 31, 2018. This is subject to Shareholders' approval at our Company's forthcoming annual general meeting.*

* *Pursuant to the notification of Companies (Accounting Standards) Amendment Rules, 2016, which are applicable to our Company with effect from April 1, 2016, dividend after the balance sheet date but before the financial statements are approved is not to be recognized as a liability at the balance sheet date, but should be disclosed in the notes to the financial statements. Accordingly, the dividend for the Financial Years 2017 and 2018 has not been included as a liability in the financial statements.*

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. See "*Risk Factor – Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and any restrictive covenants in our financing arrangements*" on page 51.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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To
The Board of Directors
Bharat Hotels Limited
Barakhamba Lane
New Delhi - 110001

Dear Sirs,

1) We have examined the attached Restated Standalone Financial information of Bharat Hotels Limited (the "Company"), which comprise of the Restated Standalone Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Statement of Profit and Loss (including other comprehensive income), Restated Standalone Statement of Changes in Equity and the Restated Standalone Statement of Cash Flows for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the of Significant Accounting Policies as approved by the Board of Directors at their meeting held on 22 June 2018 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed offer of equity shares of the Company prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act") read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 (the "ICDR Regulations").

Management's Responsibility

2) The preparation of the Restated Standalone Financial Information including the financial information mentioned in paragraph 4 below is the responsibility of the management of the Company for the purpose set out in paragraph 10 below. The management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Standalone Financial Information. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent. The management is also responsible for identifying and ensuring that the Company complies with the Act, and ICDR Regulations.

Auditors' Responsibilities

3) We have examined such Restated Standalone Financial Information taking into consideration:

a) the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 15 September 2017 and addendum dated 05 April 2018 in connection with the proposed issue of equity shares of the Company; and

b) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

Restated standalone financial information as per audited standalone financial statements:

4) The Restated Standalone Financial Information has been prepared and compiled by the management applying Indian Accounting Standards (the "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 taking into consideration the requirements of circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 issued by SEBI ("Circular") as follows:

(a) The Restated Standalone Financial Information as at and for the years ended 31 March 2018 has been extracted from the audited standalone financial statements of the Company as at and for the year ended 31 March 2018, prepared in accordance with the Ind-AS and Companies (Indian Accounting Standards) Amendment Rules, 2016 which were approved by the Board of directors at their meeting held on 22 June 2018.

(b) The Restated Standalone Financial Information as at and for the years ended 31 March 2017 has been extracted from the audited standalone financial statements of the Company as at and for the year ended 31 March 2017 prepared in accordance with the Ind-AS and Companies (Indian Accounting Standards) Amendment Rules, 2016 and which were approved by the Board of directors at their meeting held on 26 May 2017.

(c) The Restated Standalone Financial Information as at and for the years ended 31 March 2016 has been extracted from the audited standalone financial statements of the Company as at and for the year ended 31 March 2016 prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act and which were approved by the Board of directors at their meeting held on 20 May 2016. These audited standalone financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been examined by us

(d) The Restated Standalone Financial Information also contains the Proforma Ind AS financial statements as at and for the years ended 31 March 2015 and 2014. These Proforma Ind AS financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company in accordance with the Circular for the respective years prepared in accordance with the accounting standards notified under the rules then applicable

("Indian GAAP") which were approved by the Board of directors at their meetings held on 22 May 2015 and 28 May 2014 respectively as described in Note 64 of Annexure V

5) a) We did not audit the Standalone Financial Statements of the Company as at and for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 (details furnished in Appendix I). These Standalone Financial Statements have been audited by the previous auditors S.R. Batliboi & Co LLP, Chartered Accountants, whose reports have been furnished to us by the Company, and our opinion on the examination of the restated financial information in so far as it relates to the amounts included in the Restated Standalone Financial Information on the basis of these Standalone Financial Statements is based solely on the audit reports of such previous auditor.

   b) We did not audit the Standalone Financial Statements of the Company as at and for the year ended 31 March 2014 (details furnished in Appendix I). These Standalone Financial Statements have been audited by the previous auditors S.R. Batliboi & Associates LLP, Chartered Accountants, whose report has been furnished to us by the Company, and our opinion on the examination of the restated financial information in so far as it relates to the amounts included in the Restated Standalone Financial Information on the basis of these Standalone Financial Statements is based solely on the audit report of such previous auditor.

6) Based on our examination in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with ICDR Regulations and the Guidance Note, we report that:

   a) The Restated Standalone Statement of Assets and Liabilities of the Company as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications in our opinion were appropriate and more fully described in Annexure VI – Standalone Restated Statement of Material Adjustments and Regroupings.

   b) The Restated Standalone Statement of Profit and Loss of the Company for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping/reclassifications in our opinion were appropriate and more fully described in Annexure VI – Standalone Restated Statement of Material Adjustments and Regroupings

   c) The Restated Standalone Statement of Changes in Equity of the Company for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping/reclassifications in our opinion were appropriate and more fully described in Annexure VI – Standalone Restated Statement of Material Adjustments and Regroupings.

   d) The Restated Standalone Statement of Cash Flows of the Company for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, as set out in Annexure IV to this report, have been arrived at after making adjustments and regrouping/reclassifications in our opinion were appropriate and more fully described in Annexure VI – Standalone Restated Statement of Material Adjustments and Regroupings.

e) Based on the above and according to the information and explanations given to us, we further report that the Restated Standalone Financial Information:

(i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

(ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

(iii) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Standalone Financial Information; and

(iv) there are no qualifications in the auditors' reports on the audited standalone financial statements of the Company as at and for the years ended 31 March 2018, 2017, 2016, 2015 and 2014, which require any adjustments to the Restated Standalone Financial Information except for the following qualifications included in the respective auditor's report on the standalone financial statements for the years ended 31 March 2015 and 2014, which have been adjusted in these Restated Standalone Financial Information as further detailed in Annexure VI:

As at and for the year ended 31 March 2015

(i) "Attention is invited to note 46 to the financial statements, wherein it is stated that Company's subsidiary has communicated its intention to exit from the joint venture at Dubai and is in the process of negotiating for recovery as per the terms of the Joint Venture agreement. However, Company has not created provision against the investment of Rs. 30.10 million and Loan of Rs. 38.83 million for reasons more fully described therein. The ultimate outcome of the matter cannot be presently determined, and accordingly we are unable to comment on recoverability of the assets from the Joint Venture and its consequential impact in these financial statements."

(ii) "Attention is invited to note 49, regarding an advance amount of Rs. 40.47 million which is outstanding with a tenant, who has vacated the premises in the previous year and where the contract, has expired and negotiations are underway for recovery of the balance. As represented to us, the management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the advance in these financial statements. However, pending conclusion of the negotiations and in the absence of sufficient appropriate audit evidence regarding independent confirmation of balance/repayment schedule, we are unable to comment on the recoverability of the aforesaid balance and whether any adjustments are required to the carrying value of such receivable and its consequential impact in these financial statement."

As at and for the year ended 31 March 2014

(i) "Attention is invited to note 46, wherein it is stated that Company's subsidiary has communicated its intention to exit from the joint venture at Dubai and is in the process of negotiating for recovery as per the terms of the Joint Venture agreement. However, the Company has not created provision against the investment of Rs. 30.10 million and Loan of Rs. 38.83 million for reasons more fully described therein. The ultimate outcome of the matter cannot presently be determined, and accordingly we are unable to comment on recoverability of the assets from the Joint Venture and its consequential impact in these financial statements. This was matter of qualification in previous year as well."

(ii) "Attention is invited to note 52, regarding an amount of Rs 40.47 million pertaining to rent which is outstanding from a tenant, who has vacated the premises in the current year and where the contract, has expired and negotiations are underway for recovery of the balance. As represented to us, the management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the rent in these financial statements. However, pending conclusion of the negotiations and in the absence of independent confirmation of balance /repayment schedule, we are unable to comment on the recoverability of the aforesaid balance and whether any adjustments are required to the carrying value of such receivable and its consequential impact in these financial statement. This was matter of qualification in previous year as well."

(v) Emphasis of Matter included in the auditor's reports on the audit standalone financial statement as at and for the year ended 31 March 2014, which do not require any further corrective adjustment in the Restated Standalone Financial Information, are as follows:

As at and for the year ended 31 March 2014

"We draw attention to note 48, wherein a vendor has issued a termination notice as per the terms of the agreement for sale of aircraft and has levied liquidated damages of Rs. 146.04 million (equivalent to USD 2.43 million) and has adjusted the advance amounting to Rs. 66.11 million (equivalent to USD 1.10 million) resulting in payable balance of Rs. 79.93 million in terms of the agreement for sale of aircraft and further forfeited advance amounting to Rs. 159.26 million paid by the Company. Management has initiated legal proceedings against the vendor, for which vendor has sought mediation for the settlement of the claim. Pending the completion of settlement of the mediation proceedings and legal case against the vendor for recovery of the advance, the management has not accounted for any the liquidated damages so levied. Our opinion is not qualified in respect of this matter."

7) We have also examined the following restated standalone financial information of the Company set out in the Annexures prepared by the management and approved by the Board of Directors on 22 June 2018 for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. Our examination was based upon the audited standalone financial

statement for the year ended 31 March 2017, 31 March 206 and 31 March 2015 by the previous auditor S.R. Batliboi & Co LLP and for the year ended 31 March 2014 by the previous auditor S.R. Batliboi & Associates LLP and relied upon by us

a) Annexure I - Restated standalone statement of assets and liabilities
b) Annexure II - Restated standalone statement of profit and loss
c) Annexure III - Restated standalone statement of changes in equity
d) Annexure IV - Restated standalone statement of Cash Flows
e) Annexure V – Notes to restated consolidated financial informationAnnexure VI – Standalone Restated Statement of Material Adjustments and Regroupings
f) Annexure VI – Standalone Restated Statement of Material Adjustments and Regroupings
g) Annexure VII – Standalone Capitalisation Statement
h) Annexure VIII – Restated Standalone Statement of Accounting Ratios
i) Annexure IX – Statement of tax shelter

According to the information and explanations given to us, in our opinion, the Restated Standalone Financial Information and the above restated financial information contained in Annexures VI to IX accompanying this report read with of Significant Accounting Policies as disclosed in Annexure V are prepared after making adjustments and regroupings/reclassifications as considered appropriate (Refer Annexure-VI) and have been prepared in accordance with the Act, the Rules, the ICDR Regulations and the Guidance Note.

8) This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or the Predecessor Auditors nor should it be construed as a new opinion on any of the standalone financial statements referred to therein.

9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10) Our report is intended solely for use of the Board of Directors for inclusion in the offer document to be filed with Securities and Exchange Board of India, BSE Limited, The National Stock exchange of India Limited and the Registrar of Companies, Delhi in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No. 504662
Place : New Delhi
Date : 22 June 2018

Appendix I

Financial Information of the Standalone Financial Statements for the years audited by the previous auditor, as considered in the Restated Standalone Financial Information:

Amount (Rs in Million)

Particulars	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Total assets	25,534.47	23,898.77	23518.79	22464.80
Total Revenue	5,831.26	5,538.59	4,832.65	4,425.78
Net Cash Inflows	383.65	(472.73)	299.37	(199.45)

Bharat Hotels Limited

Annexure 1 - Restated standalone statement of assets and liabilities

(All amounts in Rupees million)

Particulars	Note No. of Annexure 5	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
ASSETS						
Non-Current Assets						
a) Property, plant and equipment	2	12,086.32	12,181.33	11,510.83	12,171.57	12,934.65
b) Capital work-in-progress		1,879.38	1,493.98	2,180.31	1,949.08	1,389.70
c) Intangible assets	3	19.04	7.85	12.90	17.51	13.71
d) Financial assets						
(is) Investments	4	8,170.92	4,290.98	1,277.53	1,277.53	1,277.17
(ii) Loans	5	1,391.35	3,641.07	4,362.11	3,703.87	3,108.12
(iii) Other non current financial assets	6	118.46	135.12	116.80	132.59	151.59
e) Non current tax assets (net)		439.61	363.97	365.40	363.00	242.10
f) Other non-current assets	7	552.76	509.66	515.35	525.71	632.84
Total non current assets		**24,657.84**	**22,623.96**	**20,341.23**	**20,140.86**	**19,749.88**
Current Assets						
a) Inventories	8	155.74	165.36	176.46	155.28	147.72
b) Financial assets						
(i) Trade receivables	9	555.99	437.16	394.89	352.01	311.37
(ii) Cash and cash equivalents	10	192.36	659.79	182.95	655.65	356.05
(iii) Other bank balances	11	119.30	105.66	54.82	53.65	263.05
(iv) Loans	12	10.47	10.95	10.67	14.12	14.95
(v) Other current financial assets	13	164.06	1,157.89	1,622.76	1,147.11	948.08
c) Other current assets	14	155.57	209.82	222.67	226.63	201.71
Assets classified as held for sale	15	2.00	163.88	164.88	3.00	3.00
Total current assets		**1,355.49**	**2,910.51**	**2,830.10**	**2,607.45**	**2,245.93**
Total assets		**26,013.33**	**25,534.47**	**23,171.33**	**22,748.31**	**21,995.81**
EQUITY AND LIABILITIES						
Equity						
a) Equity share capital	16	759.91	759.91	759.91	759.91	759.91
b) Other Equity	17	10,252.30	10,037.31	9,739.74	9,313.59	9,567.91
Total equity		**11,012.21**	**10,797.22**	**10,499.65**	**10,073.50**	**10,327.82**

Non-current liabilities						
a) Financial liabilities						
(i) Borrowings	18	10,275.42	9,586.59	7,776.78	7,367.85	6,971.33
(ii) Other non current financial liabilities	19	45.06	44.99	41.80	27.29	44.83
b) Provisions	20	91.66	76.66	68.53	69.29	57.83
c) Deferred tax liabilities (net)	21	1,259.21	1,273.19	1,214.38	1,215.73	1,319.88
d) Other non-current liabilities	22	347.50	359.48	372.80	380.67	382.66
Total non current liabilities		**12,018.85**	**11,340.91**	**9,474.29**	**9,060.83**	**8,776.53**
Current liabilities						
a) Financial liabilities						
(i) Borrowings	23	1,080.16	1,686.89	1,737.91	1,090.83	986.05
(ii) Trade payables	24	734.85	483.34	400.94	371.74	383.28
(iii) Other current financial liabilities	25	756.00	841.60	684.48	1,845.60	1,156.93
b) Provisions	26	83.98	71.60	70.46	89.04	79.93
c) Other current liabilities	27	327.28	312.91	303.60	216.77	285.27
Total current liabilities		**2,982.27**	**3,396.34**	**3,197.39**	**3,613.98**	**2,891.46**
Total equity and liabilities		**26,013.33**	**25,534.47**	**23,171.33**	**22,748.31**	**21,995.81**

The above statement should be read with the basis of preparation and significant accounting policies appearing in Note 1 of Annexure V of Notes to the Restated standalone financial information and statement of adjustments to Audited standalone financial statements appearing in Annexure VI.
As per our examination report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No. 504662

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

Dr.Jyotsna Suri
Chairperson and Managing Director
DIN - 00004603

Divya Suri Singh
Director
DIN-00004559

Urmila Khurana
Chief Financial Officer

Himanshu Pandey
Company Secretary

Place : New Delhi
Date : 22 June 2018

Bharat Hotels Limited

Annexure II - Restated standalone statement of profit and loss

(All amounts in Rupees million)

Particulars	**Note No. of Annexure 5**	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015 (Proforma)**	**For the year ended 31 March 2014 (Proforma)**
Revenue						
a) Revenue from operations	28	6,385.98	5,747.79	5,270.58	4,743.64	4,351.56
b) Other income	29	69.23	79.51	252.58	80.11	78.41
Total income		**6,455.21**	**5,827.30**	**5,523.16**	**4,823.75**	**4,429.97**
Expenses						
a) Cost of food and beverages consumed	30	763.59	675.13	627.29	546.19	512.13
b) Purchase of traded goods		5.57	7.46	5.96	7.03	7.87
c) Change in inventories of traded goods	31	0.53	(2.36)	(0.11)	(1.22)	0.20
d) Excise duty on sale of food		0.58	3.18	2.93	3.08	3.31
e) Employee benefits expense	32	1,133.65	1,019.70	921.38	917.90	870.10
f) Other expenses	33	2,663.76	2,347.81	2,282.41	2,212.90	2,236.03
Total expenses		**4,567.68**	**4,050.92**	**3,839.86**	**3,685.88**	**3,629.64**
Earnings before interest, tax, depreciation and amortisation		**1,887.53**	**1,776.38**	**1,683.30**	**1,137.87**	**800.33**
Finance income	34	228.58	426.25	530.17	494.72	372.67
Finance costs	35	1,210.73	1,141.84	1,105.62	1,046.93	937.07
Depreciation and amortisation expense	36	517.90	508.79	545.72	629.17	420.66
Restated Profit/(loss) before exceptional items and tax		**387.48**	**552.00**	**562.13**	**(43.51)**	**(184.73)**
Exceptional items	65	-	-	-	(77.02)	(277.41)
Restated Profit/(loss) before tax		**387.48**	**552.00**	**562.13**	**33.51**	**92.68**
Tax expense:	39					
a) Current tax		85.90	125.95	97.13	(31.19)	(3.51)
b) Deferred tax charge/(credit)		7.75	185.13	119.54	34.18	(68.29)
c) MAT credit		(18.58)	(125.95)	(122.81)	(7.26)	-
Total tax expense		**75.07**	**185.13**	**93.86**	**(4.27)**	**(71.80)**
Restated Profit/(loss) for the year		**312.41**	**366.87**	**468.27**	**37.78**	**164.48**

Other comprehensive income						
Items that will not be reclassified to profit or loss in subsequent years						
a) Remeasurements of the net defined benefit plans		(9.11)	(1.08)	5.54	(7.19)	14.69
b) Income tax effect		3.15	0.37	(1.92)	2.49	(4.99)
		(5.96)	**(0.71)**	**3.62**	**(4.70)**	**9.70**
Restated total comprehensive income/(loss)		**306.45**	**366.16**	**471.89**	**33.08**	**174.18**

The above statement should be read with the basis of preparation and significant accounting policies appearing in Note 1 of Annexure V of Notes to the Restated standalone financial information and statement of adjustments to Audited standalone financial statements appearing in Annexure VI.
As per our examination report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No. 504662

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

Dr. Jyotsna Suri
Chairperson and Managing Director
DIN - 00004603

Divya Suri Singh
Director
DIN-00004559

Urmila Khurana
Chief Financial Officer

Himanshu Pandey
Company Secretary

Place : New Delhi
Date : 22 June 2018

Annexure III

Restated standalone statement of changes in equity

A. Equity share capital

	Note	Amount	No. of shares
Equity shares of INR 10 each issued, subscribed and fully paid			
As at 1 April 2013 (Proforma)	**16**	**759.91**	**75,991,199**
Changes in equity share capital		-	-
As at 31 March 2014 (Proforma)	**16**	**759.91**	**75,991,199**
Changes in equity share capital		-	-
As at 31 March 2015 (Proforma)	**16**	**759.91**	**75,991,199**
Changes in equity share capital		-	-
As at 31 March 2016	**16**	**759.91**	**75,991,199**
Changes in equity share capital		-	-
As at 31 March 2017	**16**	**759.91**	**75,991,199**
Changes in equity share capital		-	-
As at 31 March 2018	**16**	**759.91**	**75,991,199**

Annexure III

Restated standalone statement of changes in equity

B. Other equity

(All amounts in Rupees million)

	Attributable to equity holders of Bharat Hotels Limited					
	Reserves and Surplus (Note 17)					
	Securities Premium	**Retained Earnings***	**General Reserve**	**Capital Reserve#**	**Debenture Redemption Reserve**	**Total Other Equity**
Balance as at 1 April 2013 (Proforma) (Refer Note c(i) of Annexure VI)	2,903.47	4,334.05	903.33	1,128.50	168.54	**9,437.89**
Profit/(loss) for the year	-	164.48	-	-	-	**164.48**
Other comprehensive income (net of tax)	-	9.70	-	-	-	**9.70**
Total comprehensive income	**-**	**174.18**	**-**	**-**	**-**	**174.18**
Transitions with owners in their capacity as owners :						
Dividends (Refer note 50)	-	(38.00)	-	-	-	**(38.00)**
Dividend distribution tax (DDT) (Refer note 50)	-	(6.16)	-	-	-	**(6.16)**
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	88.54	-	(88.54)	**-**
						-
Balance as at 31 March 2014 (Proforma)	**2,903.47**	**4,464.07**	**991.87**	**1,128.50**	**80.00**	**9,567.91**
Balance as at 1 April 2014 (Proforma)	2,903.47	4,464.07	991.87	1,128.50	80.00	**9,567.91**
Profit/(loss) for the year	-	37.78	-	-	-	**37.78**
Other comprehensive income (net of tax)	-	(4.70)	-	-	-	**(4.70)**
Total comprehensive income	**-**	**33.08**	**-**	**-**	**-**	**33.08**
Transitions with owners in their capacity as owners :						
Dividends (Refer note 50)	-	(38.00)	-	-	-	**(38.00)**
Dividend distribution tax (DDT) (Refer note 50)	-	(6.46)	-	-	-	**(6.46)**
Amount transferred to general reserve as reduction from depreciation	-	(21.43)	21.43	-	-	**-**
Depreciation on account of adoption of Schedule II of the Companies Act 2013 (net of tax)	-	-	(242.94)	-	-	**(242.94)**
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	40.00	-	(40.00)	**-**
Balance as at 31 March 2015 (Proforma)	**2,903.47**	**4,431.26**	**810.36**	**1,128.50**	**40.00**	**9,313.59**

Annexure III

Restated standalone statement of changes in equity

Balance as at 1 April 2015	2,903.47	4,431.26	810.36	1,128.50	40.00	**9,313.59**
Profit/(loss) for the year	-	468.27	-	-	-	**468.27**
Other comprehensive income (net of tax)	-	3.62	-	-	-	**3.62**
Total comprehensive income	**-**	**471.89**	**-**	**-**	**-**	**471.89**
Transitions with owners in their capacity as owners :						
Dividends (Refer note 50)	-	(38.00)	-	-	-	**(38.00)**
Dividend distribution tax (DDT) (Refer note 50)	-	(7.74)	-	-	-	**(7.74)**
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	40.00	-	(40.00)	-
Balance as at 31 March 2016	**2,903.47**	**4,857.41**	**850.36**	**1,128.50**	**-**	**9,739.74**
Balance as at 1 April 2016	2,903.47	4,857.41	850.36	1,128.50	-	**9,739.74**
Profit/(loss) for the year	-	366.87	-	-	-	**366.87**
Other comprehensive income (net of tax)	-	(0.71)	-	-	-	**(0.71)**
Total comprehensive income	**-**	**366.16**	**-**	**-**	**-**	**366.16**
Transitions with owners in their capacity as owners :						
Dividends (Refer note 50)	-	(56.99)	-	-	-	**(56.99)**
Dividend distribution tax (DDT) (Refer note 50)	-	(11.60)	-	-	-	**(11.60)**
Balance as at 31 March 2017	**2,903.47**	**5,154.98**	**850.36**	**1,128.50**	**-**	**10,037.31**
Balance as at 1 April 2017	2,903.47	5,154.98	850.36	1,128.50	-	10,037.31
Profit/(loss) for the year		312.41	-	-	-	312.41
Other comprehensive income (net of tax)		(5.96)	-	-	-	(5.96)
Total comprehensive income	**2,903.47**	**5,461.43**	**850.36**	**1,128.50**	**-**	**10,343.76**
Transitions with owners in their capacity as owners :						
Dividends (Refer note 50)		(75.99)	-	-	-	(75.99)
Dividend distribution tax (DDT) (Refer note 50)		(15.47)	-	-	-	(15.47)
Balance as at 31 March 2018	**2,903.47**	**5,369.97**	**850.36**	**1,128.50**	**-**	**10,252.30**

Annexure III

Restated standalone statement of changes in equity

*includes revaluation reserve of Rs. 3,209.66 million transferred to retained earnings at the beginning of first period presented in this statement of restated standalone financial information (i.e. 1 April 2013).

#In terms of the scheme of arrangement under section 391 to 394 of Companies Act, 1956, approved by order dated 19 August 2013 of the Hon'ble High Court of Delhi which became effective on 19 September 2013, Udaipur Hotels Limited had been amalgamated with the Company on filing of the certified copy of the Order of the High Court in the office of Registrar of Companies of NCT of Delhi and Haryana. As per the Scheme, the appointed date is 1 April 2012. This Scheme has been given effect to from the beginning of first period presented in this statement of restated standalone financial information (i.e. 1 April 2013).

The above statement should be read with the basis of preparation and significant accounting policies appearing in Note 1 of Annexure V of Notes to the Restated standalone financial information and statement of adjustments to Audited standalone financial statements appearing in Annexure VI.

As per our examination report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No. 504662

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

Dr. Jyotsna Suri
Chairperson and Managing Director
DIN - 00004603

Divya Suri Singh
Director
DIN-00004559

Urmila Khurana
Chief Financial Officer

Himanshu Pandey
Company Secretary

Place : New Delhi
Date : 22 June 2018

Bharat Hotels Limited

Annexure IV - Restated standalone statement of cash flows **(All amounts in Rupees Million)**

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Profit before tax	387.48	552.00	562.13	33.51	92.68
	Non-cash adjustments to reconcile profit before tax to net cash flows:					
	Depreciation and amortisation expenses	517.90	508.79	545.72	629.17	420.66
	Bad debts, advances and other balances written off	33.58	15.85	23.71	16.31	54.13
	Provision for doubtful debts	11.01	20.62	7.22	4.34	5.73
	Provision for doubtful advances	1.00	16.67	-	30.95	50.00
	Excess provision/ credit balances written back	(44.67)	(42.40)	(99.23)	(31.00)	(20.95)
	Loss/ (profit) on sale of property, plant and equipment	0.47	1.81	(239.14)	0.66	0.88
	Unwinding of discount on security deposits	(3.49)	(2.48)	(2.21)	(1.96)	(1.84)
	Amortisation of deferred lease rent	(3.72)	6.73	6.73	6.74	6.73
	Interest Income	(225.09)	(418.89)	(527.96)	(492.76)	(370.40)
	Interest expense	1,210.73	1,141.84	1,084.53	1,036.01	937.07
	(Profit)/Loss on and sale of investment and aircraft and other assets being classified as held for sale	-	1.00	-	-	(277.41)
	Amortisation of deferred government grant	(3.67)	(4.78)	(4.78)	(4.78)	(4.78)
	Unrealized foreign exchange (gain)/loss	5.30	(23.05)	(13.71)	2.20	23.02
	Operating profit before working capital changes:	**1,886.84**	**1,773.71**	**1,343.01**	**1,229.39**	**915.52**
	Movements in working capital:					
	Decrease/(increase) in loans other financial and other assets	160.57	483.88	(439.44)	(224.34)	(355.83)
	Decrease/(Increase) in trade receivable	(131.50)	(62.88)	(51.04)	(45.72)	(72.87)
	Decrease/(Increase) in inventories	9.63	11.08	(21.15)	(7.58)	(10.23)
	Increase/(Decrease) in trade payable	296.18	124.79	128.43	19.46	3.89
	(Decrease)/Increase in other financial liabilities, other liabilities and provisions	78.52	51.43	50.47	(67.82)	47.08
	Cash Generated from Operations	**2,300.24**	**2,382.01**	**1,010.28**	**903.39**	**527.56**
	Direct tax paid (net)	(161.54)	(124.53)	(99.53)	(89.71)	(86.38)
	Net cash flow from operating activities (a)	**2,138.70**	**2,257.48**	**910.75**	**813.68**	**441.18**

Bharat Hotels Limited

Annexure IV - Restated standalone statement of cash flows **(All amounts in Rupees Million)**

B	**CASH FLOWS FROM INVESTING ACTIVITIES**					
	Purchase of property, plant and equipment including capital work-in-progress and capital advances	(551.91)	(462.26)	(478.39)	(590.60)	(819.13)
	Proceeds from sale of property, plant and equipment	2.36	11.53	692.43	20.10	981.38
	Sale of investment in subsidiaries	-	-	-	-	1,016.00
	Sale of investment in associates	-	-	-	-	0.03
	Loans to subsidiaries	(635.69)	(1,942.30)	(197.92)	(204.27)	(1,274.16)
	Interest received	53.19	40.34	36.13	57.64	21.17
	(Investment in)/proceeds from bank deposits (net)	3.78	(68.19)	3.32	220.44	(196.84)
	Net Cash flow from/(used in) investing activities (b)	**(1,128.27)**	**(2,420.88)**	**55.57**	**(496.69)**	**(271.55)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**					
	Proceeds from long term borrowings	1,169.31	2,240.19	3,414.36	4,172.73	2,777.31
	Repayment of long term borrowings	(574.17)	(305.80)	(4,295.80)	(3,163.16)	(2,176.08)
	(Repayment of)/ proceeds from short term borrowings, net	(612.36)	(51.02)	647.08	104.77	121.48
	Interest paid	(1,285.79)	(1,159.45)	(1,199.32)	(1,097.92)	(1,075.53)
	Dividend paid	(75.99)	(56.99)	(38.00)	(38.00)	(38.00)
	Tax on dividend paid	(15.47)	(11.60)	(7.74)	(6.46)	(6.16)
	Net Cash flow from/ (used in) financing activities (c)	**(1,394.47)**	**655.33**	**(1,479.42)**	**(28.04)**	**(396.98)**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (a+b+c)		**(384.04)**	**491.93**	**(513.10)**	**288.95**	**(227.35)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**566.62**	**74.69**	**587.79**	**298.70**	**525.85**
Less: Unrealised Loss/(gain) on foreign currency cash and cash equivalents			-	-	0.14	0.20
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (for the purpose of cash flows, cash and cash equivalents comprise book overdraft)		**182.58**	**566.62**	**74.69**	**587.79**	**298.70**
COMPONENTS OF CASH AND CASH EQUIVALENTS						
Balances with banks:-						
On current accounts		170.05	636.89	53.25	316.50	126.04
On EEFC Accounts		5.16	6.97	2.28	6.53	3.24
Deposits with original maturity of less than three months		2.36	1.12	114.61	321.40	203.70
Cheques/drafts on hand		4.82	8.92	4.86	4.59	14.32
Cash on Hand		9.97	5.89	7.95	6.63	8.75
Less: Book Overdraft		(9.78)	(93.17)	(108.26)	(67.86)	(57.35)
		182.58	**566.62**	**74.69**	**587.79**	**298.70**

The above statement should be read with the basis of preparation and significant accounting policies appearing in Note 1 of Annexure V of Notes to the Restated standalone summary financial information and statement of adjustments to Audited standalone financial statements appearing in Annexure VI.

Notes:

1. The figures in bracket indicates outflows.
2. The cash flow has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows

See accompanying notes to the financial statements.

As per our examination report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No. 504662

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

Dr. Jyotsna Suri
Chairperson and Managing Director
DIN - 00004603

Divya Suri Singh
Director
DIN-00004559

Urmila Khurana
Chief Financial Officer

Himanshu Pandey
Company Secretary

Place : New Delhi
Date : 22 June 2018

1. i) Corporate Information

Bharat Hotels Limited, ('the Company') is a public company domiciled and incorporated in India. The Company is engaged in the business of hospitality services and air charter services. The Company has properties in twelve locations (including one under construction) and has its principal place of business located at Barakhamba Lane, New Delhi -110001.

These restated standalone statement and other financial information were approved by the Board of Directors of the Company on 22 June 2018.

ii) Basis of Preparation

The Restated Standalone Financial Information has been prepared by the management in accordance with the requirements of:

a. The 'Restated Standalone Statement of the Assets and Liabilities of the Company as at 31 March 2018, 2017, 2016, 2015 and 2014, the 'Restated Standalone Statement of Profits and Loss', the 'Restated Standalone Statement of Changes in Equity' and the 'Restated Standalone Statement of Cash Flows', for the years ended 31 March 2018, 2017, 2016, 2015 and 2014 (collectively referred to as 'Restated Standalone Financial Statements') have been compiled by the management of the Company from the statutory audited Standalone financial statements of the Company for the years ended 31 March 2018, 2017, 2016, 2015 and 2014 and have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

   The financial statements for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 have been prepared as per Indian Accounting Standards notified under Indian Accounting Standards Rules 2015 notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"). The financial statements for the years ended 31 March 2015 and 31 March 2014 were prepared in accordance with the Accounting Standards notified in the Companies Accounting Standards Rules of the relevant time ("Indian GAAP").

   The Company has elected to present all periods as per Ind AS instead of Indian GAAP.The Proforma financial information of the Company as at and for the year ended 31 March 2015 and 2014 ("the Proforma Financial Information") are prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated 31 March 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices except as stated otherwise (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. 1 April 2015)while preparing the Proforma Financial Information as at and for the years ended 31 March 2015 and 2014 and accordingly suitable restatement adjustments in the accounting heads has been made in the Proforma financial information. The Proforma Financial Information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31 March 2015 and 2014.

b. Section 26 of the Companies Act 2013; and

c. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").
d. Guidance note on Reports in Company Prospectuses (Revised 2016); and
e. Other generally accepted accounting principles in India.

The basis of preparation for specific items where exemptions have been applied are as follows:

Property, Plant and Equipment

Ind AS 101 permits a first time adopter to elect and continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition i.e., 01 April 2015 to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measures all of its property, plant and equipment and intangible assets at their Indian GAAP carrying values as at the date of transition.

For the purpose of Proforma Standalone Ind AS Financial Information for the year ended 31 March 2015 and 2014, the Company has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back. Similar approach has been followed with respect to intangible assets.

Composite Leases

When a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or an operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing at that date. Accordingly, the Company has fair valued land and building components of leased property at Bangalore as at 31 March 2015 to assess the classification as finance or operating for both the components.

For the purpose of Proforma Standalone Ind AS Financial Information for the year ended 31 March 2015 and 2014, the Company has continued with the classification of finance and operating leases on the date of transition (i.e. April 1, 2015).

Long term foreign currency monetary items

Ind AS 101 allows a first-time adopter to continue the policy adopted for the accounting for exchange differences arising on translation of the long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per previous GAAP. Accordingly, for exchange differences, arising on translation/ settlement of long-term foreign currency monetary items acquired before 1 April 2016, pertaining to the acquisition of a depreciable asset, are adjusted to the cost of the asset.

As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the year ended 31 March 2015 (i.e. equity under Indian GAAP as at 1 April 2014 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended 31 March 2015 and 2014 with adjusted impact due to IndAS principles applied on proforma basis) and equity balance computed in opening IndAS Balance sheet as at transition date (i.e. April 1,2015), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at 1 April 2014 . Accordingly, the closing equity balance as at 31 March 2015 of the Proforma IndAS financial statements has not been carried forward to opening IndAS balance sheet as at transition date already adopted for reporting under Companies Act, 2013.

These Restated Standalone Financial Information have been prepared using presentation and Disclosure requirements of the Schedule III of Companies Act, 2013.

iii) Recent accounting developments

Ind AS 115- Revenue from Contract with Customers

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, 'Revenue from Contract with Customers'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors•

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Company is in the process of evaluating the impact of this adjustment.

Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Appendix B to Ind AS 21, foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, 'Foreign currency transactions and advance consideration', which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from

1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

iv) Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Property, Plant and Equipment

Recognition and initial measurement

Under the previous GAAP, property plant and equipment were carried in the balance sheet at their cost of purchase except for land and building at certain locations which were carried at revalued amount. Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward this carrying value of property, plant and equipment under Indian GAAP as on 31 March 2015 as book value of such assets under Ind AS at the transition date, i.e., 1 April 2015.

Capital work in progress, property, plant and equipment (PPE) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in restated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent measurement (depreciation and useful lives)
Prior to April 1, 2014, depreciation on tangible fixed assets, except leasehold improvements, has been provided on the straight-line method as per the rates prescribed under Schedule XIV to the erstwhile The Companies Act, 1956 or using the rates arrived at based on the useful lives estimated by the management, whichever is higher. Leasehold improvements were depreciated over the term of the respective leases or useful life, whichever is lower.
Subsequent to April 2014, depreciation on property, plant and equipment is provided on the straight-line method using the rates arrived on the basis of the useful life which coincides with the useful life prescribed under Schedule II of the Companies Act, 2013. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Leasehold buildings are amortized on a straight line basis over the unexpired period of lease or useful life, whichever is lower.

Non RCC structures for conference halls are depreciated over the period of eight years or their estimated useful life, whichever is lower.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

c) Intangible Assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward the carrying value of intangible assets under Indian GAAP as on 31 March 2015 as book value of such assets under Ind AS as at the transition date.,i.e., 1 April 2015.

Subsequent measurement

The Company has capitalised computer software in the nature of software licenses as intangible assets and the cost of software is amortized over the license period or three years, being their expected useful economic life, whichever is lower.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

d) Impairment of non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's "CGU" fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income(OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

e) Foreign Currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The restated financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Under previous GAAP, from accounting periods commencing on or after 1 April 2011, exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset were adjusted to the cost of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference. Such exchange differences arising on translation/ settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset were amortised over the remaining useful lives of the assets. The Company has elected to continue with the said policy on exchange differences arising on long term foreign currency monetary items existing on 31 March 2016 as allowed under Ind AS 101.

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 the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

f) Fair Value Measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, BHL determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, BHL has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments

g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below:

Revenue from hotel operations:
Revenue from hotel operations comprise sale of rooms and apartments, food and beverages, liquor and wine, banquet rentals and other services relating to hotel operations including telecommunication, laundry, business centre, health centre etc. Revenue is recognized as and when the services are rendered and is disclosed net of allowances and related taxes.

Aircraft charter:
Revenue from hiring of the aircraft is recognized as and when services are rendered.

Rent:
Income from rent is recognized over the period of the contract on straight line basis. Initial direct cost is expensed off when incurred.

Maintenance charges:
Amounts collectible as maintenance charges are recognized over the period of the contract, on an accrual basis. Corresponding costs are recorded as incurred.

Membership programme:
Membership revenue is recognized pro rata over the period of the membership term. Joining fee is recorded as income on sale of membership card.

Loyalty points programme:
The Company operates loyalty points programmes, “Lalit Connect”, “Lalit Plus” and “Lalit Engage”, which allows customers to accumulate points when they stay in the hotels of the Company. The points can be redeemed for free stay, subject to a minimum number of points being obtained. The fair value of the points issued is deferred and recognized as revenue when the points are redeemed.

Sale of goods (Trading goods)
Revenue is recognized when all significant risks and rewards of ownership of the goods have passed to the buyer and is disclosed net of taxes collected by the Company on behalf of the government.

Interest Income:
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate “(EIR)”. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross

carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Commission Income:
Income is recognized when right to receive payment is established by the terms of the contract.

Consultancy / Management fee:
Consultancy / Management fee is recognized on accrual basis when right to receive payment is established by the terms of the contract.
Dividend income
Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

h) Borrowing Costs

Borrowing cost includes interest expense as per EIR method.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortized cost
- Equity instruments at fair value through profit or loss ("FVTPL")

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade, security deposits and other receivables.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from Other Comprehensive Income to Statement of Profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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 amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) Lease receivables under Ind AS 17
c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 and
d) Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. On that basis, the Company estimates the following provision matrix at the reporting date, except to the individual cases where recoverability is certain:

	Less than or equal to 365 days	**More than 365 days**
Default rate	0%	100%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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 include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	**Revised classification**	**Accounting treatment**
Amortised cost	FVTPL	Fair value is measured at reclassification date.

		Difference between previous amortized cost and fair value is recognised in Statement of profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of profit or loss at the reclassification date

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

j) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provided Fund.

The Company operates a defined benefit gratuity plan in India.The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains or losses are recognized in the Statement of Profit and Loss in the profit/loss for the year. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

k) Provisions

Provisions

General

Provisions are recognized when the Company has 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

l) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Leases

The determination of 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 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 or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss. Contingent rentals are recognized as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

n) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss ;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets (including MAT) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset (including MAT) relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets (including MAT) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets (including MAT) and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets (including MAT) and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

o) Non-current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only totems that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

p) Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Stores and spares inventory comprises cutlery, crockery, linen, other store items food and beverage, liquor and wine items in hand: Cost is determined on first in first out basis. Circulating stock of crockery and cutlery issued for more than two months is charged to the profit and loss as consumption.

Trading goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of the business, less estimated costs necessary to make the sale.

Inventory of food and beverage items in hand includes items used for staff cafeteria and is charged to consumption, net of recoveries, when issued.

q) Government grants and subsidies

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

r) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 41. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (‘CODM’) [Chairperson and Chief Financial Officer].

Identification of segments:

In accordance with Ind AS 108 Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company’s CODM to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company’s other components. Results of the operating segments are reviewed regularly by the CODM [Chairperson and Chief Financial Officer, which has been identified as the CODM], to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs:

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

t) Cash and cash equivalents

Cash and cash equivalent in the 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered
an integral part of the Company's cash management.

u) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company excludes depreciation and amortization expense, interest income, finance costs, and tax expense from the profit/(loss) from continuing operations..

v) Cash dividend distribution to equity holders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Annexure V

Notes forming part of restated standalone financial information

Note 2 : Property, Plant and Equipment **(All amounts in Rupees million)**

Particulars	Freehold land	Freehold building	Leasehold building	Plant and equipment	Office equipments	Furniture and fixtures	Computers	Aircrafts	Vehicles	Total
Cost or valuation										
For the year ended 31 March 2014 (Proforma)										
Gross carrying amount										
As at 1 April 2013 (Proforma)	3,921.36	2,028.61	4,399.64	3,259.60	73.96	736.43	119.35	674.71	112.37	15,326.03
Additions/adjustments	145.95	6.18	16.59	122.46	5.06	9.53	3.93	-	30.59	340.29
Exchange differences	-	-	64.18	-	-	-	-	-	-	64.18
Disposals	-	-	-	(13.16)	(0.07)	(0.08)	(3.57)	-	(7.98)	(24.86)
As at 31 March 2014 (Proforma)	**4,067.31**	**2,034.79**	**4,480.41**	**3,368.90**	**78.95**	**745.88**	**119.71**	**674.71**	**134.98**	**15,705.64**
Accumulated depreciation										
As at 1 April 2013 (Proforma)	-	258.04	372.00	1,064.39	23.34	374.98	76.40	142.23	68.08	2,379.46
Depreciation charge for the year	-	34.78	75.69	176.52	3.68	60.97	10.97	37.83	13.43	413.87
Disposals	-	-	-	(12.47)	(0.04)	(0.10)	(3.39)	-	(6.34)	(22.34)
As at 31 March 2014 (Proforma)	**-**	**292.82**	**447.69**	**1,228.44**	**26.98**	**435.85**	**83.98**	**180.06**	**75.17**	**2,770.99**
Net book value as at 31 March 2014 (Proforma)	**4,067.31**	**1,741.97**	**4,032.72**	**2,140.46**	**51.97**	**310.03**	**35.73**	**494.65**	**59.81**	**12,934.65**
For the year ended 31 March 2015 (Proforma)										
Gross carrying amount										
As at 1 April 2014 (Proforma)	4,067.31	2,034.79	4,480.41	3,368.90	78.95	745.88	119.71	674.71	134.98	15,705.64
Additions/adjustments	-	15.32	23.92	114.62	5.29	11.20	14.83	26.06	5.27	216.51
Exchange differences	-	-	33.71	-	-	-	-	-	-	33.71
Disposals	-	-	(11.65)	(12.62)	(0.26)	(1.22)	(1.63)	-	(7.44)	(34.82)
As at 31 March 2015 (Proforma)	**4,067.31**	**2,050.11**	**4,526.39**	**3,470.90**	**83.98**	**755.86**	**132.91**	**700.77**	**132.81**	**15,921.04**
Accumulated depreciation										
As at 1 April 2014 (Proforma)	-	292.82	447.69	1,228.44	26.98	435.85	83.98	180.06	75.17	2,770.99
Depreciation charge for the year	-	32.78	72.00	697.82	35.40	87.50	26.86	31.05	9.13	992.54
Disposals	-	-	-	(5.95)	(0.25)	(0.95)	(1.55)	-	(5.36)	(14.06)
As at 31 March 2015 (Proforma)	**-**	**325.60**	**519.69**	**1,920.31**	**62.13**	**522.40**	**109.29**	**211.11**	**78.94**	**3,749.47**
Net book value as at 31 March 2015 (Proforma)	**4,067.31**	**1,724.51**	**4,006.70**	**1,550.59**	**21.85**	**233.46**	**23.62**	**489.66**	**53.87**	**12,171.57**
For the year ended 31 March 2016										
Gross carrying amount										
As at 1 April 2015	4,067.31	2,050.11	4,526.39	3,470.90	83.98	755.86	132.91	700.77	132.81	15,921.04
Additions/adjustments	-	80.96	28.86	115.89	6.57	33.18	8.77	-	9.70	283.93
Exchange differences	-	-	47.30	-	-	-	-	-	-	47.30
Disposals	(442.80)	-	-	(40.30)	(5.92)	(1.19)	(0.94)	-	(7.66)	(498.81)
As at 31 March 2016	**3,624.51**	**2,131.07**	**4,602.55**	**3,546.49**	**84.63**	**787.85**	**140.74**	**700.77**	**134.85**	**15,753.46**
Accumulated depreciation										
As at 1 April 2015	-	325.60	519.69	1,920.31	62.13	522.40	109.29	211.11	78.94	3,749.47

Note 2 : Property, Plant and Equipment **(All amounts in Rupees million)**

Depreciation charge for the year	-	34.13	75.27	300.28	8.42	66.62	12.05	31.70	10.21	538.68
Disposals	-	-	-	(32.93)	(4.60)	(1.09)	(0.91)	-	(5.99)	(45.52)
As at 31 March 2016	**-**	**359.73**	**594.96**	**2,187.66**	**65.95**	**587.93**	**120.43**	**242.81**	**83.16**	**4,242.63**
Net book value as at 31 March 2016	**3,624.51**	**1,771.34**	**4,007.59**	**1,358.83**	**18.68**	**199.92**	**20.31**	**457.96**	**51.69**	**11,510.83**
For the year ended 31 March 2017										
Gross carrying amount										
As at 1 April 2016	3,624.51	2,131.07	4,602.55	3,546.49	84.63	787.85	140.74	700.77	134.85	15,753.46
Additions/adjustments	-	4.78	806.14	322.88	5.70	31.10	20.32	4.85	4.32	1,200.09
Exchange differences	-	-	(13.11)	-	-	-	-	-	-	(13.11)
Disposals	-	(7.57)	(1.01)	(11.73)	(0.64)	(25.10)	(2.03)	-	(4.73)	(52.81)
As at 31 March 2017	**3,624.51**	**2,128.28**	**5,394.57**	**3,857.64**	**89.69**	**793.85**	**159.03**	**705.62**	**134.44**	**16,887.63**
Accumulated depreciation										
As at 1 April 2016	-	359.73	594.96	2,187.66	65.95	587.93	120.43	242.81	83.16	4,242.63
Depreciation charge for the year	-	34.20	78.16	280.54	5.75	54.05	10.10	31.91	8.43	503.14
Disposals	-	-	(1.01)	(8.13)	(0.59)	(23.28)	(1.94)	-	(4.52)	(39.47)
As at 31 March 2017	**-**	**393.93**	**672.11**	**2,460.07**	**71.11**	**618.70**	**128.59**	**274.72**	**87.07**	**4,706.30**
Net book value as at 31 March 2017	**3,624.51**	**1,734.35**	**4,722.46**	**1,397.57**	**18.58**	**175.15**	**30.44**	**430.90**	**47.37**	**12,181.33**
For the year ended 31 March 2018										
Gross carrying amount										
As at 1 April 2017	3,624.51	2,128.28	5,394.57	3,857.64	89.69	793.85	159.03	705.62	134.44	16,887.63
Additions/adjustments	-	3.96	132.20	68.28	10.48	2.47	0.70	10.68	31.01	259.78
Exchange Differences	-	-	2.63	-	-	-	-	-	-	2.63
Transferred from assets held for sale (Refer note 57)	153.84									153.84
Disposals	-	-	(0.53)	(4.94)	(6.71)	(1.75)	(2.82)	-	(6.13)	(22.88)
As at 31 March 2018	**3,778.35**	**2,132.24**	**5,528.87**	**3,920.98**	**93.46**	**794.57**	**156.91**	**716.30**	**159.32**	**17,281.00**
Accumulated depreciation										
As at 1 April 2017	-	393.93	672.11	2,460.07	71.11	618.70	128.59	274.72	87.07	4,706.30
Depreciation charge for the year	-	34.27	88.53	278.08	6.78	43.11	14.09	32.21	11.36	508.43
Disposals	-	-	(0.53)	(3.88)	(6.42)	(1.14)	(2.38)	-	(5.70)	(20.05)
As at 31 March 2018	**-**	**428.20**	**760.11**	**2,734.27**	**71.47**	**660.67**	**140.30**	**306.93**	**92.73**	**5,194.68**
Net book value as at 31 March 2018	**3,778.35**	**1,704.04**	**4,768.76**	**1,186.71**	**21.99**	**133.90**	**16.61**	**409.37**	**66.59**	**12,086.32**

Annexure V

Notes forming part of restated standalone financial information

Note 2 : Property, Plant and Equipment **(All amounts in Rupees million)**

a. Capitalised borrowing costs

Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015 (proforma)**	**For the year ended 31 March 2014 (proforma)**
Interest paid on borrowed funds	117.90	141.86	166.56	198.38	152.33
Interest earned	(0.57)	(0.53)	(0.98)	(5.67)	(7.26)
Net borrowing cost capitalized	**117.33**	**141.33**	**165.58**	**192.71**	**145.07**

b. Reconciliation of the carrying amount of portion of own use building at the beginning and end of the year*:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (proforma)**	**As at 31 March 2014 (proforma)**
Gross block/Deemed cost	264.69	264.69	264.69	264.69	264.69
Accumulated depreciation	57.85	53.41	48.97	44.50	40.22
Depreciation for the year	4.44	4.44	4.46	4.28	4.55
Net book value	206.84	211.28	215.72	220.19	224.47

***** Building is predominantly used by the Company for its own purpose. However, portion of the property has been let out on short-term basis.

c. Particulars	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015 (proforma)**	**For the year ended 31 March 2014 (proforma)**
Depreciation charge includes amounts transferred to Preoperative expenditure pending allocation under note 48.	-	2.60	2.63	2.66	0.76
	-	**2.60**	**2.63**	**2.66**	**0.76**

Note:

\# Certain property plant and equipment are pledged against borrowings, the details related to which have been described in the Note 18 and 23 on borrowings.

\# Refer note 36 for the depreciation and amortisation expense.

Annexure V

Notes forming part of restated standalone financial information

Note 3 : Intangible Assets **(All amounts in Rupees million)**

Particulars	**Software**
Gross carrying amount	
As at 1 April 2013 (Proforma)	**68.61**
Additions	7.48
Disposals	(1.23)
As at 31 March 2014 (Proforma)	**74.86**
Accumulated amortisation	
As at 1 April 2013 (Proforma)	**54.61**
Amortisation for the year	7.55
Disposals	(1.01)
As at 31 March 2014 (Proforma)	**61.15**
Net book value as at 31 March 2014 (Proforma)	**13.71**
Gross carrying amount	
As at 1 April 2014 (Proforma)	**74.86**
Additions	14.61
As at 31 March 2015 (Proforma)	**89.47**
Accumulated amortisation	
As at 1 April 2014 (Proforma)	**61.15**
Amortisation for the year	10.81
As at 31 March 2015 (Proforma)	**71.96**
Net book value as at 31 March 2015 (Proforma)	**17.51**

Annexure V

Notes forming part of restated standalone financial information

Note 3 : Intangible Assets **(All amounts in Rupees million)**

Particulars	Software
Gross carrying amount	
As at 1 April 2015	**89.47**
Additions	5.06
Disposals	(0.08)
As at 31 March 2016	**94.45**
Accumulated amortisation	
As at 1 April 2015	**71.96**
Amortisation for the year	9.67
Disposals	(0.08)
As at 31 March 2016	**81.55**
Net book value as at 31 March 2016	**12.90**
Gross carrying amount	
As at 1 April 2016	**94.45**
Additions	3.21
Disposals	(0.10)
As at 31 March 2017	**97.56**
Accumulated amortisation	
As at 1 April 2016	**81.55**
Amortisation for the year	8.25
Disposals	(0.09)
As at 31 March 2017	**89.71**
Net book value as at 31 March 2017	**7.85**

Annexure V

Notes forming part of restated standalone financial information

Note 3 : Intangible Assets **(All amounts in Rupees million)**

Particulars	**Software**

Particulars	**Software**
Gross carrying amount	
As at 1 April 2017	97.56
Additions/adjustments for the year	20.66
Disposals	(0.08)
As at 31 March 2018	**118.14**
Accumulated amortisation	
As at 1 April 2017	89.71
Amortisation for the year	9.47
Disposals	(0.08)
As at 31 March 2018	**99.10**
Net book value as at 31 March 2018	**19.04**

The company does not have any internally generated intangibles assets. Further, none of the intangible assets have an indefinite useful life.

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 4 : Investments	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Investments at Cost					
Unquoted equity shares of subsidiary companies					
727,832 (31 March 2017: 727,832; 31 March 2016: 727,832, 31 March 2015: 727,832, 31 March 2014: 727,832) equity shares of Rs. 10 each fully paid up in Apollo Zipper India Limited (Refer note 46 & 56(b))	521.31	521.31	521.31	521.31	521.31
62,998 (31 March 2017: 62,998; 31 March 2016: 62,998,31 March 2015: 62,998,31 March 2014: 62,998) equity shares of Rs. 100 each fully paid up in Jyoti Limited (Refer note 46 & 56(a))	310.79	310.79	310.79	310.79	310.79
3,984,000 (31 March 2017: 3,984,000; 31 March 2016: 3,984,000; 31 March 2015: 3,984,000; 31 March 2014: 3,984,000) equity shares of Rs. 100 each fully paid up in Prime Cellular Limited (Refer note 46 & 56(c))	398.40	398.40	398.40	398.40	398.40
3,010,000 (31 March 2017: 3,010,000; 31 March 2016: 3,010,000; 31 March 2015: 3,010,000; 31 March 2014: 3,010,000) equity shares of Rs. 10 each fully paid up in Prima Buildwell Private Limited (Refer note 46 & 56(d))	30.10	30.10	30.10	30.10	30.10
Less: Impairment in the value of investment in Prima Buildwell Private Limited (Refer note 46 & 56(d))	(30.10)	(30.10)	(30.10)	(30.10)	(30.10)
Deemed investment on account of interest free loan to subsidiary companies					
Apollo Zipper India Limited (Refer note 46 & 56(b)	3,218.51	3,013.45	-	-	-
Jyoti Limited (Refer note 46 & 56(a))	46.67	46.67	46.67	46.67	46.67
Kujjal Builders Private Limited (Refer note 46 & 56(c))	3,674.88	-	-	-	-
Investments at fair value through P&L					
Unquoted equity shares					
36,000 (31 March 2017: 36,000; 31 March 2016: 36,000; 31 March 2015: 36,000; 31 March 2014: Nil) equity shares of Rs. 10 each fully paid up in Green Infra Wind Power Generation Limited	0.36	0.36	0.36	0.36	-
Total	**8,170.92**	**4,290.98**	**1,277.53**	**1,277.53**	**1,277.17**

Aggregate value of unquoted investments	**8,201.02**	**4,321.08**	**1,307.63**	**1,307.63**	**1,307.27**
Aggregate value of impairment in value of investments	**30.10**	**30.10**	**30.10**	**30.10**	**30.10**

Refer note 44

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 5 : Loans	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
(Unsecured, considered good unless otherwise stated)					
Loans to Related Parties					
Subsidiary companies (A)					
--Loans to subsidiary companies at amortised cost (Refer note 46 & 56(a,b,c & d))	872.21	3,289.40	4,070.11	3,557.48	2,968.93
--Considered doubtful	52.90	52.90	52.90	52.90	52.90
	925.11	**3,342.30**	**4,123.01**	**3,610.38**	**3,021.83**
Less: Provision for doubtful loans	(52.90)	(52.90)	(52.90)	(52.90)	(52.90)
	872.21	**3,289.40**	**4,070.11**	**3,557.48**	**2,968.93**
Entity controlled by the Company (B)					
--Loan to The Lalit suri educational and charitable trust at amortised cost (Refer note 46 & 55)	458.64	301.67	234.13	91.30	84.86
--Considered doubtful	-	-	-	80.00	50.00
	458.64	**301.67**	**234.13**	**171.30**	**134.86**
Less: Provision for doubtful loans	-	-	-	(80.00)	(50.00)
	458.64	**301.67**	**234.13**	**91.30**	**84.86**
Total (A+B)	**1,330.85**	**3,591.07**	**4,304.24**	**3,648.78**	**3,053.79**
Security deposits at amortised cost	60.50	50.00	57.87	55.09	54.33
	1,391.35	**3,641.07**	**4,362.11**	**3,703.87**	**3,108.12**

Note 6 : Other non current financial assets	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
(Unsecured, considered good unless otherwise stated)					
Balances with Banks:					
- Deposits with original maturity of more than 12 months	-	-	-	5.30	6.94
- Margin money deposited (held as security)	19.04	36.45	19.10	23.59	34.63
Interest accrued on deposits with banks	3.99	3.25	2.25	8.23	14.52
Finance lease receivable	95.43	95.42	95.45	95.47	95.50
	118.46	**135.12**	**116.80**	**132.59**	**151.59**

Break up of margin money deposits held as security

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Held as bank guarantees	1.22	0.99	0.92	6.44	18.16
Held as bank guarantee in favour of Yes Bank Limited against bank loan	17.83	35.46	18.18	17.15	16.47
	19.04	**36.45**	**19.10**	**23.59**	**34.63**

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 7 : Other non current assets	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
(Unsecured, considered good unless otherwise stated)					
Capital advances	174.28	166.74	158.70	155.67	248.60
Prepaid expenses	4.56	0.53	0.19	0.28	0.38
Prepaid rent (including prepayments of leasehold land)	351.13	342.39	356.46	369.76	383.86
Deferred IPO expenses	22.79	-	-	-	-
	552.76	**509.66**	**515.35**	**525.71**	**632.84**

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 8 : Inventories*	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Traded goods	11.90	12.43	10.07	9.96	8.74
Food and beverage (excluding liquor and wine)	25.04	25.34	27.88	24.44	24.34
Liquor and wine	52.14	56.16	68.84	58.61	54.18
Stores, cutlery, crockery, linen, provisions and others (including stock in transit 31 March 2018: Nil (31 March 2017: Nil; 31 March 2016: Rs. Nil; 31 March 2015: Rs. 1.83 million; 31 March 2014: Rs. 1.83 million))	66.66	71.43	69.67	62.27	60.46
	155.74	**165.36**	**176.46**	**155.28**	**147.72**

*Refer note 18 and 23 for inventories pledged

Note 9 : Trade receivables	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Secured, considered good	6.93	6.17	3.68	3.24	3.95
Unsecured, considered good	549.06	430.99	391.21	348.77	307.42
Unsecured, considered doubtful	95.43	86.77	66.44	60.33	57.18
	651.42	**523.93**	**461.33**	**412.34**	**368.55**
Less : Impairment allowance (allowance for doubtful debts)	(95.43)	(86.77)	(66.44)	(60.33)	(57.18)
	555.99	**437.16**	**394.89**	**352.01**	**311.37**

-Trade receivables are non-interest bearing and are generally recovered over a term of 30 to 90 days (Refer note 45).

-Trade receivable includes dues from directors or other officers of the Company or from private companies and firms in which Company's any director is a partner or director (Refer note 46).

-Refer note 18 and 23 for Trade receivables pledged

Note 10 : Cash and cash equivalents	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Balances with banks:-					
In current accounts	170.05	636.89	53.25	316.50	126.04
In EEFC accounts	5.16	6.97	2.28	6.53	3.24
Deposits with original maturity of less than three months	2.36	1.12	114.61	321.40	203.70
Cheques/drafts on hand	4.82	8.92	4.86	4.59	14.32
Cash on hand	9.97	5.89	7.95	6.63	8.75
	192.36	**659.79**	**182.95**	**655.65**	**356.05**

Notes:

(i) Available undrawn committed borrowings facilities	154.48	822.74	464.78	3,515.70	23.58

(ii) The Company has pledged a part of its short-term deposits to fulfill collateral requirements. Refer note 23 for details.

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 11 : Other bank balances	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Balances with banks:-					
Margin money (held against bank guarantee)	115.99	103.32	35.97	50.99	62.12
Deposits with original maturity of more than three months but less than twelve months	0.57	0.05	16.40	-	198.00
Unpaid dividend account	2.74	2.29	2.45	2.66	2.93
	119.30	**105.66**	**54.82**	**53.65**	**263.05**

(i) The Company has pledged a part of its short-term deposits to fulfill collateral requirements. Refer Note 23 for details.

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 12 : Loans	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
(Unsecured, considered good unless otherwise stated)					
Security deposits at amortised cost	10.47	10.95	10.67	14.12	14.95
	10.47	**10.95**	**10.67**	**14.12**	**14.95**

Note 13 : Other current financial assets	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
(Unsecured, considered good unless otherwise stated)					
Recoverable from related parties					
--Subsidiary companies (Refer note 46 & 56(a,b,c & d))	87.72	1,103.35	1,547.63	1,099.32	683.25
	87.72	**1,103.35**	**1,547.63**	**1,099.32**	**683.25**
Unbilled revenue	31.95	32.18	42.64	22.56	16.65
Interest accrued on deposits with banks	2.39	2.83	9.02	2.44	8.66
Subsidy receivable	14.21	9.39	13.32	12.58	3.94
Other advance recoverable	27.77	10.11	10.13	10.19	235.56
Finance lease receivable	0.02	0.03	0.02	0.02	0.02
	164.06	**1,157.89**	**1,622.76**	**1,147.11**	**948.08**

Note 14 : Other current assets	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
(Unsecured, considered good unless otherwise stated)					
Prepaid expenses	58.45	72.04	73.80	72.10	81.40
Balances with statutory authorities	40.18	79.26	72.69	83.41	45.54
Prepaid rent (including prepayments of leasehold land)	15.05	14.06	13.30	14.10	14.97
Other advances					
- considered good	41.89	44.46	62.88	57.02	59.80
- considered doubtful	2.28	17.08	0.41	0.41	0.41
	44.17	61.54	63.29	57.43	60.21
Less: Provision for doubtful advances	(2.28)	(17.08)	(0.41)	(0.41)	(0.41)
	41.89	**44.46**	**62.88**	**57.02**	**59.80**
	155.57	**209.82**	**222.67**	**226.63**	**201.71**

Note 15 : Assets classified as held for sale	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Land (Refer note 57)	-	161.88	161.88	-	-
Plant and machinery	2.00	2.00	3.00	3.00	3.00
	2.00	**163.88**	**164.88**	**3.00**	**3.00**

Notes forming part of restated standalone financial information (All amounts in Rupees million)

Note 16 : SHARE CAPITAL	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Equity shares of INR 10 each issued, subscribed and fully paid					
Authorised					
100,000,000 (31 March 2017: 100,000,000; 31 March 2016: 100,000,000; 31 March 2015: 100,000,000; 31 March 2014: 100,000,000) equity shares of Rs. 10 each fully paid up	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Issued, Subscribed & Paid up					
75,991,199 (31 March 2017: 75,991,199; 31 March 2016: 75,991,199; 31 March 2015: 75,991,199; 31 March 2014: 75,991,199) equity shares of Rs 10 each fully paid up	759.91	759.91	759.91	759.91	759.91
	759.91	**759.91**	**759.91**	**759.91**	**759.91**

a Reconciliation of the Authorised and issued equity shares at the beginning and at the end of the year

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised share capital at the beginning of the year	100,000,000	1,000.00	100,000,000	1,000.00	100,000,000	1,000.00	100,000,000	1,000.00	100,000,000	1,000.00
Change during the year	-	-	-	-	-	-	-	-	-	-
Authorised share capital at the end of the year	**100,000,000**	**1,000.00**	**100,000,000**	**1,000.00**	**100,000,000**	**1,000.00**	**100,000,000**	**1,000.00**	**100,000,000**	**1,000.00**

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Issued share capital at the beginning of the year	75,991,199	759.91	75,991,199	759.91	75,991,199	759.91	75,991,199	759.91	75,991,199	759.91
Change during the year	-	-	-	-	-	-	-	-	-	-
Issued share capital at the end of the year	**75,991,199**	**759.91**	**75,991,199**	**759.91**	**75,991,199**	**759.91**	**75,991,199**	**759.91**	**75,991,199**	**759.91**

b Terms/Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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. The distributions will be in proportion to the number of equity shares held by the shareholders.

c Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Equity shares of Rs. 10 fully paid up										
Deeksha Holding Limited	30,710,301	40.41%	30,710,301	40.41%	30,710,301	40.41%	30,710,301	40.41%	30,710,301	40.41%
Mr. Jayant Nanda	10,399,998	13.69%	10,399,998	13.69%	10,399,998	13.69%	-	-	-	-
Deutsche Bank Trust Company (held on behalf of GDR holders)	-	-	-	-	-	-	10,399,998	13.69%	10,399,998	13.69%
Dr. Jyotsna Suri	7,247,935	9.54%	7,247,935	9.54%	7,247,935	9.54%	7,247,935	9.54%	7,247,535	9.54%
Responsible Builders Pvt. Ltd.	7,106,400	9.35%	7,106,400	9.35%	7,106,400	9.35%	7,106,400	9.35%	7,106,400	9.35%
Richmonds Enterprises S.A.#	5,491,200	7.23%	5,491,200	7.23%	5,491,200	7.23%	5,491,200	7.23%	5,491,200	7.23%
Dubai Ventures Limited*	-	-	-	-	4,100,000	5.40%	4,100,000	5.40%	4,100,000	5.40%
Groves Universal Group S.A.*#	4,100,000	5.40%	4,100,000	5.40%	-	-	-	-	-	-
Mr. Keshav Suri	3,880,596	5.11%	3,880,596	5.11%	3,880,596	5.11%	3,880,596	5.11%	3,880,596	5.11%

As per the records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares except for those which were issued on behalf of Global Depository Receipts shareholders.

*During the year ended 2016-17, the Company had terminated the share purchase agreement with Dubai Ventures Limited and shares had been purchased by Groves Universal Group S.A. from Dubai Ventures Limited.

#Subsequent to 31 March 2018, above companies have been dissolved and shares have been transmitted in the name of sole beneficiary, Mr. Jayant Nanda, resulting in the total shareholding to 19,991,198 shares and 26.32%

d Share reserved for issue under option

The Company has reserved an option for the permanent employees of the Company and its subsidiaries, including directors under "Employee Stock Option Plan, 2017" and has issued 700,600 options to the permanent employees.

e Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the balance sheet date

The Company has not issued any shares pursuant to contract without payment being received in cash, nor allotted as fully paid up by way of bonus shares or bought back any shares during the period of five years.

Notes forming part of restated standalone financial information (All amounts in Rupees million)

Note 17 : Other equity	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Securities premium reserve					
As at the beginning of the year	2,903.47	2,903.47	2,903.47	2,903.47	2,903.47
As at the end of the year	**2,903.47**	**2,903.47**	**2,903.47**	**2,903.47**	**2,903.47**
Retained earnings					
As at the beginning of the year	5,154.98	4,857.41	4,431.26	4,464.07	4,334.05
Net profit for the year	312.41	366.87	468.27	37.78	164.48
Other Comprehensive income/(loss) for the year	(5.96)	(0.71)	3.62	(4.70)	9.70
Amount transferred to general reserve as reduction from depreciation	-	-	-	(21.43)	-
Less: Dividend	(75.99)	(56.99)	(38.00)	(38.00)	(38.00)
Less: Tax on distribution of dividend	(15.47)	(11.60)	(7.74)	(6.46)	(6.16)
As at the end of the year	**5,369.97**	**5,154.98**	**4,857.41**	**4,431.26**	**4,464.07**
General reserve					
As at the beginning of the year	850.36	850.36	810.36	991.87	903.33
Amount transferred from retained earnings as reduction from depreciation	-	-	-	21.43	-
Depreciation on Property, plant and equipment whose useful life ended before 31 March 2014 (net of deferred tax Rs. 128.58 Million)	-	-	-	(242.94)	-
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	40.00	40.00	88.54
As at the end of the year	**850.36**	**850.36**	**850.36**	**810.36**	**991.87**
Capital reserve					
As at the beginning of the year	1,128.50	1,128.50	1,128.50	1,128.50	1,128.50
As at the end of the year	**1,128.50**	**1,128.50**	**1,128.50**	**1,128.50**	**1,128.50**
Debenture redemption reserve					
As at the beginning of the year	-	-	40.00	80.00	168.54
Transfer from debenture redemption reserve on account of redemption of debentures		-	(40.00)	(40.00)	(88.54)
As at the end of the year	**-**	**-**	**-**	**40.00**	**80.00**
	10,252.30	**10,037.31**	**9,739.74**	**9,313.59**	**9,567.91**

Notes:

Securities premium : Comprises premium received on issue of shares

Retained earnings : Comprises of balance of profit and loss at each year end.

General reserve : Under erstwhile Companies Act, 1956, General reserves was created through an annual transfer of net income at specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a divided distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distribution results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserves has been withdrawn.

Debenture redemption reserve : Under erstwhile Companies Act, 1956, Debenture redemption reserve had to be created up to 25% of the total redemption value. Post repayment of the debentures, such reserve had been transferred to the General reserve.

Capital reserve : Comprise increase in value of asset acquired out of amalgamation of Udaipur Hotels Limited and Khajuraho Hotels Limited, as compared to book value of assets and on forfeiture of share application

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 18 : Borrowings	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Non current borrowings (Refer note 28 below)					
Term loans					
Secured					
Rupee loans from banks (Refer note 1 to 20 below)	9,985.23	9,160.47	7,029.63	5,383.01	3,616.11
Rupee loans from financial institutions (Refer note 21 to 23 below)	22.82	41.67	60.45	2,067.53	2,572.13
Foreign currency loan from bank (Refer note 24 below)	695.97	839.93	990.70	1,029.16	1,049.43
Non Convertible Debentures (Refer note 25 below)	-	-	-	160.00	320.00
Unsecured					
Rupee loans from banks (Refer note 26 below)	-	-	-	214.75	207.91
	10,704.02	**10,042.07**	**8,080.78**	**8,854.45**	**7,765.58**
Less: Current maturities (Refer note 25)	428.60	455.48	304.00	1,486.60	794.25
	10,275.42	**9,586.59**	**7,776.78**	**7,367.85**	**6,971.33**

Net debt reconciliation*

Company's movement in its net debts during the year is as follows:

	Non current borrowings	**Current borrowings**	**Interest accrued on borrowings**	**Total**
Net debt as on 1 April 2017	10,042.07	1,686.89	91.22	11,820.18
Cash flows, net	595.15	(612.36)	-	(17.21)
Foreign exchange adjustments	8.25	5.63	-	13.88
Interest expense including effective interest expense	-	-	1,196.82	1,196.82
Interest paid	-	-	(1,275.21)	(1,275.21)
Capitalisation of interest	-	-	117.89	117.89
Other non-cash movements				
Amortisation of processing fees	58.55	-	(58.55)	-
Net debt as on 31 March 2018	**10,704.02**	**1,080.16**	**72.17**	**11,856.35**

* Effective 1 April 2017, the Company adopted the amendment to INDAS 7 'Statement of Cash Flows' (as amended), which requires the entities to provide dislosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement

Further, as per paragraph 60 of the IND AS 7 'Statement of Cash Flows', when the Company applies these amendments, it is not required to provide comparative information for the preceding periods, hence movement in net debts has been provided for current year only.

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

1 Term Loan from Yes Bank Limited aggregating to Rs. 5,102.03 million (31 March 2017: Rs. 5,371.57 million; 31 March 2016: Rs. 5,420.22 million, 31 March 2015: Rs. 2,437.33 million; 31 March 2014 Rs. Nil;) carries interest ranging from 10% to 12.50% per annum. The loan is repayable in 44 structured quarterly installments starting from February 2016 after a moratorium of 1 year from the date of first disbursement. The loan is secured by first pari-passu charge on land and building of Mumbai and Ahmedabad (under construction) hotel properties and first pari-passu charge on movable fixed assets of Mumbai, Goa, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company. Further, there is a negative lien on Bangalore and Delhi property.

2 Term Loan from Axis Bank Limited aggregating to Rs. 1,339.00 million (31 March 2017: Rs. 1,390.81 million; 31 March 2016: Rs 1,232.60 million; 31 March 2015: Rs. 1,216.48 million; 31 March 2014 Rs. Nil) carries interest ranging from 10.50% to 12.65% per annum. The loan is repayable in 44 structured quarterly installments starting from November 2015 after a moratorium of 1 year from the date of first disbursement. The loan is secured by first pari-passu charge by way of hypothecation of movable fixed assets of Mumbai, Goa, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by Company (both present and future) and first pari-passu charge by way of mortgage over immovable fixed assets of Mumbai and Ahmedabad (under construction) hotel properties.

3 Term Loan from Tamilnad Mercantile Bank Limited (TMB) aggregating to Rs. 234.35 million (31 March 2017: Rs. 243.50 million; 31 March 2016: Rs. 247.45 million; 31 March 2015: Rs. Nil; 31 March 2014 Rs. Nil;), (sanctioned amount Rs. 250.00 million) carries interest @ 11.60 % per annum. The loan is repayable in 44 structured quarterly installments starting from February 2016 after a moratorium of 1 year from the date of first disbursement. The loan is secured by first pari-passu charge on land and building of Mumbai and Ahmedabad (under construction) hotel properties and first pari-passu charge on movable fixed assets of Mumbai, Goa, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company.

4 Term Loan from ICICI Bank Limited aggregating to Rs. 319.75 million (31 March 2017: Rs. 223.71 million; 31 March 2016: Rs. 107.95 million; 31 March 2015: Rs. Nil; 31 March 2014 Rs. Nil), carries interest ranging from 12.45% to 13.35% per annum. The loan is repayable in 40 quarterly installments after a moratorium of 8 quarters from the date of first disbursement. The loan is secured by first pari-passu charge on Jaipur and Khajuraho property and routing of Cash Flows of Jaipur, Srinagar and Khajuraho property through the designated accounts.

5 Term Loan from The Jammu and Kashmir Bank Limited aggregating to Rs. 1,497.11 million (31 March 2017: Rs. 996.56 million; March 2016: Rs. Nil, 31 March 2015: Rs. Nil; 31 March 2014 Rs. Nil) carries interest @ 10.70% per annum. The loan is repayable in 32 structured quarterly installments starting from June 2019 after a moratorium of 2 years from the date of first disbursement. The loan is secured by way of equitable mortgage on exclusively first charge over land and building of Srinagar hotel of the Company.

6 Term Loan from Yes Bank Limited aggregating to Rs. 531.91 million (31 March 2017: Rs. 552.39 million; 31 March 2016: Rs. Nil, 31 March 2015: Rs. Nil; 31 March 2014 Rs. Nil) carries interest @ 9.60% per annum. The loan is repayable in 52 structured quarterly installments starting from February 2017. The loan is secured by extension of first pari-passu charge on land and building of Mumbai and Ahmedabad (under construction) hotel properties and extension of first pari-passu charge on movable fixed assets of Mumbai, Goa, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company.

7 Term Loan from Axis Bank Limited aggregating to Rs. 380.94 million (31 March 2017: Rs. 380.53 million; 31 March 2016: Rs. Nil, 31 March 2015: Rs. Nil; 31 March 2014 Rs. Nil) carries interest @ 10.50% per annum. The loan is repayable in 42 structured quarterly installments starting from October 2017 after a moratorium of 1 year from the date of first disbursement. The loan is secured by extension of first pari-passu charge by way of hypothecation of movable fixed assets of Mumbai, Goa, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by Company (both present and future) and extension of first pari-passu charge by way of mortgage over immovable fixed assets of Mumbai and Ahmedabad hotels. Further, there is a negative lien on immovable assets of Bangalore property.

8 Term Loan from Yes Bank Limited aggregating to Rs. 580.14 million (31 March 2017: Rs Nil; 31 March 2016: Rs. Nil; 31 March 2015: Rs. Nil; 31 March 2014: Rs. Nil) carries interest @ 10.00% per annum. The loan is repayable in 40 structured quarterly installments from the date of first disbursement. The loan is secured by exclusive charge on land and building of Udaipur Hotel and current assets of the Company except those of Jaipur hotel.

9 Term Loan from Yes Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 69.68 million; 31 March 2014 Rs. 68.16 million) carried interest ranging from 13.50% to 14% per annum. The loan was secured by exclusive charge on 109S Grand Helicopter.

10 Term Loan from Yes Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 85.52 million; 31 March 2014 Rs. 99.24 million) carried interest ranging from @ 13.75% to 14.85% per annum. The loan was secured by equitable mortgage of land and building of Mumbai and Goa Hotels and hypothecation of plant and machinery and all other movable fixed assets of Mumbai and Goa hotels on pari-passu basis.

11 Term Loan from Yes Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 358.36 million; 31 March 2014 Rs. 353.81 million) carried interest ranging from 12.50% to 13.25% per annum. The loan was secured by equitable mortgage on movable fixed assets of Mumbai and Goa Hotels both present and future and charge on land & building of Mumbai & Goa Hotels on pari-passu basis.

12 Term Loan from Yes Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 235.00 million; 31 March 2014 Rs. 215.00 million) carried interest ranging from @ 12.50% to 12.75% per annum. The loan was secured by equitable mortgage on movable fixed assets of Mumbai and Goa Hotels both present and future and charge on land & building of Mumbai & Goa Hotels on pari-passu basis.

13 Term Loan from Jammu and Kashmir Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 499.56 million; 31 March 2014 Rs. Nil) carried interest @ 13.25% per annum. The loan was secured by extension of exclusive charge over Ahmedabad Hotel (under construction) and by charge over movable and immovable fixed assets of Mumbai & Goa Hotels on pari-passu basis.

14 Term Loan from Jammu and Kashmir Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 187.49 million; 31 March 2014 Rs. 312.27 million) carried interest @ 13.25% per annum. The loan was secured by extension of exclusive charge over Ahmedabad Hotel (under construction) and by charge over movable and immovable fixed assets of Mumbai & Goa Hotels on pari-passu basis.

15 Term Loan from IDBI Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 250.00 million; 31 March 2014 Rs. 326.18 million) carried interest ranging from 12.75% to 13.25%. The loan was secured by hypothecation of all movable fixed assets of the hotel at New Delhi and exclusive charge on movable and immovable fixed assets of the Company lying and situated at hotel, The Lalit Grand Palace, Srinagar and exclusive charge/mortgage on the ownership rights of Sh. NK Batra on the land.

16 Term Loan from State Bank of India aggregating to Rs. Nil (31 March 2017: Rs. 1.40 million; 31 March 2016: Rs 21.41 million; 31 March 2015: Rs. 43.59 million; 31 March 2014 Rs. 60.20 million) carried interest ranging from 14.00% to 14.70% per annum. The loan was secured by equitable mortgage of land situated at Udma Village, Hosdurg Taluk in the District of Kasaragod and property landed at Kalnad Village, Hosdurg Taluk in District of Kasaragod by way of mortgage of lease deed and pari-passu 1st charge over all existing and future plant and machinery, fixtures and fittings and other movable fixed assets of the Bekal Hotel.

17 Term Loan from Axis Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015 Rs. Nil; 31 March 2014 Rs. 667.97 million) carried interest ranging from 12.25% to 12.50%. The balance loan was repayable in 24 quarterly installments, comprising of 1 installment of Rs. 13.40 million, 5 quarterly installments of Rs. 27.00 million each and balance 18 installments of Rs. 30.00 million each starting from December 2015. The loan was secured by equitable mortgage over immovable fixed assets of Mumbai and Goa Hotels and hypothecation of movable fixed assets of Mumbai and Goa Hotels both existing and future on pari-passu basis.

18 Term Loan from Ratnakar Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015 Rs. Nil; 31 March 2014 Rs. 192.84 million) carried interest ranging from 13.15% to 14.10%. The loan was repayable in 9 quarterly installments comprising of 1 installment of Rs. 17.34 million and 8 equal installments of Rs. 22.22 million each starting from March 2015. The loan was secured by charge on movable fixed assets and immovable fixed assets both existing and future of Mumbai and Goa hotels on pari-passu basis.

19 Term Loan from Yes Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015 Rs. Nil; 31 March 2014: Rs. 1,119.14 million) carried interest ranging from @ 13.75% to 14.10%. The balance loan was repayable in 23 quarterly installments, comprising of 5 installments of Rs. 45.00 million each and balance 18 installments of Rs. 50.00 million each starting from June 2015. The loan was secured by equitable mortgage of land and building of Mumbai and Goa Hotels and hypothecation of plant and machinery and all other movable fixed assets of Mumbai and Goa Hotels on pari-passu basis. The loan was further secured by subservient charge on 109S Grand Helicopter.

20 Term Loan from Jammu and Kashmir Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015: Rs. Nil; 31 March 2014: Rs. 201.30 million) carried interest ranging from 13.25% to 13.5%. The company had repaid Rs. 250.00 million during this year out of which Rs. 187.50 million has been repaid out of the loan of Rs. 2,000.00 million taken from IFCI during the year. The balance loan was repayable in 4 quarterly installments comprising of 3 installments of Rs. 62.50 million and 1 installment of Rs. 14.00 million starting from June 2014. The loan was secured by:

- equitable mortgage of land and building of Mumbai and Goa on pari-passu basis and Ahmedabad (under construction) Hotels.
- hypothecation of plant and machinery and all other movable Fixed Assets of Mumbai, Goa, New Delhi, Udaipur and Ahmedabad (under construction) Hotels.
- hypothecation of furniture and fixtures, cutlery, stores and spares and assignment of leasehold rights of land, building and plant and machinery of Bengaluru Hotel;

21 Term Loan from Tourism Finance Corporation of India ('TFCI') aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015 Rs. Nil; 31 March 2014 Rs. 500.00 million) carried interest ranging from 13.75% to 14%. The loan was repayable in 28 quarterly installments (first 27 equal quarterly installments of Rs. 17.90 million each and last installment of Rs. 16.70 million) commencing from 12 May 2014 and ending on 12 February 2021. The loan was secured by equitable mortgage of land and building both existing and future of Mumbai and Goa Hotels and hypothecation of plant and machinery and all other movable fixed assets both existing and future of Mumbai and Goa Hotels.

22 Term loan from Kerala State Industrial Development Corporation ('KSIDC') aggregating to Rs. 22.82 million (31 March 2017: Rs. 41.67 million; 31 March 2016: Rs. 60.45 million; 31 March 2015: Rs. 79.33 million; 31 March 2014 Rs. 98.15 million) carries interest @ 9% per annum. The loan is repayable in 32 quarterly instalments after initial moratorium of 24 months from 1st disbursement or 12 months from date of commercial operations, whichever is earlier. The loan is secured by equitable mortgage of land situated at Udma Village, Hosdurg Taluk ble inin the District of Kasaragod and landed property at Kalnad Village, Kasaragod Taluk by way of mortgage of lease deed and pari-passu first charge over all existing and future plant and machinery, fixtures and fittings and other movable fixed assets of the Bekal hotel.

23 Term loan from Industrial Finance Corporation of India ('IFCI') aggregating to Rs. Nil (31 March 2017: Rs. Nil; March 2016: Rs. Nil, 31 March 2015: Rs. 1,988.20 million; 31 March 2014 Rs. 1,973.98 million;) carried interest ranging from 12.65% to 13.60% per annum. The loan was secured by equitable mortgage of land and building of Mumbai and Goa hotels on pari-passu basis and hypothecation of movable assets of Mumbai and Goa hotels on pari-passu basis and collateral security of Ahmedabad hotel.

24 External Commercial Borrowing from ICICI Bank Limited, Bahrain aggregating to Rs. 695.97 million (equivalent to USD 10.70 million converted at an exchange rate of INR 65.0441 per USD) (31 March 2017: Rs. 839.93 million (equivalent to USD 12.95 million converted at an exchange rate of INR 64.8386 per USD); 31 March 2016: Rs. 990.70 million (equivalent to USD 14.93 million converted at an exchange rate on INR 66.3329 per USD); 31 March 2015: Rs. 1,029.16 million (equivalent to USD 16.44 million converted at an exchange rate on INR 62.5909 per USD); 31 March 2014: Rs. 1,049.43 million (equivalent to USD 17.46 million converted at an exchange rate on INR 60.0998 per USD)) carries interest at USD Libor (6 months) plus 500 basis points. The loan is repayable in 33 quarterly instalments starting 7 quarters after 1st drawdown. The loan is secured by equitable mortgage on the movable and immovable fixed and current assets and the cash flows, both present and future, of Jaipur and also secured by exclusive charge on movable and immovable fixed assets of Khajuraho hotel, both present and future.

25 11.50% Non Convertible Debentures (NCD's) from Jammu and Kashmir Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015 Rs. 160.00 million; 31 March 2014 Rs. 320.00 million). Debentures were secured by the land at Mouje Maharajapura, Kadi Taluka, Gujarat and mortgage of immovable assets at Mumbai and Goa units and hypothecation of movable assets of Mumbai and Goa units on pari-passu basis. NCD's were listed on the Bombay Stock Exchange.

26 Term loan from Hongkong and Shanghai Banking Corporation Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; March 2016: Rs. Nil, 31 March 2015: Rs. 214.75 million; 31 March 2014 Rs. 207.91 million) carried interest @ 10.50% per annum.

27 **Loan covenants**

Bank loans contain certain debt covenants relating to limit on total borrowings amount, security coverage ratio and others. The Company has breached certain loan covenants as at the end of the reporting date. However, the Company has obtained waiver letters from banks for compliance, pursuant to which these loans have been classified as per their maturity profile.

28 The Company has not defaulted in the repayment of loans and interest as at balance sheet date

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 19 : Other non current financial liabilities	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Financial liabilities at amortised cost					
Deposits received against assets given under finance lease	11.08	10.85	10.57	10.09	10.15
Lease rent payable	6.47	6.91	7.34	7.77	8.20
Security deposits	27.51	27.23	23.89	9.43	26.48
	45.06	**44.99**	**41.80**	**27.29**	**44.83**

Note 20 : Long term provisions	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Provision for employee benefits					
Gratuity (Refer note 43)	91.66	76.66	68.53	69.29	57.83
	91.66	**76.66**	**68.53**	**69.29**	**57.83**

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 21 : Deferred tax liabilities (net)	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Deferred tax asset					
Effect of unabsorbed depreciation and business loss	43.54	434.57	306.76	431.21	519.02
Fair value of financial instruments	-	-	-	-	27.46
Re-measurement gains/(losses) on defined benefit plans	3.15	0.37	-	2.49	-
Deferred government grant and deferred lease rent	2.60	2.60	4.26	5.91	9.22
Effect of expenditure debited to profit and loss in the respective periods but allowed for tax purposes in subsequent periods	71.46	64.57	60.08	55.77	71.46
Provision for doubtful debts and advances	52.13	53.39	41.44	67.02	10.53
Minimum Alternate Tax (MAT) credit entitlement	425.93	407.35	281.40	158.59	151.33
Deferred tax asset	**598.81**	**962.85**	**693.94**	**720.99**	**789.02**
Deferred tax liabilities					
Accelerated depreciation for tax	1,851.21	2,233.94	1,901.37	1,918.35	2,103.91
Fair value of financial instruments	6.81	2.10	5.03	18.37	-
Re-measurement gains/(losses) on defined benefit plans	-	-	1.92	-	4.99
Deferred tax liability	**1,858.02**	**2,236.04**	**1,908.32**	**1,936.72**	**2,108.90**
Net deferred tax liability reflected in the balance sheet	**1,259.21**	**1,273.19**	**1,214.38**	**1,215.73**	**1,319.88**

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 22 : Other non current liabilities	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Deferred lease rent	320.45	329.14	337.68	336.70	342.46
Lease rent payable	22.82	22.82	22.82	26.89	18.34
Deferred government grant (Refer note 38)	4.23	7.52	12.30	17.08	21.86
	347.50	**359.48**	**372.80**	**380.67**	**382.66**

Note 23 : Borrowings	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
From Related Parties (unsecured)					
Loan from a director (Refer note 1 below)	-	43.50	35.00	-	-
From banks					
Secured					
Cash credit facilities (Refer note 2, 3 and 4 below)	319.73	880.99	348.82	345.09	259.63
Loan against fixed deposits (Refer note 5 below)	28.00	32.42	29.53	-	-
Short term loans (Refer note 6 and 7 below)	238.09	237.21	242.70	249.74	239.80
Unsecured					
Cash credit facilities (Refer note 4 below)	-	-	577.73	348.19	349.11
Short term loans (Refer note 8 below)	494.34	492.77	504.13	-	-
Buyers credit on account of invoice financing facilities availed (Refer note 9 below)	-	-	-	147.81	137.51
	1,080.16	**1,686.89**	**1,737.91**	**1,090.83**	**986.05**

1. Loan from Dr. Jyotsna Suri carries interest @ 8% per annum and is repayable as per mutual agreement.
2. Cash Credit facilities from Jammu and Kashmir Bank Limited amounting to Rs. Nil (31 March 2017: Nil; 31 March 2016: Nil; 31 March 2015: Nil; 31 March 2014: Rs. 259.63 million) were secured by hypothecation of company's entire current assets both present and future (excluding Jaipur) and also extension of charge on Mumbai and Goa Hotels as collateral security.
3. Cash Credit facilities from Yes Bank Limited amounting to Rs. 319.73 million (31 March 2017: Rs. 304.01 million; 31 March 2016: Rs. 348.82 million, 31 March 2015: Rs 345.09 million; 31 March 2014: Rs. Nil) carries interest @ 9.90 % per annum. The loan is secured by first pari-passu charge on current assets (including receivables) of all the hotels of the Company (both present and future), except those of Jaipur hotel of the Company.
4. Short term facilities from Deutsche Bank AG aggregating to Rs. Nil (31 March 2017: Rs. 576.98 million; 31 March 2016: Rs. 577.73 million, 31 March 2015: Rs. 348.19 million; 31 March 2014: 349.11 million) carried interest randing from 12.45 % to 13.16 % per annum. The Company had repaid the loan during the year ended 31 March 2018.These short term facilities were guaranteed by Richmond Enterprises S.A. (Refer
5. Loan against fixed deposits taken from Jammu and Kashmir Bank Limited is secured by fixed deposits. The loan carries interest @ 1.49% higher than the interest received by the Company on the fixed deposits made
6. Packing Credit Foreign Currency ('PCFC') Loan from Yes Bank Limited amounting to Rs. 238.09 million (equivalent to USD 3.66 million at an exchange rate of 65.0441 per USD); (31 March 2017: Rs. 237.21 million (equivalent to USD 3.65 million at an exchange rate of 64.8386 per USD); 31 March 2016: Rs. 242.70 million (equivalent to USD 3.65 million at an exchange rate of 66.3329 per USD); (31 March 2015: Rs. 249.74 million (equivalent to USD 39.90 million at an exchange rate of 62.5908 per USD); 31 March 2014: Nil) carries interest @ LIBOR+400 basis points. The loan is secured by first pari-passu charge on current assets (including receivables) of all the hotels of the Company (both present and future), except those of Jaipur hotel of the Company.

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

7. Loan from Ratnakar Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Nil; 31 March 2015: Nil; 31 March 2014: Rs. 239.80 million (equivalent to USD 3.99 million converted at an exchange rate of INR 60.0998 per USD)), sanctioned amount Rs. 250.00 million; carried effective interest rate of LIBOR+325 basis points. The loan was secured by exclusive charge on the Beechcraft of the Company and on the movable and immovable fixed assets of Srinagar Hotel on pari-passu basis.

8. Short term facilities from Barclays Bank Plc aggregating to Rs. 494.34 million (equivalent to USD 7.60 million at an exchange rate of 65.0441 per USD); 31 March 2017: Rs. 492.77 million (equivalent to USD 7.60 million at an exchange rate of 64.8386 per USD); 31 March 2016: Rs. 504.13 million (equivalent to USD 7.60 million at an exchange rate of 66.3329 per USD); 31 March 2015: Rs Nil; 31 March 2014: Rs Nil) carries interest @ 5.42 % per annum. These facilities are guaranteed by Premium Holdings Limited (Refer note 46).

9. Invoice financing facility from Deutsche Bank AG aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 147.81 million; 31 March 2014: Rs. 137.51 million) carried interest @ 12.50 % per annum.These facilities were guaranteed by Premium Holdings Limited (Refer note 46).

10. Loan covenants : Bank loans contain certain debt covenants relating to limit on total borrowings amount, security coverage ratio and others. The Company has breached certain loan covenants as at the end of the reporting date. However, the Company has obtained waiver letters from banks for compliance.

11. The Company has not defaulted in the repayment of loans and interest as at balance sheet date.

Note 24 : Trade payables	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Trade payables					
- total outstanding dues of micro and small enterprises (Refer note 49)	-	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	734.85	483.34	400.94	371.74	383.28
	734.85	**483.34**	**400.94**	**371.74**	**383.28**

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 25 : Other current financial liabilities	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Financial liabilities at amortised cost					
Current maturities of long term borrowings (Refer note 18)	428.60	455.48	304.00	1,486.60	794.25
Interest accrued but not due on borrowings	72.17	91.22	74.93	77.49	61.79
Book overdraft from banks	9.78	93.17	108.26	67.86	57.35
Sundry deposits	18.97	10.89	9.60	8.83	1.63
Payables on purchase of Property, plant and equipment	80.69	84.00	107.07	80.81	102.85
Unpaid dividend	2.74	2.29	2.45	2.66	2.93
Other payables	-	-	0.77	13.44	4.00
Employee related liabilities	109.67	69.26	42.27	69.61	89.14
Retention money payable	33.38	35.29	35.13	38.30	42.99
	756.00	**841.60**	**684.48**	**1,845.60**	**1,156.93**

Note 26 : Short term provisions	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Provision for employee benefits					
Gratuity (Refer note 43)	36.58	31.05	25.54	18.54	14.41
Compensated absences	41.41	36.93	40.77	60.07	55.20
Others Provisions					
Provision for membership programme	5.99	3.62	4.15	2.63	1.77
Provision for wealth tax	-	-	-	7.80	8.55
	83.98	**71.60**	**70.46**	**89.04**	**79.93**

Note 27 : Other current liabilities	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Advance received against sale of property	-	-	20.00	-	30.00
Deferred revenue membership programme	38.45	30.39	35.07	30.27	30.72
Deferred lease rent	8.47	8.57	8.52	6.28	5.85
Advances from customers	152.71	148.91	124.34	96.56	108.30
Statutory dues payable	123.25	120.26	110.89	78.88	105.62
Deferred government grant (Refer note 38)	4.40	4.78	4.78	4.78	4.78
	327.28	**312.91**	**303.60**	**216.77**	**285.27**

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 28 : Revenue from operations	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Sale of services and products					
- Room and apartment rental	2,820.39	2,458.29	2,281.52	2,074.02	1,904.04
- Food and beverage (excluding liquor and wine)	2,100.00	1,851.10	1,735.40	1,565.24	1,410.32
- Liquor and wine	461.65	404.08	365.87	270.74	274.00
- Banquet and equipment rentals	197.93	171.89	123.85	117.88	116.93
- Membership programme revenue	76.49	72.21	74.59	72.30	56.48
- Traded goods	9.47	9.07	9.17	8.17	9.39
- Other services	429.64	489.09	430.64	412.57	301.71
Other operating revenues					
- Rent and maintenance income	180.14	170.12	141.72	114.07	113.91
- Consultancy/management fee	61.20	60.45	60.67	54.01	103.03
- Aircraft charter hire charges	49.07	61.49	47.15	54.64	61.75
	6,385.98	**5,747.79**	**5,270.58**	**4,743.64**	**4,351.56**

Note 29 : Other income	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Other income-recurring					
Amortization of deferred lease rental	3.72	3.75	2.85	2.27	2.54
Government grant income (Refer note 38)	3.67	4.78	4.78	4.78	4.78
Miscellaneous income	16.56	28.58	26.18	35.27	46.26
Other income - non recurring					
Excess provision/ credit balances written back	44.67	42.40	99.23	31.00	20.95
Net gain on disposal of property, plant and equipment	-	-	119.12	-	-
Exchange differences (net)	0.61	-	0.42	6.79	3.88
	69.23	**79.51**	**252.58**	**80.11**	**78.41**

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 30 : Cost of food and beverages consumed	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Consumption of food and beverages (excluding liquor and wine)					
Inventory at the beginning of the year	25.34	27.88	24.44	24.34	16.47
Add: Purchases	648.69	564.26	536.88	475.33	447.62
Less: Inventory at the end of the year	(25.04)	(25.34)	(27.88)	(24.44)	(24.34)
Cost of food and beverage consumed (excluding liquor and wine)	**648.99**	**566.80**	**533.44**	**475.23**	**439.75**
Consumption of liquor and wine					
Inventory at the beginning of the year	56.16	68.84	58.61	54.18	45.29
Add: Purchases	110.58	95.65	104.08	75.39	81.27
Less: Inventory at the end of the year	(52.14)	(56.16)	(68.84)	(58.61)	(54.18)
Cost of liquor and wine consumed	**114.60**	**108.33**	**93.85**	**70.96**	**72.38**
Consumption of food and beverages (including liquor and wine)	**763.59**	**675.13**	**627.29**	**546.19**	**512.13**

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 31 : Change in inventories of traded goods	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Inventory at the beginning of the year	12.43	10.07	9.96	8.74	8.94
Inventory at the end of the year	11.90	12.43	10.07	9.96	8.74
	0.53	**(2.36)**	**(0.11)**	**(1.22)**	**0.20**

Note 32 : Employee benefits expense	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Salaries, wages and allowances (Refer note 48)	1,005.25	909.74	830.10	809.19	764.18
Contribution to provident fund and other funds (Refer note 48)	78.78	67.29	59.24	58.23	55.66
Gratuity expense (Refer note 43 & 48)	13.26	12.02	13.11	12.89	13.71
Leave compensation expenses	10.86	6.44	-	20.28	11.77
Staff welfare expenses (Refer note 48)	19.89	15.98	12.86	12.00	14.21
Staff recruitment and training	5.61	8.23	6.07	5.31	10.57
	1,133.65	**1,019.70**	**921.38**	**917.90**	**870.10**

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 33 : Other expenses	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Consumption of stores, cutlery, crockery, linen, provisions and others	217.23	201.28	169.60	147.06	138.12
Lease rent*	228.83	183.92	179.99	168.94	174.40
Power and fuel*	692.16	630.25	614.82	670.99	593.46
Aircraft fuel	6.64	6.98	5.08	8.87	10.87
Banquet and decoration expenses	157.90	119.92	119.89	95.86	110.32
Membership programme expenses	0.81	3.16	30.60	33.22	29.96
Repair and maintenance					
- Buildings*	88.60	70.90	76.54	53.17	58.86
- Plant and machinery*	180.90	172.59	173.49	144.47	119.70
- Aircraft	24.30	20.05	19.24	21.76	34.17
- Others*	48.12	41.70	38.72	36.13	34.55
Rates and taxes*	105.12	111.30	109.73	102.77	109.25
Insurance*	23.05	22.20	21.97	23.94	26.01
Communication costs	50.04	44.49	38.33	36.48	30.70
Printing and stationery*	35.57	34.45	31.51	28.47	25.53
Traveling and conveyance*	172.14	142.96	145.49	126.50	144.11
Advertisement and business promotion	101.12	85.76	90.31	80.00	122.32
Commission -other than sole selling agent	104.96	74.80	68.00	54.73	55.49
Sub contracting expenses*	192.07	156.30	142.72	140.20	136.49
Membership and subscriptions	14.30	14.53	23.27	37.13	39.85
Professional fees*	66.06	59.40	61.30	53.00	42.77
Legal charges	19.07	12.93	14.12	23.03	27.38
Advances written off	-	1.02	-	0.01	10.31
Other balances written off	31.61	14.83	22.77	15.57	42.47
Freight and cartage*	9.94	8.74	8.56	7.87	6.71
Exchange differences (net) *	-	0.94	-	-	-
Loss on sale/ discard of property, plant and equipment (net)	0.47	1.81	-	0.66	0.88
Donations	7.14	4.66	5.52	5.97	7.33
Bad Debts written off	1.97	-	0.94	0.73	1.35
Provision for doubtful advances	1.00	16.67	-	30.95	50.00
Provision for doubtful debts	11.01	20.62	7.22	4.34	5.73
Directors fees and commission	2.07	1.44	1.09	1.04	1.07
Bank charges	41.79	39.91	37.36	36.71	28.94
Payment to auditors	6.70	7.18	6.35	6.98	6.70
Miscellaneous expenses*	21.07	20.12	17.88	15.35	10.23
	2,663.76	**2,347.81**	**2,282.41**	**2,212.90**	**2,236.03**

*Refer note 48

Annexure V

Notes forming part of restated standalone financial information (All amounts in Rupees million)

Note 34 : Finance income	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Finance income - recurring					
Interest income on					
Loans to related parties					
- Subsidiary companies	130.16	344.29	459.19	419.99	322.17
- The Lalit suri educational and charitable trust	41.44	28.52	21.12	16.66	10.17
Finance lease	10.93	10.93	10.93	10.98	10.92
Others					
- bank deposits	9.33	9.22	7.10	20.56	25.23
- others	33.23	25.93	29.62	24.57	1.91
Exchange difference on foreign currency borrowings		4.88	-	-	0.43
Security deposits carried at amortised cost	3.49	2.48	2.21	1.96	1.84
	228.58	**426.25**	**530.17**	**494.72**	**372.67**

Note 35 : Finance costs	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Interest on:					
-loans from Banks	1,090.94	995.48	705.24	551.70	566.07
- loans from financial institution	3.01	4.63	231.11	352.41	184.28
- debentures	-	-	1.26	29.99	70.81
- credit facilities from banks	97.79	116.39	109.87	91.60	80.13
- loan from director	1.69	8.49	2.97	-	4.67
- others	0.41	-	0.10	-	0.10
Bank charges	3.33	7.62	25.75	2.23	23.22
Unwinding of finance cost from financial instruments	3.33	2.89	1.93	1.96	2.21
Interest on defined benefit plans	6.30	6.34	6.30	6.12	5.58
Finance charges payable under finance lease	0.07	-	-	-	-
Exchange difference on foreign currency borrowings	3.86	-	21.09	10.92	-
	1,210.73	**1,141.84**	**1,105.62**	**1,046.93**	**937.07**

Annexure V

Notes forming part of restated standalone financial information **(All amounts in Rupees million)**

Note 36 : Depreciation and amortisation expense	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Depreciation of property, plant and equipment	508.43	503.14	538.68	992.54	413.87
Amortization of intangible assets	9.47	8.25	9.67	10.81	7.55
	517.90	**511.39**	**548.35**	**1,003.35**	**421.42**
Less: transferred to Pre-operative expenditure (Refer note 48)	-	(2.60)	(2.63)	(2.66)	(0.76)
Less: Depreciation due to change in useful life pursuant to adoption of Schedule II charged to reserves	-	-	-	(371.52)	-
	517.90	**508.79**	**545.72**	**629.17**	**420.66**

37 Standalone notes forming part of the restated standalone financial information **(Rupees in million)**

Segmental Information

Business segments:

For management purposes, the Company is organised into business units based on its services rendered and products sold. The leadership team (chief financial officer and chairperson, being Chief operating decision maker) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss. No operating segments have been aggregated to form the above reportable operating segments. The Company has three reportable segments, as follows:

Hotel operations

It represents sale of rooms and apartments, food and beverages, banquet rentals and other services relating to hotel operations including telecommunication, laundry, business centre, health centre and other related services

Aircraft Charter Operations

It represents services rendered to customers who hire aircraft for travel.

Other Activities

It represents operations relating to renting of shops located within hotel premises and separate business towers operated by the Company.

Particulars	Hotel operations					Aircraft charter operations					Other activities					Total				
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue																				
External sales	6,156.76	5,516.18	5,081.71	4,574.93	4,175.90	49.07	61.49	47.15	54.64	61.75	180.15	170.12	141.72	114.07	113.91	6,385.98	5,747.79	5,270.58	4,743.64	4,351.56
Other income	65.51	79.71	249.31	71.08	76.30	-	-	-	-	-	3.72	3.74	2.85	2.27	2.54	69.23	83.45	252.16	73.35	78.84
Finance Income	-	-	-	-	-	-	-	-	-	-	10.93	10.93	10.93	10.98	10.92	10.93	10.93	10.93	10.98	10.92
Unallocated corporate income	-	-	-	-	-	-	-	-	-	-		-	-	-	-	217.65	411.38	519.66	490.50	361.32
Total	**6,222.26**	**5,595.89**	**5,331.02**	**4,646.01**	**4,252.20**	**49.07**	**61.49**	**47.15**	**54.64**	**61.75**	**194.80**	**184.79**	**155.50**	**127.32**	**127.37**	**6,683.79**	**6,253.55**	**6,053.33**	**5,318.47**	**4,802.64**
Segment result	1,701.09	1,571.50	1,518.92	1,418.23	930.48	(58.55)	(38.83)	(46.67)	(465.64)	(44.62)	121.59	108.38	71.71	59.64	59.42	1,764.13	1,641.05	1,543.96	1,012.23	945.28
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.03	0.02	-	-	0.03	0.03	0.02
Unallocated corporate expenses	-					-										(1,376.65)	(1,089.05)	(981.80)	(978.69)	(852.58)
Tax expense	-					-										75.07	185.13	93.86	(4.27)	(71.80)
Profit/(Loss) for the year																**312.41**	**366.87**	**468.27**	**37.78**	**164.48**

Particulars	Hotel operations					Aircraft charter operations					Other activities					Total				
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Segment assets	14,462.52	15,555.97	15,422.88	15,327.33	15,153.71	451.90	458.35	478.53	508.68	507.37	346.38	348.57	(763.25)	(773.59)	(779.55)	15,260.79	16,362.89	15,138.16	15,062.42	14,881.53
Unallocated corporate assets																10,752.54	9,171.58	8,033.17	7,685.89	7,114.28
Total	**14,462.52**	**15,555.97**	**15,422.88**	**15,327.33**	**15,153.71**	**451.90**	**458.35**	**478.53**	**508.68**	**507.37**	**346.38**	**348.57**	**(763.25)**	**(773.59)**	**(779.55)**	**26,013.33**	**25,534.47**	**23,171.33**	**22,748.31**	**21,995.81**
Segment liabilities	2,761.72	2,498.76	2,354.80	2,228.11	2,425.68	5.34	3.80	1.89	2.42	3.40	338.94	342.80	345.55	335.17	356.53	3,106.00	2,845.36	2,702.24	2,565.70	2,785.61
Unallocated corporate liabilities														-	-	11,895.12	11,891.89	9,969.44	10,082.11	8,882.38
Total	**2,761.72**	**2,498.76**	**2,354.80**	**2,228.11**	**2,425.68**	**5.34**	**3.80**	**1.89**	**2.42**	**3.40**	**338.94**	**342.80**	**345.55**	**335.17**	**356.53**	**15,001.12**	**14,737.25**	**12,671.68**	**12,647.81**	**11,667.99**
Capital expenditure towards acquisition of fixed assets	657.86	500.55	561.83	824.13	404.91	10.68	4.85	-	26.06	-	-	-	-	1.95	7.04	668.54	505.40	561.83	852.14	411.95
Depreciation / amortization	433.78	425.57	458.21	533.63	327.16	32.21	31.91	31.70	31.05	37.83	4.44	5.34	5.36	5.26	4.81	470.43	462.82	495.27	569.94	369.80
Non cash expenses other than depreciation and amortization	51.72	54.95	139.38	51.53	109.40	-	-	-	-	-	-	-	0.03	0.03	0.02	51.72	54.95	139.41	51.56	109.42

Note: Capital expenditure includes exchange differences that have been capitalised.

Geographical information

The operating interests of the Company are confined to India since all the operational activities exists in India only. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical location i.e. India.

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Note 38 : Government Grants

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
At the beginning of the year	12.30	17.08	21.86	26.64	31.42
Released to the statement of profit and	(3.67)	(4.78)	(4.78)	(4.78)	(4.78)
At the end of the year	**8.63**	**12.30**	**17.08**	**21.86**	**26.64**
Current	4.40	4.78	4.78	4.78	4.78
Non-current	4.23	7.52	12.30	17.08	21.86
	8.63	**12.30**	**17.08**	**21.86**	**26.64**

Government grants have been received for the purchase of certain items of property, plant and equipment.

Note 39 : Current tax assets

a. The major components of income tax expense:

Profit and loss section	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Current income tax:					
Current income tax charge	85.90	125.95	97.13	(31.19)	(3.51)
Less: MAT credit entitlement	(18.58)	(125.95)	(122.81)	(7.26)	-
Deferred tax:		-	-	-	-
Relating to origination and reversal of temporary differences	7.75	185.13	119.54	34.18	(68.29)
Income tax expense reported in the statement of profit or loss	**75.07**	**185.13**	**93.86**	**(4.27)**	**(71.80)**

OCI Section					
Deferred tax related to items					
Net gain/(loss) on remeasurement of defined benefit plans	(9.11)	(1.08)	5.54	(7.19)	14.69
Income tax charged to OCI	**3.15**	**0.37**	**(1.92)**	**2.49**	**(4.99)**

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

b. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Accounting	**387.48**	**552.00**	**562.13**	**33.51**	**92.68**
At india' statutory income tax rate of 34.608% (31 March 2017: 34.608%,31 March 2016: 34.608%, 31 March 2015: 34.608%, 31 March 2014: 33.99%)	134.10	191.03	194.54	11.39	31.50
Effect of changes in tax rates	-	-	-	25.20	-
Indexation benefit	(8.52)	-	-	-	-
Effect of change in asset base due to indexation benefit under Income Tax Act	-	(11.12)	(55.63)	(40.60)	(132.72)
Tax on expenses not eligible for deduction	1.96	7.46	10.06	23.58	16.29
Reversal of tax on uncertain tax positions	(52.47)				-
Other permanent differences	-	(2.24)	(55.11)	(23.84)	13.13
Income tax expense reported in the statement of profit and loss	**75.07**	**185.13**	**93.86**	**(4.27)**	**(71.80)**

c. Reconciliation of deferred tax liabilities (net)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
At the beginning of the year	1,273.19	1,214.38	1,215.73	1,319.88	1,383.18
Tax expenses recognised in statement of profit and loss	(10.83)	59.18	(3.27)	26.92	(68.29)
Tax (income)/ expenses recognised in OCI	(3.15)	(0.37)	1.92	(2.49)	4.99
Tax income recognised in General reserve	-	-	-	(128.58)	-
At the end of the year	**1,259.21**	**1,273.19**	**1,214.38**	**1,215.73**	**1,319.88**

d. MAT credit entitlement

At the beginning of the year	407.35	281.40	158.59	151.33	151.33
Add: MAT credit entitlement	18.58	125.95	122.81	7.26	-
At the end of the year	**425.93**	**407.35**	**281.40**	**158.59**	**151.33**

The Company has recognised MAT credit since there is convincing evidence that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward

e. Unused tax losses

Capital losses

The Company has not recognised deferred tax assets of Rs. 168.38 million on losss under the head 'Capital gain' as the Company is not likely to generate taxable income under the same head in foreseeable future. The significant portion of these losses will expire in Financial year ending 31 March 2022.

Business losses and unabsorbed depreciation

The Company has tax losses amounting to Rs. 368.32 million as on 31 March 2018 that is available for off-setting against the future taxable profits of the Company.

Note 40 : Earning per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into equity shares.

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Basic Earnings per share					
Profit attributable to equity share holders of Company for basic EPS	312.41	366.87	468.27	37.78	164.48
Weighted average number of equity shares for basic EPS	75,991,199	75,991,199	75,991,199	75,991,199	75,991,199
Basic earnings per share	4.11	4.83	6.16	0.50	2.16
Diluted Earnings per share					
Profit attributable to equity share holders of Company for diluted EPS	312.41	366.87	468.27	37.78	164.48
Weighted average number of dilutive equity shares for diluted EPS	75,991,199	75,991,199	75,991,199	75,991,199	75,991,199
Diluted Earnings per share	4.11	4.83	6.16	0.50	2.16

Note 41 : Significant accounting judgements, estimates and assumptions

The preparation of the Company's restated financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements
In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Company as lessee
The Company has taken certain land on long term lease basis. The lease agreements generally have an escalation clause. These leases are generally non-cancellable. The Company has determined based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life/remaining economic life of the property and the fair vaue of the asset, that it does not have all the signifcant risks and rewards of ownersip of these properties and accounts for the contracts as operating leases.

Further, the Company, based on an evaluation of the terms and conditions of the respective agreements decided that wherever the escalation are aligned the the average expected general inflation of the lease term period, operating lease payments are not required to be provided on a straightl-line basis over the lease term as an expense in the statement of profit and loss and in other cases (including structured payment terms), operating lease payments are expensed on a straight-line basis over the lease term in the statement of profit and loss.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the restated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 44.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Revenue recognition – Lalit loyalty programme
The Company estimates the fair value of points awarded under the Lalit loyalty programme by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences. As at 31 March 2018, the estimated liability towards unredeemed points amounted to Rs. 5.99 million; 31 March 2017: Rs. 3.62 million, 31 March 2016: Rs. 4.15 million, 31 March 2015: Rs.2.63 million, 31 March 2014: Rs.1.77 million.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Note 42 : Commitments & Contingent liabilities

(a) Capital Commitments

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Estimated amount of contracts remaining to be executed and not provided for	423.99	630.42	696.08	713.16	847.14

(b) Leases

Operating lease commitments - Company

The Company has entered into operating leases on certain land and building properties with lease terms between 30 to 99 years. The Company has the option, under some of its leases, to lease the assets for additional terms of 30 years.

The Company has paid 31 March 2018: Rs. 228.83 millions, 31 March 2017: Rs. 183.92 millions; 31 March 2016: Rs. 179.99 millions; 31 March 2015: Rs. 168.94 millions, 31 March 2014: Rs. 174.40 millions during the year towards minimum lease payment.

Future minimum rentals payables under non-cancellable operating leases are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Within one year	133.53	123.68	114.89	112.63	117.44
After one year but not more than five	525.23	478.05	479.86	468.21	462.22
More than five years	3,333.45	3,335.11	3,453.94	3,572.77	3,821.53
	3,992.20	**3,936.84**	**4,048.69**	**4,153.61**	**4,401.19**

Operating lease commitments - Company as lessor

The Company has entered into operating leases consisting of certain offices. These lease terms are betwen 3 to 99 years. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements.

Future minimum rentals receivables under non-cancellable operating leases are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Within one year	23.84	58.84	58.56	34.61	26.25
After one year but not more than five	0.84	22.62	75.42	2.87	0.88
More than five years	14.81	15.32	15.53	15.74	15.91
	39.49	**96.78**	**149.51**	**53.22**	**43.04**

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Finance lease commitments - Company as lessor

The Company has given certain portion of land and buildings on finance lease. The lease terms is for 93-99 years. Refer note 55.

Future gross rentals receivables under non-cancellable finance leases are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Within one year	10.94	10.94	10.94	10.94	10.94
After one year but not more than five	43.78	43.78	43.78	43.78	43.78
More than five years	623.68	634.63	645.57	656.51	667.46

Future minimum rentals receivables under non-cancellable finance leases are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Within one year	0.02	0.02	0.02	0.02	0.02
After one year but not more than five	0.10	0.09	0.09	0.08	0.07
More than five years	95.33	95.36	95.38	95.41	95.39

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Note 43 : Gratuity and other post-employment

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Gratuity Plan	128.24	107.71	94.07	87.83	72.24
Total	**128.24**	**107.71**	**94.07**	**87.83**	**72.24**

The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more or service gets a gratuity on separation equal to 15 days salary (last drawn salary) for each completed year of continuous service or part thereof in excess of six months.

Risk analysis
The Company is exposed to a number of risks in the defined benfit plans.Most significant risks pertaining to defined benefit plans and management estimation of the impact of these risks are as follows:

- Longevity risk/life expectancy
The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

- Salary growth risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of plan participants will increase the plan liability.

Changes in the defined benefit obligation:

	Defined benefit obligations (31 March 2018)	Defined benefit obligations (31 March 2017)	Defined benefit obligations (31 March 2016)	Defined benefit obligations (31 March 2015) Proforma	Defined benefit obligations (31 March 2014) Proforma
Opening Defined benefit obligations	107.71	94.07	87.83	72.24	78.76
Service Cost	13.26	12.02	13.11	12.89	13.71
Net interest expense	6.30	6.34	6.30	6.12	5.58
Gratuity cost charged to P&L	**19.56**	**18.36**	**19.41**	**19.01**	**19.29**
Actuarial changes arising from changes in demographic assumptions	0.03	(0.09)	(0.29)	0.27	-
Actuarial changes arising from changes in financial assumptions	0.23	3.72	0.42	7.03	(6.82)
Experience adjustments	8.84	(2.55)	(5.67)	(0.11)	(7.87)
Remeasurement gain/(loss) in other comprehensive income	**9.11**	**1.08**	**(5.54)**	**7.19**	**(14.69)**
Benefits paid	(8.13)	(6.25)	(7.63)	(10.61)	(11.12)
Closing Defined benefit obligations*	**128.24**	**107.26**	**94.07**	**87.83**	**72.24**

*The closing defined benefit obligation as at 31 March 2017 excludes liability amounts for employees transferred from group companies amounting to Rs. 0.45 million.

Amount recognised in the statement of profit or loss is as under:

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Current service cost	13.26	12.02	13.11	12.89	13.71
Net interest expense	6.30	6.34	6.30	6.12	5.58
Amount recognised in the statement of profit or loss	**19.56**	**18.36**	**19.41**	**19.01**	**19.29**

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Amount recognised in Other comprehensive income is as under:

Actuarial gain/(loss) arising from changes in demographic assumption	0.03	(0.09)	(0.29)	0.27	-
Actuarial gain/(loss) arising from changes in financial assumption	0.23	3.72	0.42	7.03	(6.82)
Experience adjustments	8.84	(2.55)	(5.67)	(0.11)	(7.87)
Amount recognised in Other comprehensive income	**9.11**	**1.08**	**(5.54)**	**7.19**	**(14.69)**

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Discount rate	7.30%	6.90%	7.80%	8.00%	9.30%
Future salary increase	8.00%	7.50%	7.50%	7.50%	7.5% to 10%

Sensitivity analysis for gratuity liability:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Impact of the change in discount rate					
(a) Impact due to increase of 0.5%	125.25	103.52	83.97	86.32	70.68
(b) Impact due to decrease of 0.5%	130.88	108.21	88.01	92.19	75.60
Impact of the change in salary increase					
(a) Impact due to increase of 0.5%	130.85	108.19	88.01	92.19	75.63
(b) Impact due to decrease of 0.5%	125.25	103.52	83.96	86.30	70.64

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.44 years.

The following payments are expected contributions to the defined benefit plan in future years

Duration (Years)	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
1	365.30	310.51	244.65	183.94	141.90
2	184.68	150.48	135.86	102.75	59.02
3	172.38	137.83	110.74	94.23	91.21
4	146.30	126.82	108.06	80.74	81.16
5	122.73	103.22	102.48	87.52	63.82
6 and above 6	894.91	712.54	770.18	1,277.19	1,247.77
Total expected payments	1,886.30	1,541.41	1,471.97	1,826.36	1,684.88

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Note 44 : Fair value measurement

a. Financial instruments by category

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**FVTPL**	**Amortised Cost**	**Amortised Cost**
Financial Assets									
Investments in equity instruments	0.36	-	0.36	-	0.36	-	0.36	-	-
Trade receivables	-	555.99	-	437.16	-	394.89	-	352.01	311.37
Loans	-	1,330.85	-	3,591.07	-	4,304.24	-	3,648.78	3,053.79
Security deposits	-	70.97	-	60.95	-	68.54	-	69.21	69.28
Margin money deposits	-	135.03	-	139.77	-	55.07	-	74.58	96.75
Interest accrued	-	6.38	-	6.08	-	11.27	-	10.67	23.18
Finance lease receivable	-	95.45	-	95.45	-	95.47	-	95.49	95.52
Cash and cash equivalents	-	192.36	-	659.79	-	182.95	-	655.65	356.05
Subsidy receivable	-	14.21	-	9.39	-	13.32	-	12.58	3.94
Recoverable from related parties	-	87.72	-	1,103.35	-	1,547.63	-	1,099.32	683.25
Others	-	63.03		44.63	-	71.62	-	40.71	460.08
				-					
Total Financial Assets	**0.36**	**2,551.99**	**0.36**	**6,147.64**	**0.36**	**6,745.00**	**0.36**	**6,059.00**	**5,153.21**
Financial Liabilities									
Borrowings	-	11,784.19	-	11,728.96	-	9,818.69	-	9,945.28	8,751.63
Deposits (including retention payable)	-	90.93	-	84.26	-	79.19	-	66.65	81.25
Trade payables	-	734.85	-	483.34	-	400.94	-	371.74	383.28
Other current financial liabilities	-	275.05	-	339.94	-	335.75	-	311.87	318.06
Other non current financial liabilities	-	6.47	-	6.91	-	7.34	-	7.77	8.20
Total Financial Liabilities	**-**	**12,891.49**	**-**	**12,643.41**	**-**	**10,641.91**	**-**	**10,703.31**	**9,542.42**

Note: The financial assets above do not include investments in subsidiaries and associates which are measured at cost in accordance with Ind AS 101, Ind AS 27 and Ind AS 28.

b. Fair value measurement hierarchy for assets and liabilities

Fair value measurement

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
The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement

i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

iii) Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company’s assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy of the Company’s assets and liabilities:

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Financial assets and liabilities measured at fair value

		As at 31 March 2018			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial investments as FVTPL					
Unquoted equity instruments	-	-	-	0.36	0.36

	As at 31 March 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.36	0.36

	As at 31 March 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.36	0.36

	As at 31 March 2015 (Proforma)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.36	0.36

	As at 31 March 2014 Proforma			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments		-	-	-

c. Fair value of financial assets and liabilities measured at amortised cost

i. The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, bank overdrafts, Interest accrued on bank deposits with banks, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

ii. The fair values of loans, security deposits, borrowings and other financial assets and liabilities are considered to be the same as their fair values, as there is an immaterial change in the lending rates.

Note 45 : Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carrying its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable interest rates.

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Variable rate borrowings	11,761.35	11,643.79	9,723.24	9,705.95	8,333.48
Fixed rate borrowings	22.83	85.17	95.45	239.33	418.15

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on Profit before tax				
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Increase by 50 basis points (for all the presented periods)	58.81	58.22	48.62	48.53	41.67
Decrease by 50 basis points (for all the presented periods)	(58.81)	(58.22)	(48.62)	(48.53)	(41.67)

Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure in foreign currency is in loans, debtors and advances recoverable denominated in foreign currency. The Company is not restricting its exposure of risk in change in exchange rates. The Company expects the Indian Rupee to strengthen and accordingly the Company is carrying the risk of change in exchange rates.

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Trade creditors					
-USD	0.01	0.01	0.01	0.01	0.14
Advances recoverable					
-USD	1.89	-	-	-	3.75
Trade receivables					
-USD	-	0.27	0.27	0.27	-
-GBP	0.07	-	-	-	-
FDR					
-USD	0.27	0.27	0.27	0.27	0.27
EEFC Bank Balance					
-USD	4.26	0.11	0.03	0.10	0.05
Unsecured loans					
-USD	7.60	7.60	7.60	-	-
Secured loans					
-USD	14.36	16.61	18.59	20.43	21.85

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD-INR and GBP-INR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Effect on profit before tax*				
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
USD Sensitivity					
Increase by 5% (for all the presented periods)	(50.52)	(76.40)	(84.99)	(61.95)	(53.85)
Decrease by 5% (for all the presented periods)	50.52	76.40	84.99	61.95	53.85

*In accordance with exemption allowed under Ind AS 101, the Company capitalises exchange differences arising on long term foreign currency monetary items. Accordingly, the profit before tax will not be impacted to that extent.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including loans to related parties, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security except for some cases.

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at respective reporting dates is the carrying amount as illustrated in Note 44(a).

Gross carrying amount of trade receivables

Ageing	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Not due	91.30	69.46	58.50	48.86	61.15
0-60 days past due	338.39	280.58	220.53	211.43	168.82
61-120 days past due	67.90	44.16	35.54	30.46	33.95
121-180 days past due	25.42	18.15	23.25	14.89	23.97
180-365 days past due	23.39	16.54	31.88	26.46	9.27
more than 365 days	105.02	95.04	91.63	80.24	71.39
	651.42	**523.93**	**461.33**	**412.34**	**368.55**

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Provision for doubtful debts (including provision for expected

Ageing	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
121-180 days past due	0.02	-	-	0.05	-
180-365 days past due	5.00	1.35	4.08	3.34	5.33
more than 365 days	90.41	85.42	62.36	56.94	51.85
	95.43	**86.77**	**66.44**	**60.33**	**57.18**

Reconciliation of provision for doubtful debts - Trade receivables (including provision for expected credit loss on trade receivable

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Provision at beginning	86.77	66.44	60.33	57.18	60.68
Addition during the periods	11.01	20.62	7.22	4.34	5.73
Reversal during the periods	(2.35)	(0.29)	(1.11)	(1.19)	(8.07)
Utilised during the periods	-	-	-	-	(1.16)
Provision at closing	**95.43**	**86.77**	**66.44**	**60.33**	**57.18**

Reconciliation of provision for doubtful advances - Loans and deposits

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Provision at beginning	69.98	53.31	94.48	103.31	55.42
Addition during the periods	1.00	16.67	38.83	30.95	50.00
Reversal during the periods	(15.80)	-	(80.00)	(0.95)	(2.11)
Provision at closing	**55.18**	**69.98**	**53.31**	**133.31**	**103.31**

Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company had access to the following undrawn borrowing facilities at the end of the reporting periods -

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Floating rate					
(a) Expiring within one year (Bank Secured					
-Cash credit facilities	140.27	159.01	1.18	4.91	-
-Short term loans	11.90	12.79	7.30	0.26	10.20
Unsecured					
-Cash credit facilities	-	-	2.27	1.81	0.89
-Short term loans	-	25.94	26.53	-	-
-Buyer's credit	-	-	-	2.19	12.49
(b) Expiring beyond one year (Bank Secured					
-Rupees term loan from banks	2.30	625.00	427.50	3,506.53	-
-Foreign currency loan from banks	-	-	-	-	-

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
As at 31 March 2018					
Contractual maturities of borrowings	2,711.92	1,811.46	5,808.79	8,211.35	18,543.53
Contractual maturities of trade payables	734.85	-	-	-	734.85
Contractual maturities of security deposit	5.38	0.64	34.40	496.09	536.50
Contractual maturities of other financial liabilitie	238.15	49.87	-	-	288.03

	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
As at 31 March 2017					
Contractual maturities of borrowings	3,386.40	1,580.75	5,360.54	8,914.48	19,242.17
Contractual maturities of trade payables	483.34	-	-	-	483.34
Contractual maturities of security deposit	11.97	27.61	3.02	495.71	538.31
Contractual maturities of other financial liabilitie	284.00	-	-	-	284.00

	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
As at 31 March 2016					
Contractual maturities of borrowings	3,122.39	1,344.37	4,259.25	8,075.98	16,801.99
Contractual maturities of trade payables	400.94	-	-	-	400.94
Contractual maturities of security deposit	5.91	6.33	28.12	496.17	536.53
Contractual maturities of other financial liabilitie	295.95	-	-	-	295.95

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
As at 31 March 2015					
Contractual maturities of borrowings	3,122.39	2,090.64	4,059.78	6,221.68	15,494.49
Contractual maturities of trade payables	371.74	-	-	-	371.74
Contractual maturities of security deposit receiv	5.91	6.54	3.67	495.73	511.85
Contractual maturities of other financial liabiliti	272.68	-	-	-	272.68

	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
As at 31 March 2014					
Contractual maturities of borrowings	2,779.05	2,289.70	4,540.74	2,779.07	12,388.56
Contractual maturities of trade payables	383.28	-	-	-	383.28
Contractual maturities of security deposit receiv	1.63	1.31	0.10	518.27	521.31
Contractual maturities of other financial liabiliti	299.26	-	-	-	299.26

Notes forming part of restated standalone financial statements (All amounts in Rupees Million)

Note 46 : Related Party Disclosures

a) Name of related parties and their relationship:

Subsidiaries	Jyoti Limited Apollo Zipper India Limited Prime Cellular Limited Prima Buildwell Private Limited Kujjal Builders Private Limited (Considered as a subsidiary w.e.f. 1 January 2013)
Entity controlled by the Company	The Lalit Suri Educational and Charitable Trust
Key managerial personnel	Dr. Jyotsna Suri, Chairperson & Managing Director Ms. Deeksha Suri, Executive Director Ms. Divya Suri Singh, Executive Director Mr. Keshav Suri, Executive Director Mr. Ramesh Suri (Non-Executive Director) Mr. Hanuwant Singh (Non-Executive Director) (till 30 June 2017) Mr. M Y Khan (Non-Executive Director) Mr. Lalit Bhasin, Non Executive Director (till 6 September 2017) Mr. Dhruv Prakash, Non Executive Director (w.e.f. 21 July 2017) Mr. Ranjan Mathai, Non Executive Director (w.e.f. 29 August 2017) Mr. Vivek Mehra, Non Executive Director (w.e.f. 21 July 2017) Ms. Shovana Narayan, Non Executive Director (w.e.f. 16 October 2017) Mr. D.V. Batra, Non Executive Director (till 14 August 2017) Mr. Vinod Khanna (Non-Executive Director) (till 27 April 2017) Mr. Abhay N. Firodia (Non-Executive Director) (till 21 May 2016) Mr. Chakor Lal Doshi (Non-Executive Director) (till 20 July 2016) Mr. Madhav Sikka, Chief Financial Officer (till 24 March 2018) Mr. Himanshu Pandey, Head Legal and Company Secretary (w.e.f. 16 October 2017) Mr. Sandeep Chandna, Company Secretary (till 20 September 2017)
Joint venture of subsidiaries	Cavern Hotel and Resort FZCO
Enterprises owned or significantly influenced by key management personnel or their relatives	Deeksha Holding Limited (DHL) Deeksha Human Resource Initiatives Limited (DHRIL) Jyotsna Holding Private Limited Mercantile Capital & Financial Services Private Limited Eila Builders & Developers Limited Prima Telecom Limited Premium Farm Fresh Produce Limited Premium Exports Limited Richmond Enterprises S.A. Responsible Builders Private Limited Rohan Motors Limited Subros Limited Premium Holdings Limited FIBCOM India Limited Global Autotech Limited Grand Hotel & Investments Limited L P Hospitality Private Limited Cargo Hospitality Private Limited Kronokare Cosmetics Pvt Ltd Cargo Motors Delhi Private Limited Cargo Motors Private Limited Cargo Motors Rajasthan Private Limited Bhasin & Company (till 8 September 2017) Hemkunt Service Station Private Limited Tempo Automobiles Private Limited Godawari Motors Private Limited St. Olave's Limited Ramesh Suri (HUF)
Relatives of key managerial personnel	Mr. Jayant Nanda

b) Loans made to the subsidiaries are on mutually agreed terms.

c) The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balance at the year-end are unsecured and interest free and settlement occurs in cash.

d) The short term loans facilities (as discussed in note 23) from bank availed by the Company have been secured by way of guarantee given by Premium Holding Limited.

e) The guarantees given by the Company for the related parties are given in the ordinary course of business and related parties have provided counter guarantees for such guarantees.

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Note 46 : Related party transactions

(f) The following tables provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(i) Subsidiaries (including entities controlled by the Company)

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Jyoti Limited					
-Sale of goods / services	-	-	1.25	1.42	3.32
-Loan provided	0.80	2.15	3.53	7.05	0.94
-Loan (received)	-	-	-	(2.00)	-
-Licence fees	-				
-Reimbursement of expenses	-	-	-	0.07	-
-Lease rent paid	5.00	5.00	5.00	5.00	5.00
-Interest Income on loan to Jyoti	4.99	4.44	3.95	3.52	3.13
Apollo Zipper India Limited					
-Sale of goods / services	-	-	-	-	0.54
-Loan provided	248.66	831.75	278.86	285.01	311.54
-Loan (received)	(59.21)	(37.20)	(92.58)	(37.30)	(35.00)
-Interest received	29.46	49.86	188.31	171.07	141.48
-Corporate guarantees given	-	-	-	-	20.26
-Consultancy services provided	34.70	30.13	27.79	21.81	43.88
-Reimbursement of expenses	1.91	0.13	4.67	3.58	3.34
-Security deposit (received)	-	(0.10)	(0.10)	(0.20)	-
-Security deposit refund	-	0.10	0.10	0.20	-
-Deemed Investment	(205.06)	(3,013.45)	-	-	-
Prima Cellular Limited					
-Loan provided	6.07	5.22	3.98	2.13	1.42
-Loan (received)	(50.00)	(5.15)	(5.40)	-	-
-Interest received	21.19	23.48	25.68	27.56	29.46
-Reimbursement of expenses	(0.60)	-	-	-	-
-Security deposit (received)	-	-	(0.10)	-	-
-Security deposit refund	-	-	0.10	-	-
Prima Buildwell Private Limited					
-Loan provided	0.50	0.80	0.60	0.50	53.07
-Loan (received)	(24.14)	(48.00)	(0.50)	-	(100.00)
-Interest received	0.26	3.90	6.44	6.93	3.82
-Reimbursement of expenses	0.02	-	-	-	-
The Lalit Suri Educational and Charitable Trust					
-Loan provided	147.14	53.85	64.48	35.35	87.69
-Interest received	41.44	28.52	21.12	16.66	10.17
-Deemed investment on fair valuation of interes	(31.61)	-	-	-	-
-Deemed investment written off	31.61	-	-	-	-
-Other balances written off	-	14.83	22.77	15.57	42.47

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Kujjal Builders Private Limited					
-Services provided	0.17	-	1.49	0.58	2.83
-Loan received	(17.25)	(31.63)	(33.10)	-	-
-Loan provided	164.77	707.14	357.36	331.53	1,176.52
-Sale of fixed assets	-	-	-	-	-
-Interest received	74.27	262.60	234.82	210.91	144.27
-Corporate guarantee given	-	-	-	-	150.00
-Sale of fixed assets	-	-	0.13	-	-
-Consultancy services provided	26.27	20.42	20.08	19.07	51.41
-Reimbursement of expenses	1.55	29.05	3.79	1.61	10.57
-Investment in Kujjal on corporate guarantee	-	-	-	-	-
-Deemed investment on fair valuation of interes	(3,674.88)	-	-	-	-

(ii) Key management personnel

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Dr. Jyotsna Suri					
-Short term employee benefits	8.40	8.40	8.40	5.70	4.80
-Post employment benefits	0.31	0.31	0.31	3.01	0.21
-Leave compensation	-	-	(0.54)	0.56	-
-Lease rent paid	3.00	3.45	3.42	3.37	3.25
-Interest paid on deposits	1.69	8.49	2.97	-	2.90
-Corporate guarantees given/ (received)	(147.14)	(53.85)	(370.51)	-	-
-Loan (received)	(46.00)	(128.50)	(752.00)	-	(93.50)
-Loan repaid	89.50	120.00	717.00	-	93.50
-Sale of goods/ services	2.49	2.36	1.39	0.16	-
Ms. Deeksha Suri					
-Short term employee benefits	7.20	7.20	7.20	6.20	4.80
-Post employment benefits	0.29	0.42	0.36	1.11	(0.09)
-Leave compensation	-	0.02	(0.51)	0.46	(0.17)
-Compensated absences	-	-	-	-	-
-Lease rent paid	2.40	1.70	1.20	1.20	1.20
-Interest paid on deposits	-	-	-	-	0.28
-Loan (received)	-	-	-	-	(7.50)
-Loan repaid	-	-	-	-	7.50
Ms. Divya Suri Singh					
-Short term employee benefits	7.20	7.20	7.20	6.20	4.80
-Post employment benefits	0.31	0.39	0.30	0.65	0.15
-Leave compensation	-	0.04	(0.50)	0.47	(0.18)
-Lease rent paid	2.40	1.70	1.20	1.20	1.20
-Interest paid on deposits	-	-	-	-	1.03
-Loan (received)	-	-	-	-	(25.00)
-Loan repaid	-	-	-	-	25.00
Mr. Keshav Suri					
-Short term employee benefits	7.20	7.20	7.20	6.20	4.80
-Post employment benefits	0.28	0.37	0.32	0.79	0.04
-Leave compensation	-	0.02	(0.50)	0.45	(0.15)
-Interest paid on deposits	-	-	-	-	0.46
-Loan (received)	-	-	-	-	(14.00)
-Loan repaid	-	-	-	-	14.00

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Mr. Madhav Sikka					
-Post employee benefits	0.10	0.16	0.10	0.10	0.09
-Leave encashment	-	0.02	(0.71)	(0.04)	0.10
- Salary and Wages	4.96	-	-	-	-
Mr. Himanshu Pandey					
-Post employee benefits	0.06	0.06	0.04	0.06	0.03
-Leave encashment	-	0.01	(0.15)	0.10	0.02
- Salary and Wages	1.89	-	-	-	-
Mr. Sandeep Chandna					
- Salary and Wages	1.15	-	-	-	-
Mr. Hanuwant Singh					
-Sitting fee	0.09	0.42	0.30	0.22	0.18
Mr. M.Y. Khan					
-Sitting fee	0.48	0.21	0.16	0.08	0.14
Mr. Dhruv Prakash					
- Sitting Fees	0.33	-	-	-	-
Mr. Ranjan Mathai					
- Sitting Fees	0.15	-	-	-	-
Mr. Vivek Mehra					
- Sitting Fees	0.26	-	-	-	-
Ms. Shovana Narayan					
- Sitting Fees	0.05	-	-	-	-
Mr. Lalit Bhasin					
-Sitting fee	0.14	0.25	0.18	0.14	0.19
Mr. D V Batra					
-Sitting fee	0.05	0.11	0.12	0.10	0.06
Mr. Vinod Khanna					
-Sitting fee	-	0.04	0.06	0.02	0.02
Mr. Abhay N. Firodia					
-Sitting fee	-	-	0.02	-	-
Mr. Chakor Lal Doshi					
-Sitting fee	-	0.02	0.02	0.02	0.02
Mr. Ramesh Suri					
-Director's sitting fees	0.50	0.36	0.34	0.34	0.40

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The non-executive directors do not receive gratuity entitlements from the Company.

(iii) Transaction with Enterprises owned or significantly influenced by key managerial personnel or their relatives:

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Deeksha Holding Limited					
-Sale of goods / services	11.05	5.77	5.23	4.00	4.79
-Purchase of goods	0.58	0.30	0.29	0.36	0.22
-Reimbursement of expenses by DHL	0.12	-	-	-	0.15
-Lease rent paid	15.63	15.41	15.02	14.70	14.73
-Payment on behalf of DHL	-	-	-	-	-
-Maintenance charges received	0.87	0.85	0.84	0.40	0.37
-Reimbursement of expenses by the Company	-	1.55	-	-	-
-Security deposit received	-	-	-	(0.60)	-
-Security deposit refunded	-	-	-	0.60	-
-Loan (received)	-	-	(22.00)	-	-
-Loan repaid	-	-	22.00	-	-
-Interest paid on loans	-	-	0.10	-	-

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Deeksha Human Resource Initiatives Limited					
-Services received	-	-	16.63	16.03	14.49
-Expenditure incurred by DHRIL and reimbursed by BHL	-	0.01	15.50	16.92	12.58
-Maintenance charges received	-	-	0.79	0.27	0.22
Jyotsna Holding Private Limited					
-Lease rent paid	-	0.89	0.93	0.81	0.77
-Security deposit refund received	-	0.34	-	-	1.93
-Sale of goods and services	1.03				
Mercantile Capital & Financial Services Private Limited					
-Maintenance charges received	0.11	0.10	0.10	0.10	0.08
Grand Hotels & Investments Limited					
-Consultancy Services provided	-	15.72	17.76	17.62	18.22
-Re-imbursement of expenses paid	-	13.43	5.37	10.62	10.10
Prima Telecom Limited					
-Sale of goods / services	0.18	0.10	0.07	-	0.08
-Purchase of goods	0.21	-	-	-	0.71
Premium Farm Fresh Produce Limited					
-Advance received for proposed sales of Amritsar land	-	-	-	30.00	17.00
-Sale of goods / services	-	-	-	4.60	2.46
Responsible Builders Private Limited					
-Maintenance charges received	0.46	0.48	0.47	0.19	0.18
-Sale of goods / services	0.44				
Premium Exports Limited					
-Lease rent paid	0.14	0.27	0.27	0.12	0.12
-Security deposit paid	-	-	0.01	-	-
Rohan Motors Limited					
-Sale of goods / services	0.83	0.54	0.64	0.69	0.75
-Purchase of fixed assets	0.42	-	-	-	0.46
-Services received	0.18	0.11	0.61	0.16	0.28
-Maintenance charges received	0.20	0.18	0.18	0.17	0.15
Subros Limited					
-Sale of goods / services	9.49	9.08	12.35	9.74	9.75
-Maintenance charges received	2.02	2.19	1.77	1.73	1.50
FIBCOM India Limited					
-Maintenance charges received	-	0.14	0.07	0.13	0.12
-Sale of goods / services	0.09				
Premium Holdings Limited					
-Guarantee (received)	-	-	(1,108.39)	-	-
L P Hospitality Private Limited					
-Consultancy Services	0.57	-	0.92	-	-
Cargo Hospitality Private Limited					
-Sale of fixed asset	-	-	470.00	-	-

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Kronokare Cosmetics Pvt Ltd					
-Purchase of goods	24.18	83.53	11.67	10.34	8.99
-Sale of Goods	-	6.42	4.76	-	-
Cargo Motors Pvt Ltd					
-Purchase of goods	-	-	-	-	-
-Sale of Goods	0.53	0.18	0.18	0.23	1.19
Bhasin & Co					
-Consultancy services received	-	0.42	0.42	0.42	0.45
-Sale of goods	-	0.34	1.03	-	2.34
Hemkunt Service Station Private Limited					
-Sale of goods / services	0.03	-	-	-	-
-Purchase of goods	12.31	-	-	-	-
Tempo Automobile Private Limited					
-Sale of goods / services	0.20	-	-	-	-
-Services received	0.07	-	-	-	-
Godawari Motors Private Limited					
-Sale of goods / services	0.25	-	-	-	-
-Purchase of goods	3.90	-	-	-	-
-Maintenance charges received	0.25	-	-	-	-
Ramesh Suri (HUF)					
-Maintenance charges received	0.11	-	-	-	-
St. Olave's Limited					
-Consultancy Services provided	5.92	-	-	-	-
-Expenditure incurred by BHL and reimbursement received by BHL	7.67	-	-	-	-
Cargo Motors Rajasthan Pvt Ltd					
-Sale of goods / services	0.67	0.13	-	-	-

(iv) Balance outstanding with Subsidiaries and Joint Ventures

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Subsidiaries and entities controlled by the Company- Receivables					
Jyoti Limited	83.64	35.68	33.59	29.37	23.84
Apollo Zipper India Limited	3,510.12	244.44	2,408.09	2,029.72	1,604.91
Prime Cellular Limited	305.66	331.13	309.92	289.14	262.23
Prima Buildwell Private Limited	54.86	78.24	121.93	77.32	70.59
The Lalit Suri Education & Charitable Trust	458.64	301.67	234.13	91.30	84.86
Kujjal Builders Private Limited	3,988.48	3,756.18	2,797.11	2,245.32	1,704.68
Relatives of Key Managerial Personnel					
Jayant Nanda	-	1.07	-	-	-
Enterprises owned or significantly influenced by key management personnel or their relatives- Receivables					
Deeksha Holding Limited	3.30	3.75	2.80	1.56	2.02
Deeksha Human Resource Initiatives Limited	0.09	0.09	0.16	0.09	0.02
Jyotsna Holding Private Limited	-	-	-	-	1.93
Tempo Automobiles Private Limited	0.01	-	-	-	-
Mercantile Capital & Financial Services Private	0.01	0.01	0.01	0.01	-
Premium Farm Fresh Produce Limited	-	-	-	1.95	0.45
Prima Telecom Limited	0.08	0.04	0.01	-	-
Responsible Builders Private Limited	0.06	0.07	0.06	-	-
Rohan Motors Limited	0.28	0.28	0.19	0.16	0.13
Subros Limited	2.75	4.32	3.75	2.14	1.40
FIBCOM India Limited	1.22	1.21	1.07	1.04	0.05
Godawari Motors Private Limited	0.27				
Grand Hotels & Investments Limited	5.37	22.26	22.48	10.21	9.62
Ramesh Suri (HUF)	0.03	-	-	-	-
LP Hospitality Pvt Ltd	0.16	1.97	1.97	-	-
Cargo Motors Delhi Private Limited	10.40	10.40	10.40	10.40	-
Cargo Motors Private Limited	4.01	3.60	3.49	4.51	1.23
Cargo Motors Rajasthan Private Limited	0.93	0.31	0.31	0.31	0.31
St. Olave's Limited	13.91		-	-	-
Kronokare Cosmetics Pvt Ltd	1.30	0.83	0.76	-	-
Bhasin & Company	-	1.65	1.50	1.37	0.58

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Key management personnel - Payables					
Ms. Jyotsna Suri	1.07	47.66	34.32	-	-
Ms. Divya Suri	0.36	2.35	0.09	-	-
Ms. Deeksha Suri	0.36	3.00	0.09	-	-
Mr. Keshav Suri	-	0.64	-	-	-
Deeksha Holding Limited	10.23	0.08	5.04	0.09	2.30
Deeksha Human Resource Initiatives Limited	0.48	13.09	12.74	4.93	7.07
Jyotsna Holding Private Limited	0.01	0.01	0.08	0.01	0.42
Mercantile Capital & Financial Services Private	-	-	-	-	0.33
Premium Farm Fresh Produce Limited	-	-	-	-	30.00
Global Autotech Limited	0.01	-	-	-	-
Responsible Builders Private Limited	-	-	-	0.02	0.02
Rohan Motors Limited	0.02	-	0.50	-	1.09
Subros Limited	-	-	-	-	9.79
Tempo Automobiles Pvt. Ltd	0.01	-	-	-	0.11
Prima Telecom Limited	0.02	-	-	-	-
Premium Exports Limited	-	0.26	0.02	-	0.01
L P Hospitality Private Limited	0.01	-	-	-	-
Hemkunt Service Station Private Limited	4.23	-	-	-	-
Kronokare Cosmetics Pvt Ltd	0.12	1.00	0.34	0.22	-
Bhasin & CO.	-	0.57	-	0.51	-

(v) Corporate Guarantee/undertaking outstanding:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
	Receivables	**Receivables**	**Receivables**	**Receivables**	**Receivables**
Subsidiaries					
Apollo Zipper India Limited	1,307.18	1,307.18	1,737.18	1,737.18	1,737.18
Kujjal Builders Private Limited	1,165.00	1,165.00	1,550.00	1,550.00	1,550.00
Key management personnel - Payables					
Ms. Jyotsna Suri	(571.50)	(424.36)	(370.51)	-	-
Enterprises owned or significantly influenced by key management personnel or their relatives- Payables					
Premium Holdings Limited	(520.35)	(518.71)	(530.66)	-	-
Richmond Enterprises S.A.	-	(620.00)	(577.73)		

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Note 47 : Lalit Loyalty and Membership Programme

(a) Points for Lalit Connect

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Accrued points	332,642	232,339	560,659	383,932	146,369
Redeemed points	44,258	149,536	329,750	146,243	54,288
Redemption percentage	13.30%	64.36%	58.81%	38.09%	37.09%
Unexpired points	288,384	82,803	230,909	237,689	92,081

(b) Points for Lalit Plus

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Accrued points	175,273	346,659	399,653	238,177	136,146
Redeemed points	62,918	181,081	326,559	151,312	50,161
Redemption percentage	35.90%	52.24%	81.71%	63.53%	36.84%
Unexpired points	112,355	165,578	73,094	86,865	85,985

(c) Points for Lalit Engage

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Accrued points	87,358	54,705	111,303	107,114	-
Redeemed points	14,484	40,143	51,488	97,096	-
Redemption percentage	16.58%	73.38%	46.26%	90.65%	-
Unexpired points	72,874	14,562	59,815	10,018	-

(d) Movement in provision

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
At the beginning of the period	3.62	4.15	2.63	1.77	1.90
Arising during the period	5.41	8.74	19.21	10.73	2.48
Utilised during the period	3.04	9.27	17.69	9.87	2.61
At the end of the period	5.99	3.62	4.15	2.63	1.77

(e) Movement in membership programme

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
At the beginning of the period	30.39	35.07	30.27	30.72	23.71
Arising during the period	76.49	72.21	74.59	72.30	56.48
Utilised during the period	68.42	76.89	69.79	72.75	49.48
At the end of the period	38.46	30.39	35.07	30.27	30.72

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Note 48 : Preoperative expenditure pending allocation

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Balance as per last account	816.92	1,152.23	934.47	685.90	468.74
Additions during the period:					
Employee benefit expenses					
Salaries, wages and bonus	-	24.17	24.42	29.45	35.18
Contribution to provident and other funds	20.90	1.47	1.37	1.57	1.92
Workmen and staff welfare expenses	-	0.77	-	-	-
Depreciation/ amortization	-	2.60	2.63	2.66	0.76
Operating and other expenses					
Consultancy charges	-	0.67	5.03	-	0.53
Consumption of stores, cutlery, crockery, linen, provisions and others	-	6.55	-	-	-
Lease rent	-	0.76	2.08	1.29	0.39
Power and fuel	0.52	10.84	0.58	1.34	0.58
Repair and maintenance					
- Buildings	-	0.07	-	-	-
- Plant and machinery	-	-	-	0.16	0.13
- Others	-	-	-	-	0.01
Rates and taxes	-	21.70	-	0.55	0.44
Insurance	0.40	0.81	0.82	3.25	0.35
Communication costs	0.62	0.18	-	-	-
Printing and stationery	-	0.43	-	-	0.02
Traveling and conveyance	-	1.35	0.48	0.74	0.58
Advertisement and business promotion	1.92	0.70	-	-	-
Sub contracting expenses	-	5.97	3.48	2.35	2.44
Membership and subscriptions	1.03	0.08	-	-	-
Professional fees	0.21	1.90	3.07	0.41	5.32
Legal charges	-	-	-	-	0.15
Freight and cartage	4.02	0.70	0.37	0.86	0.08
Exchange difference (net)	-	(3.94)	14.25	10.16	21.94
Donations	-				
Bank Charges		0.02	-	-	-
Miscellaneous expenses	-	4.24	1.71	0.55	0.29
Interest on term loan	-	141.86	166.56	198.38	152.33
Bank charges	117.90	0.03	0.01	0.52	0.98
	964.44	**1,376.16**	**1,161.33**	**940.14**	**693.16**
Less: expensed off during the year					
Less : Interest earned	-	0.53	0.98	5.67	7.26
Less : Expenditure transferred to fixed assets	0.57	558.71	8.12	-	-
Closing balance	**963.87**	**816.92**	**1,152.23**	**934.47**	**685.90**

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Note 49 : Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 to the extent of confirmation received:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	-	-	-	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-	-	-
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 section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-	-	-	-

Note 50 : Distribution made and proposed

Cash dividends on equity shares declared and paid:	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Final dividend on equity shares paid in the year ended on 31 March 2018: Rs. 1.00 per share (31 March 2017 : Rs. 1.00 per share;31 March 2016: Rs. 0.75 per share; 31 March 2015: Rs. 0.50 per share and 31 March 2014: Rs.0.50 per share)	75.99	56.99	38.00	38.00	38.00
Dividend distribution tax on final dividend	15.47	11.60	7.74	6.46	6.16
	91.46	**68.59**	**45.74**	**44.46**	**44.16**
Proposed dividends on Equity shares:					
Proposed dividend for the year ended on 31 March 2018: Rs. 1 per share (31 March 2017: Rs. 1 per share, 31 March 2016: Rs. 0.75 per share; 31 March 2015: Rs.0.50 per share and 31 March 2014: Rs.0.50 per share)	75.99	75.99	56.99	38.00	38.00
Dividend distribution tax on proposed dividend	15.47	15.47	11.60	7.74	6.46
	91.46	**91.46**	**68.59**	**45.74**	**44.46**

Proposed dividends (including DDT thereon) on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2018.

Notes forming part of restated standalone financial statements (All amounts Rupees in Million)

Note 51 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 40% and 65%. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Borrowings (Note 18, 23 & 25)	11,784.18	11,728.96	9,818.69	9,945.28	8,751.63
Trade payables (Note 24)	734.85	483.34	400.94	371.74	383.28
Book overdrafts from banks (Note 25)	9.78	93.17	108.26	67.86	57.35
Less: Cash and cash equivalents (Note 10)	(192.35)	(659.79)	(182.95)	(655.65)	(356.05)
Net debt	**12,336.46**	**11,645.68**	**10,144.94**	**9,729.23**	**8,836.21**
Equity	11,012.21	10,797.22	10,499.65	10,073.50	10,327.82
Capital and net debt	**23,348.67**	**22,442.90**	**20,644.59**	**19,802.73**	**19,164.03**
Gearing ratio	52.84%	51.89%	49.14%	49.13%	46.11%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

Note 52 : Details of Corporate social responsibility (CSR) expenditure:

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
a) Gross amount required to be spent by the Company during the year	5.34	0.41	Not Applicable	Not Applicable	Not Applicable

b) Amount spent during the quarter ended on 31 March 2018:	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	3.84

(b) Amount spent during the year ended	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	3.34

53. Contingent Liabilities not provided for:

a) Income Tax Matters

Assessment year	Amounts disputed (Rupees in million)				
	31 March 2018#	31 March 2017#	31 March 2016	31 March 2015	31 March 2014
1988-89 to 2009-10	86.37	86.37	825.40	825.40	825.40
2010 – 11	180.00	180.00	-	-	8.68
2011 - 12 to 2014-15	17.89	17.89	43.82	3.10	19.56
2015-16	12.07	-	-	-	-
Total	**296.33**	**284.26**	**869.22**	**828.50**	**853.64**

The above income tax matters include certain disallowances of expenses claimed by the Company and certain other additions made by the assessing officers in respective years. These matters are pending with various judicial/appellate authorities including CIT (A), ITAT and High court. For some of the matters, judicial/appellate authorities have decided the cases in favor of the Company. However, these are being contested again by the Department of Income tax.

Fu\rther, during the year, Company has received notice under section 148 of the Income-tax Act 1961, for assessment year 2010-11, for reassessment proceedings in respect of depreciation claimed amounting to Rs 529.55 million having tax impact of Rs 180.00 million. The Company has filed Writ Petition before the Hon'ble High Court of Delhi against the same notice, which is pending for further hearing.

The Company believes that it has merit in these cases and it is only possible, but not probable, that these cases may be decided against the Company. Hence, these have been disclosed as contingent liability and no provision for any liability has been deemed necessary in the financial statements.

In addition to the aforementioned, in respect of certain others income tax matters wherein the amount involved is Rs 604.56 million (31 March 2017: Rs 604.56 million), the Hon'ble High Court of Delhi has passed judgment in favor of the Company. The tax authorities have not yet filed any further appeals in respect of these matters. Considering the aforementioned, the management does not expect that any liability shall devolve on the Company in respect of these matters.

b) Guarantees

The Company has issued financial guarantees to banks on behalf of and in respect of loan facilities availed by its subsidiaries for construction of fixed assets. In accordance with the policy of the Company, the Company has designated such guarantees as "Insurance Contracts". The Company has classified financial guarantees as contingent liabilities. Further, the Company has also assessed the fair values of these guarantees and believes that there are no assets and liabilities to be recognized in the balance sheet under these contracts.

(Rupees in million)

	As at 31 March 2018	As at 31 March 2017	As at 31March 2016	As at 31 March 2015	As at 31 March 2014
Corporate guarantee given on behalf of a subsidiary:-					
i. to Customs for obtaining EPCG licenses	79.68	79.68	79.68	79.68	79.68
ii. to bank for obtaining loan for construction of fixed assets	2,392.50	2,392.50	3,207.50	3,207.50	3,207.50

c) Demands against the Company

(Rupees in million)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Interest on delayed payment of lease management fees (note (ii))	5.23	7.22	18.26	18.26	13.56
Demand for cumulative interest (note (iii))	118.45	118.18	118.18	118.18	118.18
Demand by Custom Authorities (note (iv))	96.80	96.80	96.80	96.80	66.80
Demand of service tax (note (v))	35.68	35.04	31.36	31.36	31.36
Demand of Urban Development tax (note (vi))	19.05	19.05	19.05	19.05	19.05
Claims from contractor (note (vii))	170.00	170.00	170.00	-	-
Demand of property tax (note (viii))	99.45	-	-	-	-
Demand of stamp duty(note (ix))	90.92	-	-	-	-
Other claims not acknowledged as debt	18.84	19.60	27.81	27.78	139.86

(i) Certain employees have filed cases in the courts/ legal forums against termination/ suspension/ assault and have sought relief. The liability, if any, with respect to these claims is not currently ascertainable and in the opinion of the management, would not have material effect on these financial statements.

(ii) Interest on delayed payments of lease management fees for one of the properties taken on lease, under a lease cum management contract, is being contested by the management and based on a legal advice, the management is confident that the aforementioned liability shall not devolve on the Company.

(iii) New Delhi Municipal Corporation (NDMC) has raised a demand of cumulative interest towards alleged delays in payments of initial license fees. The Company has responded to NDMC questioning the validity of such demand. NDMC has not provided the Company any basis of these demands. Based on a legal advice, the management is confident that the aforementioned liability shall not devolve on the Company.

(iv) Demand by Custom Authorities against import of aircraft is being challenged by the Company at Customs Excise Service Tax Appellate Tribunal (CESTAT).

(v) Demands of Service Tax are being challenged by the Company at various forums.

(vi) Municipal Council of Udaipur has raised a demand of Urban Development tax for the financial years 2007-08 to 2016-2017. The demand has been challenged in the Hon'ble High Court at Jodhpur and as per the interim order passed by the Court; the Company has paid Rs. 2.50 million for the said period. Based upon expert analysis, management believes that no further provision is necessary at this stage.

(vii) Claim received from a contractor not accepted by the Company amounting to Rs. 170.00 million against which the Company has given an advance of Rs. 66.20 million.

(viii) During the year ended 31 March 2018, the Company received a notice from Brahut Bangalore MahangaraPalike ("BBMP") for its property situated at Kumara Krupa Road, Bangalore for additional property tax of Rs 99.45 million along with 2% interest charges. The Company has requested BBMP to provide basis of the additional property tax demand, contesting its validity, which has not yet been responded by BBMP.

(ix) During the year ended 31 March 2018, the Collector of Stamps at Udaipur issued a show cause notice towards stamp duty of approximately Rs. 90.92 million duty upon transfer of Laxmi Palace Vilas Hotel, the erstwhile unit of Indian Tourism Development Corporation (ITDC). The Company has filed a writ with the Hon'ble High Court of Jodhpur. The Hon'ble Court has directed the Collector Stamps not to raise any further order in this regard until the resolution of the transfer matter.

(x) During the current year, Company has received notice from the Collector of Stamp, Delhi wherein department has sought explanation as to why transfer of right to use of commercial establishment in the World Trade Centre is not liable to stamp duty. The Company is in the process of responding to the notice and based on legal analysis, is of the view that there is no likelihood of any liability devolving on the Company on this ground and accordingly no adjustment is required in these restated financial information.

d) Other matters

(i) The Payment of Bonus (amendment) Act, 2015 enhanced the eligibility limit for payment of bonus of employees from Rs. 0.01 million per month to Rs. 0.02 million per month from the Financial Year 2014-15. The Company has estimated liability of Rs. 19.52 million for the financial year 2014-15. The above amendment has been stayed by various High Courts. Accordingly, Company has not provided for enhanced bonus for Financial Year 2014-15 in the books of accounts.

(ii) Company has received notices for playing music without license in the various hotels of the Company, infringement of copyright. Management is confident that it has complied with the license as per the arrangement and therefore do not foresee any liability.

(iii) The Company has received various Show Cause notices from Department of Excise and Customs and Service Tax authorities on various matters amounting to Rs. 26.21 million. Management had responded to the respective departments and no demand notices has been received against the said notices. Management is confident that aforementioned liability shall not devolve on the Company.

(iv) During the year ended 31 March 2018, the Company has received order from Department of Commercial Taxes, Jaipur to deposit Rs. 1.66 million on account of excess employment subsidy received by the Company in the year 2014-15 under "Rajasthan Investment Promotion Scheme 2010". The matter is currently pending with Rajasthan Tax Board, Ajmer. Management believes, based on expert analysis, that no provision is required at this stage.

(v) During the year ended 31 March 2018, the Company has received show cause notice under section 13 of Luxuries Tax Act, 1996, being asked to submit books of accounts and other document pertaining to period from 2014-15 onwards. Company has responded to the aforesaid notice received. Management believes, based on expert analysis, that no provision is required at this stage

(vi) During the year ended 31 March 2015, Company has received a notice from the Secretary of the Udma Grama Panchayat on account of property tax revision under the Kerala Panchayat Raj (Property Tax , Service Cess and Surcharge) Rules, demanding differential property tax. The same is being contested by management in the Hon'ble High Court of Kerala.

54. The Company had obtained land on license of 99 years from New Delhi Municipal Corporation (NDMC) with effect from 11 March 1981. The Company has constructed a hotel and commercial towers on the aforementioned land. The Company is paying an annual license fee of Rs.14.50 million to the NDMC which is subject to revision after every 33 years provided that increase in license fees, shall be linked to the increase in the market value of the Underlying Land, subject to a ceiling of 100% of the preceding immediately license fee. NDMC did not increase the license fee upon the expiry of 33 years. In November 2016, NDMC issued a demand of Rs. 1,987.77 million vide provisional bills towards the increase in license fee from the date of expiry of the first term of 33 years. The Company filed a writ with the Hon'ble High Court at Delhi challenging the demand and basis thereof. The Hon'ble High Court, in February 2017, quashed and set aside the aforementioned provisional bills directing NDMC to recompute the demand, if any, and issue final bills with the basis of calculation specifically spelt out. Management based upon expert analysis, believes no additional liability shall be levied upon the company.

55. The Company has given an interest free loan of Rs. 458.64 million on 31 March 2018 to The Lalit Suri Educational and Charitable Trust (Trust) for construction of the Hospitality Management Institute ("the Institute") for a period of 12 years. The Institute is of strategic importance as the Company will get a pool of resources trained in hospitality industry. Also, the students graduating from the Institute are expected to work for the Company for a period of one year. The Company has obtained an undertaking from one of the Trustees of the Trust agreeing to repay the loan in case the Trust is not able to repay the outstanding loan to the Company. Basis the above, the management believes that the amount is recoverable in due course and accordingly, no adjustment is required in these Restated Financial Information.

56.

(a) The Company has an investment of Rs. 310.78 million as at 31 March 2018 in the share capital of its wholly owned subsidiary, Jyoti Limited and also has a deemed investment of Rs. 46.67 million as at 31 March 2018 in the form of interest free loan to Jyoti Limited. The audited financial statements of Jyoti Limited show an accumulated loss of Rs. 78.56 million as on 31 March 2018 which is more than the paid-up share capital of Rs. 6.30 million, resulting in complete erosion of net worth. The Company also has an outstanding loan recoverable of Rs. 36.97 million from the subsidiary. Considering the long term nature of the investment of Rs. 310.79 million, and the value of assets held by Jyoti Limited (Hotel at Srinagar), the Board of Directors of the Company are of the view that there is no diminution, other than temporary, in the value of investment and the loan is recoverable from the subsidiary.

(b) The Company holds 90% of the equity capital of Apollo Zipper India Ltd ('AZIL') at 31 March 2018: Rs. 521.30 million. The Company had also provided a loan to AZIL which has been converted into an interest free loan for a period of 25 years w.e.f 1 June 2016. As a result, the Company has recognised a deemed investment of Rs. 3,218.51 million in the form of interest free loan to AZIL and the carrying balance of loan to AZIL amounts to Rs. 291.60 million. The Company has further provided a loan of Rs. 54.60 million to Prima Buildwell Private Limited, a 99.9% subsidiary, which in turn has given a loan of Rs. Nil to AZIL. AZIL has been vested with the assets of The Lalit Great Eastern Hotel in Kolkata. For the year ended 31 March 2018, AZIL has accumulated losses of Rs. 333.73 million which is more than the paid-up share capital of Rs. 8.08 million.

AZIL had commenced its operations from February, 2014 and is currently engaged in the process of complete renovation / re-construction of Heritage block of the property in Kolkata. Considering the long term prospects and value of assets held by the Subsidiary, the Board of Directors of the Company are of the view that there is no diminution, other than temporary, in the value of investment. Also, based on future projections, the management believes that the loan amount is fully recoverable. Further, the management may consider to convert the loan amount into equity share capital after taking necessary approvals from the relevant authorities. Accordingly, no provision has been made there against in these financial statements.

(c) The Company has an investment of Rs. 398.40 million and has also provided a loan of Rs. 288.08 million to Prime Cellular Limited (PCL) a 99.60% subsidiary as at year ended 31 March 2018. The Company had also provided loan of Rs. 3,927.15 million to Kujjal Builders Private Limited (KBPL), which is a subsidiary company, out of which Rs 3,634.11 million has been converted into an interest free loan for a period of 25 years w.e.f 01 June 2017. Further, Company has given a loan of Rs. 44.59 million during the period of June'17 to March'18 out of which Rs. 40.76 million has been converted into an interest free loan. As a result, the Company has recognized a deemed investment of Rs. 3,674.88 million in the form of interest free loan to KBPL and the carrying balance of loan to KBPL amounts to Rs. 323.73 million. The audited financial statements of PCL and KBPL show accumulated losses of Rs. 42.69 million and Rs. 1,498.72 million respectively for the year ended 31 March 2018 which is more than the paid-up share capital of KBPL Rs.

800.00 million. Considering the above, the Company has provided capital contribution in the form of interest free loan of Rs 2,376.42 million (recorded net of tax amount of Rs 1,256.78 million).

Considering the long term prospects and value of assets held by the Subsidiary, the Board of Directors of the Company are of the view that there is no diminution, other than temporary, in the value of investment. Also, based on future projections, the management believes that the loan amount is fully recoverable. Accordingly, no provision has been made there against in these restated financial information.

(d) The Company has an investment on 31 March 2018 of Rs. 30.10 million and had given a loan of Rs. 54.60 million to Prima Buildwell Private Limited (PBPL), a 99.99% subsidiary of the Company for execution of Dubai project. PBPL has entered into a Joint Venture for setting up a Hotel property at Al-Furjan, Dubai with Lost City L.L.C and another related entity. In view of the overall economic situation in Dubai, Al-Furjan LLC has not developed the land. Considering the area had not been developed as per the Land purchase agreement, the Company and the related joint venture partner has communicated its intention to exit from the joint venture. Al-Furjan LLC has initiated legal proceedings against the joint venture company. The Company has, considering the legal case, created a provision on 31 March 2018 of Rs. 30.10 million as provision for diminution against investment and provision of Rs. 52.90 million against the loan advanced to PBPL.

57. Management had decided to sell a piece of land during the year ended 31 March 2016 and accordingly had initiated the process of identifying a potential buyer. Based on market survey, the management expected to sell it at a value more than its carrying value. Hence, the aforementioned piece of land, has been accordingly disclosed as an asset held for sale at its carrying amount of Rs. 161.87 million as at 31 March 2017. During the year ended 31 March 2018, the management has decided to construct and develop a hotel property on the said piece of land and has accordingly reclassified it under property, plant and equipment and capital work in progress at the carrying amount of Rs 153.84 million and Rs. 8.03 million respectively.

58. Prior to 1 April 2013, the Company had invested Rs. 738.50 million in Bharat Hotels (Thailand) Company Limited which has purchased land in the KohSamui, Thailand. The Company has classified the investment as current on the basis of an agreement executed to sell the shares during the year ended 31 March 2013.Subsequent to that, the Company had completed the sale of shares during the financial year 2013-14 and recorded a gain of Rs. 277.41 million.

59. The Company had executed an agreement for the exchange of the existing Legacy 600 aircraft for the new generation Legacy 650 aircraft for a price of Rs. 952.90 million (equivalent to USD 18.50 million) which had written down value of Rs. 1,170.00 million as on 31 March 2012. As per Ind AS 105, the aircraft has been classified as asset held for sale in terms of the binding sale agreement entered into by the Company and recorded a loss of Rs. 217.10 million as on 1 April 2012. During the year ended 31 March 2013, the Company had charged depreciation of Rs. 80.50 million under previous GAAP which has been reversed in FY 2012-13 as the same has been classified as asset held for sale as on 1 April 2012. Further, during the year ended 31 March 2013, the agreement for exchange has been terminated by the customer and the Company was still in the process of identifying a new customer for sale of aircraft. However, the value of aircraft was reduced to Rs. 839.70 million based on the fair valuation of the aircraft and the Company further recorded a loss of Rs. 113.31 million to reduce the value of aircraft to Rs. 839.70 million. During the year ended 31 March 2014, the Company had sold the aircraft for Rs. 839.70 million and accordingly had recorded a loss of Rs. 171.60 million under previous GAAP, which was reversed under Ind AS.

60. As per the terms of the land allocation agreement of Ahmedabad property, the Company was required to complete the construction within two years from the date of allotment i.e. by 23 March 2010. During the year, the Company had applied to the State Government of Gujarat for an extension of the construction period for next two years. The management does not anticipate any concern in obtaining extension of the completion deadline for the project.

61. Subsequent to the year end, Company has received show cause notice (the “Notice”) form NDMC regarding unauthorized construction at New Delhi Hotel and its commercial towers. Management has sought additional time to respond to the Notice and has filled preliminary responses to the observation in the notice, which is yet to be responded by the NDMC.

62. One of the Company's Independent Director had been disqualified in the list prepared by Ministry of Corporate Affairs ('MCA'). Subsequently said Director has obtained communication from MCA confirming that he has been removed from the disqualification list. Accordingly, the concerned director is not considered as disqualified Director under Section 164(2) of Companies Act, 2013.

63. The Company has entered into Memorandum of Understanding with certain promoter's entities for obtaining the license of the land parcels for construction of hotel properties.

Note 64 : First time adoption of Ind AS

a) Mandatory Transition to Ind AS

The financial statements, for the year ended 31 March 2017, was the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards referred to in paragraph 7 of the Companies (Accounts) Rules, 2014 notified under section 133 of the Companies Act, 2013. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. An explanation of impact of the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i) Ind AS Optional exemptions

Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment ("PPE")as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measures all of its property, plant and equipment and intangible assets at their previous GAAP carrying values. The company has availed this exemption, therefore other than the adjustment relating to Export Promotion Capital Goods Scheme, no changes have been made to the carrying amount of the PPE from the previous GAAP.

Composite Leases

When a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or an operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing at that date. Accordingly, the Company has fair valued land and building components of leased property at Bangalore as at 31 March 2015 to assess the classification as finance or operating for both the components.

Investment in subsidiaries and jointly controlled entities

Ind AS 101 permits a first-time adopter to choose the previous GAAP carrying amount at the entity's date of transition to Ind AS to measure the investment in the subsidiary and jointly controlled entities as the deemed cost. Accordingly, the Company has opted to measure its investment in subsidiary and jointly controlled entities at deemed cost i.e., previous GAAP carrying amount.

Long term foreign currency monetary items

Ind AS 101 allows a first-time adopter to continue the policy adopted for the accounting for exchange differences arising on translation of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per previous GAAP. Accordingly for exchange differences, arising on translation/ settlement of long-term foreign currency monetary items acquired before 1 April 2016, pertaining to the acquisition of a depreciable asset, are adjusted to the cost of the asset. The Company has availed this exemption, accordingly foreign currency exchange fluctuation on the loan existing at the date of the transition shall continue to be accounted for the as per the previous GAAP.

ii) Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

iii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

b) Proforma Financial Information under Ind AS

The Proforma financial information of the Company as at and for the year ended 31 March 2013, 2014 and proforma financial information for the year ended 31 March 2015, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated 31 March 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. 1 April 2015) while preparing the proforma financial information for the year ended 31 March 2015 and 31 March 2014 and accordingly suitable restatement adjustments in the accounting heads has been made in the proforma financial information.

ASSETS	Notes	31 March 2014 (Proforma) Indian GAAP Rs in million	Proforma Adjustments* Rs in million	IND AS Rs in million
Non-Current Assets				
a) Property, Plant and Equipment	1, 9, 10 & 15	13,196.08	(261.43)	12,934.65
b) Capital Work-in-Progress	15	1,389.74	(0.04)	1,389.70
c) Other Intangibles Assets	15	13.70	0.01	13.71
d) Financial Assets				
(i) Investments	2, 15 & 16	1,260.60	16.57	1,277.17
(ii) Loans	2, 4 & 15	3,421.37	(313.25)	3,108.12
(iii) Other Non Current Financial assets	1	135.53	16.06	151.59
e) Non current tax assets (net)	17	232.30	9.80	242.10
f) Other non-current assets	4, 5, 10, 11 & 15	510.07	122.77	632.84
Total Non Current Assets		**20,159.39**	**(409.50)**	**19,749.88**
Current Assets				
a) Inventories	15	147.72	-	147.72
b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade Receivables	15 & 16	351.84	(40.47)	311.37
(iii) Cash and Bank Equivalents	15 & 17	619.09	(263.04)	356.05
(iv) Bank Balances other than (iii) above	17	-	263.05	263.05
(v) Loans	15 & 17	981.44	(966.49)	14.95
(vi) Other Current Financial assets	15 & 17	31.03	917.05	948.08
d) Other Current Assets	4, 5, 10 & 17	171.30	30.41	201.71
Assets classified as held for sale	14	3.00	-	3.00
Total Current Assets		**2,305.42**	**(59.49)**	**2,245.93**
Total Assets		**22,464.81**	**(468.99)**	**21,995.81**
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital		759.91	0.00	759.91
b) Other Equity	1, 2, 3, 4, 5, 7, 8, 11 12, 14, 15 & 16	10,348.48	(780.57)	9,567.91
Total Equity		**11,108.39**	**(780.57)**	**10,327.82**
Non-current liabilities				
a) Financial Liabilities				
(i) Borrowings	5	7,072.74	(101.41)	6,971.33
(ii) Other Non Current Financial liabilities	4 & 17	13.54	31.29	44.83
b) Long Term Provisions	15	57.83	-	57.83
c) Deferred Tax Liabilities(Net)	7 & 11	758.34	561.54	1,319.88
d) Other non-current liablities	4, 9 & 17	541.20	(158.54)	382.66
Total Non Current Liabilities		**8,443.65**	**332.88**	**8,776.53**
Current liabilities				
a) Financial Liabilities				
(i) Borrowings		986.06	(0.01)	986.05
(ii) Trade Payables	15 & 17	293.92	89.36	383.28
(iii) Other Current Financial liabilities	6 & 15	1,263.75	(106.82)	1,156.93
b) Short Term Provisions	3	126.14	(46.21)	79.93
c) Other Current Liabilities	4 & 9	242.89	42.38	285.27
Total Current Liabilities		**2,912.76**	**(21.30)**	**2,891.46**
Total Liabilities		**11,356.41**	**311.58**	**11,667.99**
Total Equity and Liabilities		**22,464.80**	**(468.99)**	**21,995.81**

**Proforma adjustments includes Ind AS adjsutments and restatements adjustments*

Standalone notes forming part of the restated standalone financial information

		31 March 2016			31 March 2015 (Proforma)		
		Indian GAAP	Proforma Adjustments*	IND AS	Indian GAAP	Proforma Adjustments*	Proforma IND AS
		Rs in million	Rs in million	Rs in million	Rs in million	Rs in million	Rs in million
ASSETS							
Non-Current Assets							
a) Property, Plant and Equipment	1, 9, 10 & 15	11,773.92	(263.09)	11,510.83	12,433.81	(262.24)	12,171.57
b) Capital Work-in-Progress	15	2,180.25	0.06	2,180.31	1,949.05	0.03	1,949.08
c) Other Intangibles Assets	15	12.89	0.01	12.90	17.50	0.01	17.51
d) Financial Assets							
(i) Investments	2, 15 & 16	1,230.86	46.67	1,277.53	1,260.96	16.57	1,277.53
(ii) Loans	2, 4 & 15	6,456.50	(2,094.39)	4,362.11	5,270.48	(1,566.61)	3,703.87
(iii) Other Non Current Financial assets	1	21.35	95.45	116.80	37.12	95.47	132.59
e) Non current tax assets (net)	17	365.40	(0.00)	365.40	352.26	10.74	363.00
f) Other non-current assets	4, 5, 10, 11 & 15	546.83	(31.48)	515.35	607.34	(81.63)	525.71
Total Non Current Assets		**22,588.00**	**(2,246.77)**	**20,341.23**	**21,928.52**	**(1,787.66)**	**20,140.86**
Current Assets							
a) Inventories	15	176.45	0.01	176.46	155.29	(0.01)	155.28
b) Financial Assets							
(i) Investments		-	-	-	-	-	-
(ii) Trade Receivables	15 & 16	394.90	(0.01)	394.89	391.56	(39.55)	352.01
(iii) Cash and Bank Equivalents	15 & 17	182.96	(0.01)	182.95	655.64	0.01	655.65
(iv) Bank Balances other than (iii) above	17	54.81	0.01	54.82	53.66	(0.01)	53.65
(v) Loans	15 & 17	10.65	0.02	10.67	14.09	0.03	14.12
(vi) Other Current Financial assets	15 & 17	32.47	1,590.29	1,622.76	25.21	1,121.90	1,147.11
d) Other Current Assets	4, 5, 10 & 17	293.65	(70.98)	222.67	291.83	(65.20)	226.63
Assets classified as held for sale		164.88	-	164.88	3.00	-	3.00
Total Current Assets		**1,310.77**	**1,519.33**	**2,830.10**	**1,590.28**	**1,017.17**	**2,607.45**
Total Assets		**23,898.77**	**(727.44)**	**23,171.33**	**23,518.80**	**(770.49)**	**22,748.31**
EQUITY AND LIABILITIES							
Equity							
a) Equity Share Capital		759.91	0.00	759.91	759.91	0.00	759.91
b) Other Equity	1, 2, 3, 4, 5, 7, 8, 11 12, 14, 15 & 16	10,306.70	(566.96)	9,739.74	10,060.83	(747.24)	9,313.59
Total Equity		**11,066.61**	**(566.95)**	**10,499.65**	**10,820.74**	**(747.24)**	**10,073.50**
Non-current liabilities							
a) Financial Liabilities							
(i) Borrowings	5	8,136.72	(359.94)	7,776.78	7,763.01	(395.16)	7,367.85
(ii) Other Non Current Financial liabilities	4 & 17	506.72	(464.92)	41.80	477.96	(450.67)	27.29
b) Long Term Provisions		68.53	-	68.53	69.29	-	69.29
c) Deferred Tax Liabilities (Net)	7 & 11	820.77	393.61	1,214.38	697.64	518.09	1,215.73
d) Other non-current liablities	4, 9 & 17	52.98	319.82	372.80	61.55	319.12	380.67
Total Non Current Liabilities		**9,585.72**	**(111.43)**	**9,474.29**	**9,069.45**	**(8.62)**	**9,060.83**
Current liabilities							
a) Financial Liabilities							
(i) Borrowings		1,737.91	-	1,737.91	1,090.83	-	1,090.83
(ii) Trade Payables	15 & 17	279.29	121.65	400.94	283.88	87.86	371.74
(iii) Other Current Financial liabilities	6 & 15	799.56	(115.08)	684.48	1,913.41	(67.81)	1,845.60
b) Short Term Provisions	3	143.98	(73.52)	70.46	137.40	(48.36)	89.04
c) Other Current Liabilities	4 & 9	285.71	17.89	303.60	203.08	13.69	216.77
Total Current Liabilities		**3,246.45**	**(49.06)**	**3,197.39**	**3,628.60**	**(14.62)**	**3,613.98**
Total Liabilities		**12,832.17**	**(160.49)**	**12,671.68**	**12,698.05**	**(23.24)**	**12,674.81**
Total Equity and Liabilities		**23,898.78**	**(727.45)**	**23,171.33**	**23,518.79**	**(770.48)**	**22,748.31**

**Proforma adjustments includes Ind AS adjsutments and restatements adjustments*

c) Notes to adjustments made as per Ind AS:

Note : 1

AS 19 excluded lease agreements to use land from its scope. However, lease agreements to use land are within the scope of Ind AS 17. Accordingly, in accordance with principles set out in Ind AS 17, shops in World trade center and World trade tower given under lease have been determined to be a finance lease arrangement. Accordingly, finance income on such leases has been recognised and rent income which was earlier recognised under previous GAAP has been derecognised. Further, leasehold building which was earlier capitalised under previous GAAP has been decapitalised and recognised as finance lease receivable. Accordingly, depreciation on leasehold buildings charged under previous GAAP has also been reversed.

Note : 2

Interest free loans to subsidiary company and trust are measured in accordance with Ind AS 109, Financial Instruments i.e at amortized cost using the effective interest rate method. The loan amount is trued up every year with a corresponding credit to statement of profit and loss on account of finance income. The benefit of the interest free loan is measured as the difference between initial carrying value of the loan at fair value in accordance with Ind AS 109 and the loan amount advanced. The same is classified as a deemed investment in the subsidiary company and the trust. In case of trust, the deemed investment has been charged off to profit and loss account considering non recoverable. The recognition of deemed investment has no direct impact on equity. However, deemed investment in trust has been written off in the respective periods on account of non recoverability of such amount from a charitable trust.

Note : 3

Under Indian GAAP, proposed dividends including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared/paid. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid which happens after year end.

Note : 4

Interest free security deposits paid/received were carried at nominal cost under previous GAAP. On application of Ind AS 109, all such financial assets are now being measured at amortised cost using effective rate of interest. At the date of transition to Ind AS, difference between the amortised cost and Indian GAAP carrying amount these security deposits has been recognised as prepaid rent. Correspondingly, interest income/expense on security deposits and amortisation of prepaid rent have also been accounted for.

Note : 5

Under previous GAAP, ancillary costs associated with raising of funds are amortised on a straight line basis over the period of borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the restated profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Also, under Ind AS borrowings are presented net of any ancillary costs associated with raising of debt, while under previous GAAP such ancillary costs were shown as prepayments.

Note : 6

Under Indian GAAP, Prior period items are shown separately on the face of statement of profit and loss in the year in which these are identified. However, Ind AS requires the recognition of such items in the period to which they relate. Accordingly, prior period items has now been adjusted in respective years to which they relate to.

Note : 7

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Note : 8

As per the provisions of AS 19, lease rentals were accounted for on a straight line basis for certain premises obtained on lease having an escalation clause in the lease agreement. However, as per Ind AS 17, straight lining of lease rental is not required in case lease rent escalation reflects expected inflation cost. The Company has determined that escalation rates in the existing agreements of leased premises are broadly in line with the inflation rates. Hence, lease equalisation charge of Rs. 1.30 million recognised under previous GAAP in the FY 2015 -16, has now been reversed.

Note : 9

As per the provisions of AS 20, grants received against fixed assets were accounted as a deduction form the gross value of the related asset. However, as per Ind AS 20, grant received against fixed assets is required to be recognised in the profit and loss on a systematic basis over the useful life of the assets. Accordingly, net book value fixed assets has been increased with a corresponding increase in the deferred government grant. Further, depreciation expense and government grant income have also been recognised in respective years.

The above has no resulting impact on equity and net profit.

Note : 10

AS 19 excluded lease agreements to use land from its scope. However, lease agreements to use land are within the scope of Ind AS 17. Basis lease assessment, land taken on lease at Jaipur has been determined to be an operating lease. Consequently, leasehold land which was earlier capitalised as fixed assets has now been reclassified as prepaid lease rent under the head other non current assets.

Further, as a result, depreciation charge has been reduced and lease rent expenses have been increase with an equal amount. This has no resulting impact on equity and net profit.

Note : 11

Ind AS 12 requires classification of MAT credit as Deferred tax asset. Accordingly, the Company has reclassified MAT credit available for respective years to Deferred tax asset. This has no resulting impact on equity or net profit.

Note : 12

In earlier years, the Company carried out a revaluation of a part of its fixed assets which resulted in an upward valuation of fixed assets amount. As per the requirements of IGAAP, a revaluation reserve was lying under the head 'reserves and surplus'. Under Ind AS, the Company has adopted cost model approach for the measurement of the cost of the fixed assets. Accordingly, revaluation reserve has been transferred to retained earnings. This transfer of reserve has no resulting impact on the equity or net profit. Further, deferred tax related impact has been explained at note 7 above.

Note : 13

The Company operates a customer reward points programme in its Hotel business. The programme allows customers to accumulate points on various reservations which can be redeemed in future. The points can be redeemed by the customers for future bookings. Under Indian GAAP, the Company created a provision towards its liability under the programme.

Under Ind AS, sales consideration received has been allocated between the booking revenue and the reward points issued. The consideration allocated to the customer reward points has been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

Note : 14

The Company had executed an agreement for the exchange of the existing Legacy 600 aircraft for the new generation Legacy 650 aircraft for a price of Rs. 952.90 million (equivalent to USD 18.50 million) which had written down value of Rs. 1,170.00 million as on 31 March 2012. As per Ind AS 105, the aircraft has been classified as asset held for sale in terms of the binding sale agreement entered into by the Company and recorded a loss of Rs. 217.10 million as on 1 April 2012. During the year ended 31 March 2013, the Company had charged depreciation of Rs. 80.50 million under previous GAAP which has been reversed in FY 2012-13 as the same has been classified as asset held for sale as on 1 April 2012. Further, during the year ended 31 March 2013, the agreement for exchange has been terminated by the customer and the Company was still in the process of identifying a new customer for sale of aircraft. However, the value of aircraft was reduced to Rs. 839.70 million based on the fair valuation of the aircraft and the Company further recorded a loss of Rs. 113.31 million to reduce the value of aircraft to Rs. 839.70 million. During the year ended 31 March 2014, the Company had sold the aircraft for Rs. 839.70 million and accordingly had recorded a loss of Rs. 171.60 million under previous GAAP, which was reversed under Ind AS.

Note : 15

Udaipur Hotels Limited, a wholly owned subsidiary of the Company has been amalgamated with the Company, in terms of the Scheme of Arrangement under section 391 to section 394 of the erstwhile Companies Act, 1956, approved by the Hon'ble High Court of Delhi on 19 August 2013, which became effective on 31 October 2013 and the appointed date being 1 April 2012. The Company has given the effect to the scheme during the year ended 31 March 2013. As per Appendix C of Ind AS 103, the amalgamation of Udaipur Hotels Limited with the Company falls under the purview of common control business combination. The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, the effect of bisuness combination has been given from the effective date of 1 April 2012.

Note : 16 Auditors Qualifications

a. Matters adjusted in restated financial statements

Auditors Report 2013-14

1 A debtor balance of Rs. 40.50 million pertaining to rent which is outstanding from a tenant, who has vacated the premises in the current year and where the contract, has expired and negotiation are underway for recovery of the balance. As represented to us, the management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the rent in these financial statements.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014.

2 It is stated that company's subsidiary has communicated its intention to exit from the joint venture at dubai and is in the process of negotiating for recoverery as per the terms of the joint venture agreement. However, the Company has not created provision against the investment of Rs. 30.10 million and loan of Rs. 38.80 million.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014.

Matter of Emphasis in the Auditors Report

3 A vendor has issued a termination notice as per the terms of the aggrement for sale and exchange of aircraft and has levied liquidation damages of Rs. 146.00 million and has adjusted the advance amounting to Rs. 66.10 million resulting in payable balance of Rs. 79.90 million in terms of the agreement for sale and exchange of aircraft and further forfieted advance amounting to Rs. 159.20 million paid by the company. Management has initiated legal proceeding against the vendor, for which the vendor has sought the mediation for the settlement of the claim.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014.

Auditors Report 2014-15

1 It is stated that company's subsidiary has communicated its intention to exit from the joint venture at dubai and is in the process of negotiating for recoverery as per the terms of the joint venture agreement. However, company has not created provision against the investment of Rs. 30.10 million and Loan of Rs. 38.80 million.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014.

2 A debtor balance of Rs. 40.50 million pertaining to rent which is outstanding from a tenant, who has vacated the premises in the current year and where the contract, has expired and negotiation are underway for recovery of the balance. As represented to us, the management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the rent in these financial statements.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014.

Note : 17

The Company has reclassified certain items of assets and liabilities to comply with the requirements of Ind AS. This has no resulting impact on equity and net profit.

Notes forming part of restated standalone financial information (All amounts in Rupees million)

Note 65 : Exceptional Items	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Profit on sale of investment in subsidiary (Refer note (i))	-	-	-	-	(277.41)
Profit on termination of agreement for sale of aircraft (Refer note (ii))	-	-	-	(77.02)	-
Change in value of asset held for sale (Refer note 60)	-	-	-	-	-
	-	**-**	**-**	**(77.02)**	**(277.41)**

Note:(i) During the financial year 2013-14, the Company has sold its investment in the shares of Bharat Hotels (Thailand) Company Limited having a book value of Rs. 1,016.00 million resulting in profit of Rs. 277.41 million.

Note: (ii) The Company had entered into a contract with a vendor for purchase of Legacy 600 aircraft for Rs. 1,196.21 million (USD 26.50 million) for which it had paid an advance of Rs. 120.51 million (USD 26.50 million) equivalent to 10% of the above value in November 2008. Company negotiated and entered into an agreement with the vendor for purchase of a new generation aircraft, Legacy 650 and adjustment of the advance paid for the Legacy 600 and paid Rs. 49.05 million (equivalent to USD 1.10 million as per contract and other expenses). The Company was not able to remit the final installment for the purchase of Legacy 650 because the final approval from DGCA to the vendor was not received in a timely manner. The vendor terminated the contract immediately and levied liquidated damages after adjusting the advances paid for the aircrafts. The Management had initiated legal proceedings against the termination in earlier years post the arbitration award in favour of the Company. During the year ended 31 March 2015, the Company had recorded Rs. 77.02 million (USD 1.25 million) as profit on termination of agreement for sale of aircraft.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No. 504662

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

Dr. Jyotsna Suri
Chairperson and Managing Director
DIN-00004603

Divya Suri Singh
Director
DIN-00004559

Urmila Khurana
Chief Financial Officer

Himanshu Pandey
Company Secretary

Place : New Delhi
Date : 22 June 2018

Annexure VI : Standalone Restated Statement of Material Adjustments and Regroupings

i) Below mentioned is the summary of results of adjustments made in the audited standalone financial statements of the respective period and its impact on restated standalone

	Particulars	Notes	31 March 2018	31 March 2017	31 March 2016	31 March 2015 (Proforma)	31 March 2014 (Proforma)
Profit after tax audited financial statements prepared under applicable GAAP			312.41	366.87	314.46	1.02	42.40
A	***Effect of change in accounting policy***						
	Finance income recognised on Finance lease	1	-	-	6.29	6.30	6.46
	Interest income on interest free loans to subsidiaries and trust	2	-	-	25.07	20.18	13.30
	Deemed investment in the trust not considered recoverable	2	-	-	(22.77)	(15.57)	(42.47)
	Fair valuation of interest free security deposits paid/received	3	-	-	(1.05)	(1.86)	(2.07)
	Ancillary cost of borrowing as interest expense on borrowings	4	-	-	26.48	(0.48)	(12.57)
	Employee benefits remeasurements (gain)/loss	5	-	-	(5.54)	7.19	(14.69)
	Lease equalisation reserve reversed	6	-	-	(1.30)	-	-
	Additional depreciation charged on updward revaluation of property, plant and equipment	7	-	-	-	-	(23.75)
B	***Effect of auditor's qualifications accounted for***						
	Aircraft being classified as asset held for sale, reduced to lower of cost or fair value	8	-	-	-	-	171.61
	Depreciation reversed for Aircraft being classified as asset held for sale	8	-	-	-	-	78.12
	Adjustments for qualifications in auditors report for previous years	13	-	-	109.40	-	-
C	***Effect of other restatement adjustments***						
	Prior period items adjusted in respective years	9	-	-	13.62	(12.77)	(1.35)
	Profit of Udaipur Hotels merged with the Company	17	-	-	-	-	0.72
D	***Tax adjustments for earlier year on A,B and C above***	10, 11 & 12	-	-	3.58	33.76	(51.23)
	Total adjustments		**-**	**-**	**153.80**	**36.76**	**122.08**
	Total profit after tax as per Ind AS		**312.41**	**366.87**	**468.27**	**37.78**	**164.48**
	Other comprehensive income (net of tax)	5	(5.96)	(0.71)	3.62	(4.70)	9.70
	Total Comprehensive income for the year		**306.45**	**366.16**	**471.89**	**33.08**	**174.18**

Annexure VI : Standalone Restated Statement of Material Adjustments and Regroupings

Note : 1

AS 19 excluded lease agreements to use land from its scope. However, lease agreements to use land are within the scope of Ind AS 17. Accordingly, in accordance with principles set out in Ind AS 17, shops in World trade center and World trade tower given under lease have been determined to be a finance lease arrangement. Accordingly, finance income on such leases has been recognised and rent income which was earlier recognised under previous GAAP has been derecognised. Further, leasehold building which was earlier capitalised under previous GAAP has been decapitalised and recognised as finance lease receivable. Accordingly, depreciation on leasehold buildings charged under previous GAAP has also been reversed.

Note : 2

Interest free loans to subsidiary company and trust are measured in accordance with Ind AS 109, Financial Instruments i.e at amortized cost using the effective interest rate method. The loan amount is trued up every year with a corresponding credit to statement of profit and loss on account of finance income. The benefit of the interest free loan is measured as the difference between initial carrying value of the loan at fair value in accordance with Ind AS 109 and the loan amount advanced. The same is classified as a deemed investment in the subsidiary company and the trust. In case of trust, the deemed investment has been charged off to profit and loss account considering non recoverable. The recognition of deemed investment has no direct impact on equity. However, deemed investment in trust has been written off in the respective periods on account of non recoverability of such amount from a charitable trust.

Note : 3

Interest free security deposits paid/received were carried at nominal cost under previous GAAP. On application of Ind AS 109, all such financial assets are now being measured at amortised cost using effective rate of interest. At the date of transition to Ind AS, difference between the amortised cost and Indian GAAP carrying amount these security deposits has been recognised as prepaid rent. Correspondingly, interest income/expense on security deposits and amortisation of prepaid rent have also been accounted for.

Note : 4

Under previous GAAP, ancillary costs associated with raising of funds are amortised on a straight line basis over the period of borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the restated profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Also, under Ind AS borrowings are presented net of any ancillary costs associated with raising of debt, while under previous GAAP such ancillary costs were shown as prepayments.

Note : 5

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised to retained earnings through OCI. This has no resulting impact on equity.

Note : 6

As per the provisions of AS 19, lease rentals were accounted for on a straight line basis for certain premises obtained on lease having an escalation clause in the lease agreement. However, as per Ind AS 17, straight lining of lease rental is not required in case lease rent escalation reflects expected inflation cost. The Company has determined that escalation rates in the existing agreements of leased premises are broadly in line with the inflation rates. Hence, lease equalisation charge of Rs. 1.30 million recognised under previous GAAP in the FY 2015 -16, has now been reversed.

Note : 7

The Company has revalued its land and buildings in 2009 and 2010 for Mumbai and Goa respectively. Till year ended 31 March 2014, the Guidance Note on treatment of reserve created on revaluation of fixed assets issued by ICAI allowed companies to transfer an amount equivalent to the additional depreciation arising due to upward revaluation of fixed assets from revaluation reserve to the statement of profit and loss account. However, under Ind AS, depreciation computed on revalued amount needs to be charged to the statement of profit and loss without any recoupment from revaluation reserve. Consequently, to comply with the requirement of Ind AS, additional depreciation has been charged to restated statement of profit and loss for the year 2014.

Note : 8

The Company had executed an agreement for the exchange of the existing Legacy 600 aircraft for the new generation Legacy 650 aircraft for a price of Rs. 952.90 million (equivalent to USD 18.50 million) which had written down value of Rs. 1,170.00 million as on 31 March 2012. As per Ind AS 105, the aircraft has been classified as asset held for sale in terms of the binding sale agreement entered into by the Company and recorded a loss of Rs. 217.10 million as on 1 April 2012. During the year ended 31 March 2013, the Company had charged depreciation of Rs. 80.50 million under previous GAAP which has been reversed in FY 2012-13 as the same has been classified as asset held for sale as on 1 April 2012. Further, during the year ended 31 March 2013, the agreement for exchange has been terminated by the customer and the Company was still in the process of identifying a new customer for sale of aircraft. However, the value of aircraft was reduced to Rs. 839.70 million based on the fair valuation of the aircraft and the Company further recorded a loss of Rs. 113.31 million to reduce the value of aircraft to Rs. 839.70 million. During the year ended 31 March 2014, the Company had sold the aircraft for Rs. 839.70 million and accordingly had recorded a loss of Rs. 171.60 million under previous GAAP, which was reversed under Ind AS.

Note : 8

Udaipur Hotels Limited, a wholly owned subsidiary of the Company has been amalgamated with the Company, in terms of the Scheme of Arrangement under section 391 to section 394 of the erstwhile Companies Act, 1956, approved by the Hon'ble High Court of Delhi on 19 August 2013, which became effective on 31 October 2013 and the appointed date being 1 April 2012. The Company has given the effect to the scheme during the year ended 31 March 2013. As per Appendix C of Ind AS 103, the amalgamation of Udaipur Hotels Limited with the Company falls under the purview of common control business combination. The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, the effect of bisuness combination has been given from the effective date of 1 April 2012.

Note : 9

Under Indian GAAP, Prior period items are shown separately on the face of statement of profit and loss in the year in which these are identified. However, Ind AS requires the recognition of such items in the period to which they relate. Accordingly, prior period items has now been adjusted in respective years to which they relate to.

Note : 10

Ind AS 12 requires classification of MAT credit as Deferred tax asset. Accordingly, the Company has reclassified MAT credit available for respective years to Deferred tax asset. This has no resulting impact on equity or net profit.

Note : 11

In earlier years, the Company carried out a revaluation of a part of its fixed assets which resulted in an upward valuation of fixed assets amount. As per the requirements of IGAAP, a revaluation reserve was lying under the head 'reserves and surplus'. Under Ind AS, the Company has adopted cost model approach for the measurement of the cost of the fixed assets. Accordingly, revaluation reserve has been transferred to retained earnings. This transfer of reserve has no resulting impact on the equity or net profit. Further, deferred tax related impact has been explained at note 7 above.

Note : 12

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Note : 13 Auditors Qualifications

a. Matters adjusted in restated financial statements

Auditors Report 2013-14

1 A debtor balance of Rs. 40.50 million pertaining to rent which is outstanding from a tenant, who has vacated the premises in the current year and where the contract, has expired and negotiation are underway for recovery of the balance. As represented to us, the management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the rent in these financial statements.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014.

2 It is stated that company's subsidiary has communicated its intention to exit from the joint venture at dubai and is in the process of negotiating for recoverery as per the terms of the joint venture agreement. However, the Company has not created provision against the investment of Rs. 30.10 million and loan of Rs. 38.80 million.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014.

Matter of Emphasis in the Auditors Report

3 A vendor has issued a termination notice as per the terms of the aggrement for sale and exchange of aircraft and has levied liquidation damages of Rs. 146.00 million and has adjusted the advance amounting to Rs. 66.10 million resulting in payable balance of Rs. 79.90 million in terms of the agreement for sale and exchange of aircraft and further forfieted advance amounting to Rs. 159.20 million paid by the company. Management has initiated legal proceeding against the vendor, for which the vendor has sought the mediation for the settlement of the claim.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014.

Auditors Report 2014-15

1 It is stated that company's subsidiary has communicated its intention to exit from the joint venture at dubai and is in the process of negotiating for recoverery as per the terms of the joint venture agreement. However, company has not created provision against the investment of Rs. 30.10 million and Loan of Rs. 38.80 million.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014.

2 A debtor balance of Rs. 40.50 million pertaining to rent which is outstanding from a tenant, who has vacated the premises in the current year and where the contract, has expired and negotiation are underway for recovery of the balance. As represented to us, the

management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the rent in these financial statements.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014.

Note : 14

Under Indian GAAP, proposed dividends including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared/paid. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid which happens after year end.

Annexure VII – Standalone Capitalisation Statement as at 31March 2018

(All amounts in Rs. million)

Particulars	`	**As adjusted for issue (Refer note 5 below)**
Borrowings:		
Short-term borrowings	1,080.16	-
Current maturities of long-term borrowings(A)	428.60	-
Long-term borrowings (B)	10,275.42	-
Total borrowings (C)	**11,784.18**	**-**
Shareholders'funds (Net worth)		
Equity share capital	759.91	-
Other equity, as restated		
Securities Premium Reserve	2,903.47	-
Retained Earnings	2,160.31	-
Capital Reserve	1,128.50	-
Revaluation reserve (Included in Retained Earnings as per financials)	3,209.66	-
General Reserve	850.36	-
Sub-Total	**11,012.21**	**-**
Less: Capital reserve and Revaluation reserve	**4,338.16**	**-**
Total equity (Net worth) (D)	**6,674.05**	**-**
Long-term borrowings/shareholders' fund (Net worth) ratio ((A+B)/D)	1.60	**-**
Total borrowings/shareholders' fund (Net worth) ratio (C/D)	1.77	**-**

Notes:

1. Short-term borrowings are debts, which are due for repayment within 12 months from period ended 31March 2018.
2. Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long-term borrowings.
3. The amounts disclosed above are based on the Restated Standalone Summary Financial Information.
4. Other equity excludes revaluation reserve amounting to Rs. 3,209.66 million which has been transferred to Retained earnings at the beginning of first period presented in the Restated Standalone Summary Financial Information (i.e. 1 April 2013).
5. The Company is proposing an initial public offering.

Annexure VIII

Restated Standalone Statement of Accounting Ratios

(Amount in million unless otherwise stated)

Particulars	Financial year ended 31 March 2018	Financial year ended 31 March 2017	Financial year ended 31 March 2016	Financial year ended 31 March 2015	Financial year ended 31 March 2014
Earnings per Equity share					
Basic EPS (Rs.)	4.11	4.83	6.16	0.50	2.16
Diluted EPS (Rs.)	4.11	4.83	6.16	0.50	2.16
Return on net worth (%)	4.68%	5.68%	7.60%	0.66%	2.75%
Net Asset Value per share (Rs.)	87.83	85.00	81.08	75.47	78.82
Weighted average number of equity shares	75,991,199	75,991,199	75,991,199	75,991,199	75,999,199
Net Profit/(Loss) after tax, as restated	312.41	366.87	468.27	37.78	164.48
Equity share capital	759.91	759.91	759.91	759.91	759.91
Other equity, as restated	5,914.14	5,699.15	5,401.58	4,975.43	5,229.75
Net worth, as restated	6,674.05	6,459.06	6,161.49	5,735.34	5,989.66

Notes:

1. The ratios on the basis of Restated financial information have been computed as below:

$$\text{Basic Earnings per share (Rs)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$$

$$\text{Diluted Earnings per share (Rs)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$$

$$\text{Return on net worth (\%)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Net worth at the end of the year / period}}$$

$$\text{Net Asset Value (Rs.)} = \frac{\text{Net worth, as restated at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / Period}}$$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.

3. "Net Worth" includes Equity share capital and Other equity and excludes revaluation reserve existing as on 1 April 2013 and capital reserve .

4. The above ratios have been computed on the basis of the Restated Standalone Financial Information

Annexure IX - Statement of tax shelter

(All amounts in Rupees million)

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
A	Restated profit before tax	387.48	552.00	562.13	33.51	92.68
	Statutory tax rate					
B1	Profit/(loss) under the head business	34.61%	34.61%	34.61%	33.99%	33.99%
B2	Long-term capital gain/(loss)	23.07%	23.07%	23.07%	23.07%	22.66%
C	Tax at statutory income tax rate	134.10	191.05	194.55	11.39	31.50
D	Permanent differences:					
	Disallowances under the income tax act	-	7.46	10.07	23.56	16.29
	Change in Indexation base for computation of tax liablity for long term capital asset	(8.52)	(11.12)	(55.63)	(40.60)	(132.72)
	Change in tax rates	-	-	-	25.20	-
	Others	(50.51)	(2.26)	(55.13)	(23.82)	13.13
E	Total permanent differences	(59.03)	(5.92)	(100.69)	(15.66)	(103.30)
F	Temporary differences:					
	Difference in book base and tax base of property, plant and equipment	(382.74)	332.57	(16.98)	(185.56)	(187.78)
	Fair value of financial instruments	4.71	(2.93)	(13.34)	45.83	(12.90)
	Brought forward losses and unabsorbed depreciation	391.03	(127.81)	124.45	87.81	139.30
	Provision for doubtful advances	1.27	(11.95)	25.58	(56.49)	1.98
	Deferred government grant	(0.00)	1.66	1.65	3.31	1.65
	Expenses allowed on payment basis u/s 43 B	(6.90)	(4.49)	(4.31)	15.69	(9.25)
	MAT Credit entitilement	(18.58)	(125.95)	(122.81)	(7.26)	-
	Total temporary differences	(11.21)	61.10	(5.76)	(96.67)	(67.00)
	Tax payable	**75.07**	**185.13**	**93.86**	**(4.27)**	**(71.80)**

1) The permanent/temporary differences have been computed based on the items considered in final/provisional return of income filed/to be filed for the tax years ending immediately after the respective accounting year as the accounting year followed is different from the tax year.

2) Tax rate includes applicable surcharge, education cess and secondary and higher education cess for the respective period/year concerned.

3) The aforesaid Statement of Tax Shelter has been prepared as per the standalone summary statement of assets and liabilities and profits and losses of the Company.

4) The above statement should be read with the basis of preparation and significant accounting policies appearing in Note 1 of Annexure V of Notes to the Restated standalone summary financial information and statement of adjustments to Audited standalone financial statements appearing in Annexure VI.

To
The Board of Directors
Bharat Hotels Limited
Barakhamba Lane
New Delhi - 110001

Dear Sirs,

1) We have examined the attached Restated Consolidated Financial information of Bharat Hotels Limited (the "Company"), its subsidiaries, an entity registered under Indian Trusts Act, 1882, hereinafter referred to as the "Trust" and joint venture (collectively known as the "Group"), which comprise of the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statements of Changes in Equity and the Restated Consolidated Statement of Cash Flows and for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the Significant Accounting Policies as approved by the Board of Directors at their meeting held on 22 June 2018 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed offer of equity shares of the Company prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act") read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 (the "ICDR Regulations")

Management's Responsibility

2) The preparation of the Restated Consolidated Financial Information including the financial information mentioned in paragraph 3 below is the responsibility of the management of the Company for the purpose of set out in paragraph 12 below. The management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Consolidated Financial Information. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent. The management is also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations.

Auditors' Responsibilities

3) We have examined such Restated Consolidated Financial Information taking into consideration:

a) the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 15 September 2017 and addendum dated 05 April 2018 in connection with the proposed issue of equity shares of the Company; and
b) the Guidance Note on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

Restated Consolidated Financial Information as per audited consolidated financial statements:

4) The Restated Consolidated Financial Information has been prepared and compiled by the management applying Indian Accounting Standards (the "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 taking into consideration the requirements of circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 issued by SEBI (the "Circular") as follows:

(a) The Restated Consolidated Financial Information as at and for the years ended 31 March 2018 has been extracted from the audited consolidated financial statements of the Company as at and for the year ended 31 March 2018, prepared in accordance with the Ind-AS and Companies (Indian Accounting Standards) Amendment Rules, 2016 which were approved by the Company's Board of directors at their meeting held on 22 June 2018.

(b) The Restated Consolidated Financial Information as at and for the years ended 31 March 2017 have been extracted from the audited consolidated financial statements of the Company as at and for the year ended 31 March 2017, prepared in accordance with the Ind-AS and Companies (Indian Accounting Standards) Amendment Rules, 2016 which were approved by the Company's Board of directors at their meeting held on 21 July 2017.

(c) The Restated Consolidated Financial Information as at and for the years ended 31 March 2016 has been extracted from the audited consolidated financial statements of the Company as at and for the year ended 31 March 2016 prepared in accordance with Accounting Standards prescribed under Section of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, and the other relevant provisions of the Act and which were approved by the Board of directors at their meeting held on 21 July 2016. These audited Consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transitions to Ind AS, which have been examined by us

(d) The Restated Consolidated Financial Information also contains the Proforma Ind AS financial statements as at and for the years ended 31 March 2015 and 31 March 2014. These Proforma Ind AS financial statements have been prepared by making Ind AS adjustments to the audited financial statements of the Company in accordance with the Circular for the respective years prepared in accordance with the accounting standards notified under the Accounting Standard rules then applicable (the "Indian GAAP") which have been approved by the Board of directors at their meetings held on 20 August 2015 and 2 August 2014 as described in Note 65 of Annexure V.

5) a) We did not audit the Consolidated Financial Statements of the Company as at and for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 (details furnished in Appendix I). These Consolidated Financial Statements have been audited by the previous auditors S.R. Batliboi & Co LLP, Chartered Accountants, whose reports have been furnished to us by the Company, and our opinion on the examination of the restated financial information in so far as it relates to the amounts included in the Restated Consolidated Financial Information on the basis of these Consolidated Financial Statements is based solely on the audit reports of such previous auditor.

b) We did not audit the Consolidated Financial Statements of the Company as at and for the year ended 31 March 2014 (details furnished in Appendix I). These Consolidated Financial Statements have been audited by the previous auditors S.R. Batliboi & Associates LLP, Chartered Accountants, whose report has been furnished to us by the Company, and our opinion on the examination of the restated financial information in so far as it relates to the amounts included in the Restated Consolidated Financial Information on the basis of these Consolidated Financial Statements is based solely on the audit report of such previous auditor.

6) For the purpose of our examination, we have relied on:

(a) The financial information in relation to the Company's subsidiaries including an entity controlled by the Company as listed below, which are included in the abovementioned audited consolidated financial statements:

Name of the entity	**Relationship**	**Name of the audit firm**	**Periods Covered**
Apollo Zipper India Limited	Subsidiary	S. R. Batliboi & Co LLP	As at and for the years ended 31 March 2017, 2016 and 2015
		S. R. Batliboi & Associates LLP	As at and for the year ended 31 March 2014
Jyoti Limited	Subsidiary	R. C. Gupta & Co.	As at and for the years ended 31 March 2018, 2017, 2016, 2015 and 2014
Prime Buildwell Private Limited	Subsidiary	V. Sankar Aiyar & Co	As at and for the years ended 31 March 2017, 2016, 2015 and 2014
Prime Cellular Limited	Subsidiary	V. Sankar Aiyar & Co	As at and for the years ended 31 March 2017, 2016, 2015 and 2014
The Lalit Suri Educational and Charitable Trust	Entity controlled by the Company	V. Sankar Aiyar & Co.	As at and for the years ended 31 March 2018,2017, 2016, 2015 and 2014
Kujjal Builders Private Limited	Subsidiary	K M G S & Associates	As at and for the years ended 31 March 2018, 2017 and 2016
		CNK & Co.	As at and for the years ended 31 March 2015
		ARG & Co	As at and for the years ended 31 March 2014

(b) As indicated in auditor's report on consolidated financial statements as at and for the years ended 31 March 2017, 2016, 2015 and 2014 referred to in paragraph 6(a) above, the previous Auditors did not audit financial statements of certain subsidiaries, whose share of total assets, total revenues and net cash inflows / (outflows) included in the Restated Consolidated Summary Financial Information, for the relevant years is furnished in Appendix 1.

These financial statements have been audited by other firms of Chartered Accountants as listed in Para 6(a) whose reports have been furnished to the previous Auditors and their opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Financial Information are based solely on the report of other auditors.

(c) We did not audit the separate financial statements of two subsidiaries and the Trust, whose share of total assets, total revenues and net cash inflows included in the audited consolidated financial statements, as of and for the year ended 31 March 2018 is furnished in Appendix 1, which have been audited by other auditors and whose reports have been furnished to us by the Company's 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 components, is based solely on the reports of the other auditors:

(d) The examination report issued by another auditor of a subsidiary of the Company on the restated standalone financial statements of that subsidiary as at and for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, in so far as it relates to the amounts included in Restated Consolidated Summary Financial Information, are mentioned below:

Name of the entity	**Name of Auditor**	**Examination Report Date**
Kujjal Builders Private Limited	K M G S & Associates	22 June 2018

The examination report of the other auditors referred to above has confirmed that:

(i) the restated standalone summary financial information of the subsidiary company has been prepared after making such adjustments, as are fully described in the notes appearing in Annexure VI to this report, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods;

(ii) the restated standalone summary financial information of the subsidiary company has been prepared after incorporating adjustments and regroupings for the material amounts in the respective financial years/ periods to which they relate; and

(iii) the restated standalone summary financial information of the subsidiary company does not contain any extraordinary items that need to be disclosed separately in the restated standalone summary statements, as examined, and do not contain any qualification requiring adjustments.

7) Based on our examination in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with ICDR Regulations and the Guidance Note, we report that:

a) The Restated Consolidated Statement of Assets and Liabilities of the Group, as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Consolidated Restated statement of Material Adjustments and Regroupings.

b) The Restated Statement of Profit and Loss of the Group for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Consolidated Restated Statement of Material Adjustments and Regroupings.

c) The Restated Summary Statement of Changes in Equity of the Group for each of the years ended 31 March 2018,2017, 31 March 2016, 31 March 2015 and 31 March 2014, as set out in Annexure III to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Consolidated Restated Statement of Material Adjustments and Regroupings.

d) The Restated Consolidated Statement of Cash Flows of the Group for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 as set out in Annexure IV to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Consolidated Restated Statement of Material Adjustments and Regroupings.

e) Based on the above and according to the information and explanations given to us and upon consideration of the examination report of the other auditors mentioned in 7(d) above, we further report that the Restated Consolidated Financial Information:

(i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

(ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

(iii) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated inancial Information and do not contain any qualification requiring adjustments and

(iv) there are no qualifications in the auditors' reports on the audited consolidated financial statements of the Company as at and for the and as at and for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 which require any adjustments to the Restated Consolidated Financial Information except for the following qualifications included in the respective auditor's report on the consolidated financial statements for the years ended 31 March 2015 and 2014, which have been adjusted in these Restated Consolidated Financial Information as further detailed in Annexure VI

As at and for the year ended March 31, 2015

Qualifications

(i) "Attention is invited to Note No.44, wherein it is stated that Company's subsidiary has communicated its intention to exit from the joint venture at Dubai and is in the process of negotiating for recovery as per the terms of the Joint Venture agreement. However, Company has not created provision against the investment of Rs. 1.08 million and group share of loan of Rs. 66.02 million for reasons more fully described therein. The ultimate outcome of the matter cannot be presently determined, and accordingly we are unable to comment on recoverability of the assets from the Joint Venture and its consequential impact in these financial statements. This was matter of qualification in previous year audit report as well."

(ii) "Attention is invited to Note No. 47, regarding an advance amount of Rs. 40.47 million (As at March 31, 2014: Rs. 40.47 million) which is outstanding with a tenant, who has vacated the premises in the previous year and where the contract, has expired and negotiations are underway for recovery of the balance. As represented to us, the management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the advance in these financial statements. However, pending conclusion of the negotiations and in the absence of sufficient appropriate audit evidence regarding independent confirmation of balance/repayment schedule, we are unable to comment on the recoverability of the aforesaid balance and whether any adjustments are required to the carrying value of such receivable and its consequential impact in these financial statement. This was matter of qualification in previous year audit report as well.”

As at and for the year ended March 31, 2014

Qualifications

(i) “Attention is invited to Note No.44, wherein it is stated that Company's subsidiary has communicated its intention to exit from the joint venture at Dubai and is in the process of negotiating for recovery as per the terms of the Joint Venture agreement. However, Company has not created provision against the investment of Rs. 30.10 million and Loan of Rs. 38.83 million for reasons more fully described therein. The ultimate outcome of the matter cannot presently be determined, and accordingly we are unable to comment on recoverability of the assets from the Joint Venture and its consequential impact in these financial statements.”

(ii) “Further we did not audit total assets of Rs. 649.42 million as at March 31, 2014, total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.02 million for the year then ended, included in the accompanying consolidated financial statements in respect of Cavern Hotel & Resorts FZ Co. whose financial statements and other financial information have prepared by management. Accordingly, we are also unable to comment on the impact arising out of the same had these been audited in these consolidated financial statements.”

(iii) “Attention is invited to Note No 50, regarding an amount of Rs 40.47 million pertaining to rent which is outstanding from a tenant, who has vacated the premises in the current year and where the contract, has expired and negotiations are underway for recovery of the balance. As represented to us, the management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the rent in these financial statements. However, pending conclusion of the negotiations and in the absence of independent confirmation of balance /repayment schedule, we are unable to comment on the recoverability of the aforesaid balance and whether any adjustments are required to the carrying value of such receivable and its consequential impact in these financial statement. This was matter of qualification in previous year as well.”

(v) Emphasis of Matter included in the auditor’s reports on the audited consolidated financial statements as at and for the year ended 31 March 2014 which do not require any further corrective adjustment in the Restated Consolidated Financial Information, are as follows:

As at and for the year ended 31 March 2014

(i) “We draw Attention to Note No.46, wherein a vendor has issued a termination notice as per the terms of the agreement for sale of aircraft and has levied liquidated damages of Rs. 146.04 million (equivalent to USD 2.43 million) and has adjusted the advance amounting to Rs. 66.11 million (equivalent to USD 1.10 million) resulting in payable balance of Rs. 79.93 million, in terms of the agreement for sale of aircraft and further forfeited advance amounting to Rs. 159.26 million paid by the Company. Management has initiated legal proceedings against the vendor, for which vendor has sought mediation for the settlement of the claim. Pending the completion of settlement of the mediation proceedings and legal case against the vendor for recovery of the advance, the management has not accounted for any the liquidated damages so levied. Our opinion is not qualified in respect of this matter.”

9. We have also examined the following restated consolidated financial information of the Group set out in the Annexures prepared by the management and approved by the Board of Directors as at

and for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015, and 31 March 2014. Our examination was based upon the audited consolidated financial statement for the year ended 31 March 2017, 31 March 2016 and 31 March 2015 by the previous auditor S.R. Batliboi & Co LLP and for the year ended 31 March 2014 by the previous auditor S.R. Batliboi & Associates LLP and relied upon by us.

a) Annexure I - Restated consolidated statement of assets and liabilities
b) Annexure II - Restated consolidated statement of profit and loss
c) Annexure III - Restated consolidated statement of changes in equity
d) Annexure IV - Restated Consolidated statement of Cash Flows
e) Annexure V – Notes to restated consolidated financial information
f) Annexure VI – Consolidated Restated Statement of Material Adjustments and Regroupings
g) Annexure VII – Consolidated capitalisation statement
h) Annexure VIII – Restated Consolidated Statement of Accounting Ratios

According to the information and explanations given to us and, upon consideration of the examination report of the other auditor as mentioned in para 6 (d) above, in our opinion, the Restated Consolidated Financial Information and the above restated consolidated financial information contained in Annexures VI to VIII accompanying this report, read with of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with the Act, the Rules, ICDR Regulations and the Guidance Note.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us and the Predecessor Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the offer document to be filed with Securities and Exchange Board of India, BSE Limited, The National Stock exchange of India Limited and the Registrar of Companies, Delhi in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Ashish Gupta
Partner
Membership No. 504662

Place : New Delhi
Date : 22 June 2018

Appendix I

Financial Information of the Consolidated Financial Statements of subsidiaries and trust for the years audited by the previous auditor, as considered in the Restated Consolidated Financial Information:

Amount (Rs in Million)

Particulars	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Total assets	25,572.53	25,802.43	26,118.08	25,598.42
Total Revenue	6,292.43	6,095.05	5,210.32	4,397.02
Net Cash Inflows	387.90	(457.26)	226.50	(182.91)

Financial Information of the Consolidated Financial Statements for the subsidiaries and trust that are not audited by us for the year ended 31 March 2018, as considered in the Restated Consolidated Financial Information:

Amount (Rs in Million)

Particulars	31 March 2018
Total assets	5241.01
Total Revenue	557.82
Net Cash Inflows	7.09

Bharat Hotels Limited

Annexure I - Restated consolidated statement of assets and liabilities

(All amounts in Rupees million)

Particulars	Note No. of Annexure V	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
ASSETS						
Non-Current Assets						
a) Property, plant and equipment	2	19,506.19	19,768.29	19,433.79	20,407.80	18,232.69
b) Capital work-in-progress		3,274.76	2,498.02	2,969.03	2,504.67	4,396.42
c) Goodwill	3	842.55	842.55	842.55	842.55	842.55
d) Other intangible assets	3	21.83	10.20	18.64	26.90	24.23
e) Financial assets						
(i) Investments	4	0.36	0.36	0.36	0.36	-
(ii) Loans	5	63.11	54.46	62.32	58.50	55.45
(iii) Other non-current financial assets	6	196.23	234.34	203.28	214.28	227.24
f) Non current tax assets (net)		463.91	381.09	383.51	377.65	249.76
g) Other non-current assets	7	661.03	614.85	628.38	652.91	786.18
Total non current assets		**25,029.97**	**24,404.16**	**24,541.86**	**25,085.62**	**24,814.52**
Current Assets						
a) Inventories	8	186.14	195.17	199.78	175.90	153.11
b) Financial assets						
(i) Trade receivables	9	643.85	492.61	436.02	386.11	315.19
(ii) Cash and cash equivalents	10	218.66	688.30	208.96	670.30	462.98
(iii) Other bank balances	11	119.30	105.66	54.82	53.64	309.09
(iv) Loans	12	10.86	11.29	11.01	14.45	16.03
(v) Other current financial assets	13	83.07	58.25	78.56	49.06	266.96
c) Other current assets	14	232.22	289.78	304.41	292.32	260.45
Assets classified as held for sale	15	2.00	163.88	164.88	3.00	3.00
Total current assets		**1,496.10**	**2,004.94**	**1,458.44**	**1,644.78**	**1,786.81**
Total assets		**26,526.07**	**26,409.10**	**26,000.30**	**26,730.40**	**26,601.33**
EQUITY AND LIABILITIES						
Equity						
a) Equity share capital	16	759.91	759.91	759.91	759.91	759.91
b) Other equity	17	9,156.67	8,503.83	8,732.94	9,106.61	9,906.63
Equity attributable to owners of Bharat Hotels Limited		**9,916.58**	**9,263.74**	**9,492.85**	**9,866.52**	**10,666.54**
Non Controlling Interest		(296.04)	(384.45)	(72.30)	242.95	409.20
Total Equity		**9,620.54**	**8,879.29**	**9,420.55**	**10,109.47**	**11,075.74**
Non-current liabilities						
a) Financial liabilities						
(i) Borrowings	18	12,346.31	11,781.07	10,879.74	10,519.78	10,190.89
(ii) Other non current financial liabilities	19	45.16	44.99	41.80	27.29	44.83
b) Provisions	20	96.76	80.50	72.65	73.51	60.71
c) Deferred tax liabilities (net)	21	372.49	1,220.96	1,162.31	1,162.87	1,266.42
d) Other non-current liabilities	22	389.60	413.80	439.35	459.45	473.67
Total non current liabilities		**13,250.32**	**13,541.32**	**12,595.85**	**12,242.90**	**12,036.52**

Current liabilities						
a) Financial liabilities						
(i) Borrowings	23	1,305.19	1,860.20	1,838.68	1,190.26	1,036.35
(ii) Trade payables	24	865.06	448.96	313.44	348.74	328.21
(iii) Other current financial liabilities	25	1,003.07	1,163.97	1,323.51	2,438.42	1,686.15
b) Provisions	26	91.17	78.64	76.09	95.94	85.52
c) Other current liabilities	27	390.72	436.72	432.18	304.67	352.84
Total current liabilities		**3,655.21**	**3,988.49**	**3,983.90**	**4,378.03**	**3,489.07**
Total equity and liabilities		**26,526.07**	**26,409.10**	**26,000.30**	**26,730.40**	**26,601.33**

The above statement should be read with the basis of preparation and significant accounting policies appearing in Note 1 of Annexure V of Notes to the Restated consolidated financial information and statement of adjustments to Audited consolidated financial statements appearing in Annexure VI.

As per our examination report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No. 504662

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

Dr. Jyotsna Suri
Chairperson and Managing Director
DIN-00004603

Divya Suri Singh
Director
DIN-00004559

Urmila Khurana
Chief Financial Officer

Himanshu Pandey
Company Secretary

Place : New Delhi
Date : 22 June 2018

Bharat Hotels Limited

Annexure II - Restated consolidated statement of profit and loss

(All amounts in Rupees million)

Particulars	Note No. of Annexure V	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Revenue						
a) Revenue from operations	28	7,379.85	6,537.90	5,988.29	5,214.86	4,302.59
b) Other income	29	165.40	106.32	214.70	113.06	91.84
Total income		**7,545.25**	**6,644.22**	**6,202.99**	**5,327.92**	**4,394.43**
Expenses						
a) Cost of food and beverages consumed	30	916.95	796.85	743.32	633.72	522.20
b) Purchase of traded goods		6.18	7.72	6.76	7.02	7.88
c) Change in inventories of traded goods	31	0.24	(2.31)	(0.75)	(1.22)	0.20
d) Excise duty on sale of food		0.87	5.31	4.07	3.08	3.55
e) Employee benefits expense	32	1,327.13	1,197.59	1,081.73	1,053.77	884.06
f) Other expenses	33	3,051.83	2,684.12	2,589.90	2,404.02	2,195.00
Total expenses		**5,303.20**	**4,689.28**	**4,425.03**	**4,100.39**	**3,612.89**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**2,242.05**	**1,954.94**	**1,777.96**	**1,227.53**	**781.54**
Finance income	34	(64.18)	(61.25)	(57.21)	(65.60)	(41.68)
Finance costs	35	1,377.95	1,451.38	1,496.85	1,165.35	763.85
Depreciation and amortisation expense	36	847.66	851.07	890.02	881.53	464.65
Loss before exceptional items, share of net loss of investments accounted for using equity method and tax		**80.62**	**(286.26)**	**(551.70)**	**(753.75)**	**(405.28)**
Exceptional Items	68	-	-	-	(77.02)	(283.18)
Restated profit/(loss) before tax		**80.62**	**(286.26)**	**(551.70)**	**(676.73)**	**(122.10)**
Tax expense:	39					
a) Current tax		87.08	127.05	98.79	(30.10)	(2.43)
b) Deferred tax charge/(credit)		(826.71)	184.97	120.42	34.80	(78.30)
c) Minimum alternate tax (MAT) credit		(18.58)	(125.95)	(122.81)	(7.26)	-
Total tax expense		**(758.21)**	**186.07**	**96.40**	**(2.56)**	**(80.73)**
Restated profit/(loss) for the year		**838.83**	**(472.33)**	**(648.10)**	**(674.17)**	**(41.37)**
Other comprehensive income (net of taxes)						
Items that will not be reclassified to profit or loss in subsequent years						
a) Remeasurements of the net defined benefit plans		(9.30)	(0.71)	6.75	(7.19)	14.69
b) Income tax effect		3.18	0.37	(1.83)	2.49	(5.08)
		(6.12)	**(0.34)**	**4.92**	**(4.70)**	**9.61**
Total comprehensive income		**832.71**	**(472.67)**	**(643.18)**	**(678.87)**	**(31.76)**

Profit/(Loss) attributable to :						
Equity holder of parent		750.42	(160.08)	(332.56)	(507.92)	3.70
Non Controlling Interest		88.41	(312.25)	(315.54)	(166.25)	(45.07)
Other comprehensive income/(loss) attributable to :						
Equity holder of parent		(6.12)	(0.44)	4.63	(4.70)	9.61
Non Controlling Interest		-	0.10	0.29	-	-
Total comprehensive income attributable to:						
Equity holder of parent		744.30	(160.52)	(327.93)	(512.62)	13.31
Non Controlling Interest		88.41	(312.15)	(315.25)	(166.25)	(45.07)

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 1 of Annexure V of Notes to the Restated consolidated financial information and statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.
As per our examination report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

per **Ashish Gupta**
Partner
Membership No. 504662

Dr. Jyotsna Suri
Chairperson and Managing Director
DIN-00004603

Divya Suri Singh
Director
DIN-00004559

Urmila Khurana
Chief Financial Officer

Himanshu Pandey
Company Secretary

Place : New Delhi
Date : 22 June 2018

Bharat Hotels Limited

Annexure III - Restated consolidated statement of changes in equity

A. Equity share capital

	Note No.	Amount	No. of shares
Equity share of INR 10 each, issued, subscribed and fully paid up			
As at 31 March 2013 (Proforma)	**16**	**759.91**	**75,991,199**
Changes in equity share capital		-	-
As at 31 March 2014 (Proforma)	**16**	**759.91**	**75,991,199**
Changes in equity share capital		-	
As at 31 March 2015 (Proforma)	**16**	**759.91**	**75,991,199**
Changes in equity share capital		-	
As at 31 March 2016	**16**	**759.91**	**75,991,199**
Changes in equity share capital		-	
As at 31 March 2017	**16**	**759.91**	**75,991,199**
Changes in equity share capital			
As at 31 March 2018	**16**	**759.91**	**75,991,199**

Bharat Hotels Limited

Annexure III - Restated consolidated statement of changes in equity

B. Other equity

(All amounts in rupees million)

	Attributable to equity holders of Bharat Hotels Limited								
	Reserves and surplus (Note 18)					Other reserves			
	Securities Premium Reserve	**Retained Earnings***	**General Reserve**	**Capital Reserve#**	**Debenture Redemption Reserve**	**Foreign Currency Translation Reserve**	**Total Other Equity**	**Non Controlling Interests**	**Total**
For the year ended 31 March 2014 (Proforma)									
Balance as at 1 April 2013 (Proforma) (Refer Note c(i) of Annexure VI)	2,903.47	4,833.64	903.33	1,128.50	168.54	266.84	**10,204.32**	564.05	**10,768.37**
Profit for the year	-	3.70	-	-	-	-	**3.70**	(45.07)	(41.37)
Other comprehensive income (net of tax)		9.61					**9.61**	-	9.61
Movement	-	-					-		-
Total comprehensive income	**-**	**13.31**	**-**	**-**	**-**	**-**	**13.31**	**(45.07)**	**(31.76)**
Transactions with owners in their capacity as owners :									
Cash dividends (Refer note 50)	-	(38.00)	-	-	-	-	**(38.00)**		(38.00)
Dividend distribution tax (DDT) (Refer note 50)	-	(6.16)	-	-	-	-	**(6.16)**		(6.16)
Transfer from foreign currency translation reserve	-	-	-	-	-	(266.84)	**(266.84)**	-	**(266.84)**
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	88.54	-	(88.54)	-	**-**	-	**-**
Sale of subsidiary resulting in reduction in non controlling	-	-	-	-	-	-	**-**	(109.78)	**(109.78)**
Balance as at 31 March 2014 (Proforma)	**2,903.47**	**4,802.79**	**991.87**	**1,128.50**	**80.00**	**-**	**9,906.63**	**409.20**	**10,315.83**
For the year ended 31 March 2015 (Proforma)									
As at 1 April 2014 (Proforma)	2,903.47	4,802.79	991.87	1,128.50	80.00	-	**9,906.63**	409.20	**10,315.83**
Profit for the year	-	(507.92)	-	-	-	-	**(507.92)**	(166.25)	(674.17)
Other comprehensive income (net of tax)	-	(4.70)	-	-	-	-	**(4.70)**	-	(4.70)
Total comprehensive income	**-**	**(512.62)**	**-**	**-**	**-**	**-**	**(512.62)**	**(166.25)**	**(678.87)**
Transactions with owners in their capacity as owners :									
Cash dividends (Refer note 50)	-	(38.00)	-	-	-	-	**(38.00)**		(38.00)
Dividend distribution tax (DDT) (Refer note 50)	-	(6.46)	-	-	-	-	**(6.46)**		(6.46)
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	40.00	-	(40.00)	-	**-**		-
Depreciation on account of adoption of Schedule II of the Companies Act 2013	-	-	(242.94)	-	-	-	**(242.94)**		(242.94)
Balance as at 31 March 2015 (Proforma)	**2,903.47**	**4,245.71**	**788.93**	**1,128.50**	**40.00**	**-**	**9,106.61**	**242.95**	**9,349.56**
As at 1 April 2015	2,903.47	4,245.71	788.93	1,128.50	40.00	-	**9,106.61**	242.95	**9,349.56**
Profit for the year	-	(332.56)	-	-	-	-	**(332.56)**	(315.54)	(648.10)
Other comprehensive income (net of tax)	-	4.63	-	-	-	-	**4.63**	0.29	4.92
Total comprehensive income	**-**	**(327.93)**	**-**	**-**	**-**	**-**	**(327.93)**	**(315.25)**	**(643.18)**
Transactions with owners in their capacity as owners :									
Cash dividends (Refer note 50)	-	(38.00)	-	-	-	-	**(38.00)**		(38.00)
Dividend distribution tax (DDT) (Refer note 50)	-	(7.74)	-	-	-	-	**(7.74)**		(7.74)
Transfer from debenture redemption reserve on account of redemption of debentures	-	-	40.00	-	(40.00)	-	-		-
Balance as at 31 March 2016	**2,903.47**	**3,872.04**	**828.93**	**1,128.50**	**-**	**-**	**8,732.94**	**(72.30)**	**8,660.64**

Bharat Hotels Limited

Annexure III - Restated consolidated statement of changes in equity

As at 1 April 2016	2,903.47	3,872.04	828.93	1,128.50	-	-	**8,732.94**	(72.30)	**8,660.64**
Profit for the year	-	(160.08)	-	-	-	-	**(160.08)**	(312.25)	(472.33)
Other comprehensive income (net of tax)	-	(0.44)	-	-	-	-	**(0.44)**	0.10	(0.34)
Total comprehensive income	**-**	**(160.52)**	**-**	**-**	**-**	**-**	**(160.52)**	**(312.15)**	**(472.67)**
							-		
Transactions with owners in their capacity as owners :							**-**		
Cash dividends (Refer note 50)	-	(56.99)	-	-	-	-	**(56.99)**	-	(56.99)
Dividend distribution tax (DDT) (Refer note 50)	-	(11.60)	-	-	-	-	**(11.60)**	-	(11.60)
Balance as at 31 March 2017	**2,903.47**	**3,642.93**	**828.93**	**1,128.50**	**-**	**-**	**8,503.83**	**(384.45)**	**8,119.38**
As at 1 April 2017	2,903.47	3,642.93	828.93	1,128.50	-	-	8,503.83	(384.45)	8,119.38
Profit for the year	-	750.42	-	-	-	-	750.42	88.41	838.83
Other comprehensive income (net of tax)	-	(6.12)	-	-	-	-	(6.12)	-	(6.12)
Total comprehensive income	**-**	**744.30**	**-**	**-**	**-**	**-**	**744.30**	**88.41**	**832.71**
Transactions with owners in their capacity as owners :									
Cash dividends (Refer note 50)	-	(75.99)	-	-	-	-	(75.99)	-	(75.99)
Dividend distribution tax (DDT) (Refer note 50)	-	(15.47)	-	-	-	-	(15.47)	-	(15.47)
Balance as at 31 March 2018	**2,903.47**	**4,295.77**	**828.93**	**1,128.50**	**-**	**-**	**9,156.67**	**(296.04)**	**8,860.63**

* includes revaluation reserve of Rs. 3,693.26 million transferred to Retained earnings at the beginning of first period presented in this annexure (i.e. 1 April 2013).

#In terms of the scheme of arrangement under section 391 to 394 of Companies Act, 1956, approved by order dated 19 August 2013 of the Hon'ble High Court of Delhi which became effective on 19 September 2013, Udaipur Hotels Limited had been amalgamated with the Company on filing of the certified copy of the Order of the High Court in the office of Registrar of Companies of NCT of Delhi and Haryana. As per the Scheme, the appointed date is 1 April 2012. This Scheme has been given effect to from the beginning of first period presented in this statement of restated consolidated financial information (i.e. 1 April 2012).

The above statement should be read with the basis of preparation and significant accounting policies appearing in Note 1 of Annexure V of Notes to the Restated consolidated financial information and statement of adjustments to Audited consolidated financial statements appearing in Annexure VI.

As per our examination report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No. 504662

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

Dr. Jyotsna Suri
Chairperson and Managing Director
DIN-00004603

Divya Suri Singh
Director
DIN-00004559

Urmila Khurana
Chief Financial Officer

Himanshu Pandey
Company Secretary

Place : New Delhi
Date : 22 June 2018

Bharat Hotels Limited

Annexure IV - Restated Consolidated statement of Cash Flows **(All amounts in Rupees million)**

		For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
A	**Cash flows from operating activities**					
	Profit / (loss) before tax	80.62	(286.26)	(551.70)	(676.73)	(122.10)
	Non-cash adjustments to reconcile profit before tax to net cash					
	Depreciation and amortisation expenses	847.66	851.07	890.02	881.53	464.65
	Bad debts written off	1.97	0.05	0.94	0.73	1.35
	Provision for doubtful debts	11.01	16.67	-	0.95	-
	Provision for doubtful advances	3.81	22.07	7.22	4.34	5.73
	Excess provision/ credit balances written back	(46.72)	(42.52)	(26.29)	(33.93)	(21.09)
	Loss/ (profit) on sale of property, plant and equipment (net)	0.89	1.88	(119.12)	0.66	0.88
	Advances written off	-	1.02	-	0.01	10.31
	Unwinding of discount on security deposits	(3.49)	(2.48)	(2.21)	(1.96)	(1.84)
	Amortisation of deferred lease rent	(3.72)	7.73	9.18	9.19	9.18
	Interest Income	(60.69)	(53.89)	(55.00)	(63.64)	(39.41)
	Interest expense	1,374.09	1,451.38	1,475.76	1,154.43	763.85
	(Profit)/Loss on aircraft being classified as held for sale	-	-	-	-	(283.18)
	Government Grant Income	(15.90)	(17.01)	(17.01)	(17.01)	(13.07)
	Unrealized foreign exchange (gain)	5.32	(23.04)	(13.68)	5.36	25.72
	Operating profit before working capital changes:	**2,194.85**	**1,926.70**	**1,598.11**	**1,263.93**	**800.98**
	Movements in working capital:					
	Decrease in loans other financial and other assets	(13.59)	75.50	3.98	124.07	(132.03)
	(Increase) in trade receivable	(163.92)	(73.29)	(50.85)	(72.62)	(70.93)
	Decrease/(Increase) in inventories	9.03	4.62	(23.88)	(22.80)	(15.62)
	Increase/(Decrease) in trade payable	301.06	178.05	(9.00)	54.44	63.28
	(Decrease)/Increase in other financial liabilities, other liabilities and provisions	25.40	19.15	139.28	(72.00)	138.85
	Cash generated from operations	**2,352.83**	**2,130.73**	**1,657.64**	**1,275.02**	**784.53**
	Tax Paid (net)	(169.90)	(124.68)	(124.69)	(94.31)	(89.05)
	Net cash flow from operating activities (A)	**2,182.93**	**2,006.05**	**1,532.95**	**1,180.71**	**695.48**
B	**Cash flow from/(used in) investing activities**					
	Purchase of property, plant and equipment*	(1,154.34)	(657.71)	(858.76)	(985.85)	(2,141.72)
	Proceeds from sale of property, plant and equipment	2.42	11.58	572.78	20.10	981.39
	Purchase of Investment others	-	-	-	(0.36)	-
	Sale of investment in subsidiaries		-	-	-	1,016.00
	Interest received	60.57	58.23	38.38	59.68	17.77
	(Investment in)/proceeds from bank deposits	27.26	(130.78)	3.16	317.46	(257.64)
	Net Cash flow (used in) investing activities (B)	**(1,064.09)**	**(718.68)**	**(244.44)**	**(588.97)**	**(384.20)**
* Purchase of property, plant and equipment includes capital work in progress and intangible assets						
C	**Cash flows from/(used in) financing activities**					
	Proceeds from long term borrowings	1,206.06	4,087.91	3,589.96	4,237.50	3,177.42
	Repayment of long term borrowings	(735.49)	(3,261.50)	(4,441.40)	(3,219.36)	(2,290.50)
	(Repayments)/proceeds from short-term borrowings, net	(560.64)	21.52	648.42	153.90	171.78
	Interest paid	(1,316.31)	(1,579.53)	(1,541.49)	(1,522.65)	(1,526.98)

Dividend paid	(75.99)	(56.99)	(38.00)	(38.00)	(38.00)
Tax on dividend paid	(15.47)	(11.60)	(7.74)	(6.46)	(6.16)
Net Cash flow used in financing activities (C)	**(1,497.84)**	**(800.19)**	**(1,790.25)**	**(395.07)**	**(512.44)**

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Net (decrease)/increase in cash and cash equivalents	**(379.00)**	**487.18**	**(501.74)**	**196.67**	**(201.16)**
Cash and cash equivalents at the beginning of the year	**587.88**	**100.70**	**602.44**	**405.62**	**607.67**
Exchange differences on translation of cash and cash equivalents	-	-	-	0.15	0.20
Adjustment on account of disposal of subsidiary	-	-	-	-	(1.08)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (for the purpose of cash flows, cash and cash equivalents comprise book overdraft)	**208.88**	**587.88**	**100.70**	**602.44**	**405.63**
COMPONENTS OF CASH AND CASH EQUIVALENTS					
Balances with banks:-					
On current accounts	194.96	663.14	77.15	328.33	167.28
On EEFC Accounts	5.16	6.97	2.28	6.53	3.24
Deposits with original maturity of less than three months	2.36	1.12	114.61	321.40	268.70
Cheques/drafts on hand	5.21	10.09	6.66	6.02	14.59
Cash on Hand	10.97	6.98	8.26	8.02	9.17
Less: Book Overdraft	(9.78)	(100.42)	(108.26)	(67.86)	(57.35)
	208.88	**587.88**	**100.70**	**602.44**	**405.63**

Notes:
1. The figures in bracket indicates outflows.
2. The cash flow has been prepared under the "Indirect method" as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows

The above statement should be read with the Basis of preparation and Significant Accounting policies appearing in Note 1 of Annexure V of Notes to the consolidated restated financial information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

As per our examination report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No. 504662

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

Dr. Jyotsna Suri
Chairperson and Managing Director
DIN-00004603

Divya Suri Singh
Director
DIN-00004559

Urmila Khurana
Chief Financial Officer

Himanshu Pandey
Company Secretary

Place : New Delhi
Date : 22 June 2018

1. Corporate Information

The restated consolidated financial information comprises financial statements of Bharat Hotels Limited(hereinafter referred as the "Holding Company" or "Parent" or "Company"),its subsidiaries and entity controlled by the Company(entity registered as trust under Indian Trusts Act, 1882 (Trust)) and its investment in joint venture (collectively, the Group).The Group along with its joint venture entities are engaged in the business of operating hotels other than the Trust which is engaged in promoting education, training and operating schools, colleges, universities, research and development center, e-learning centers for hospitality industry development.

These restated consolidated statement and other consolidated financial information were approved by the Board of Directors of the Company on 22 June 2018.

Description of Group

Name	Country of incorporation	Shareholding/ Control (%age)				
		31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
					(Proforma)	(Proforma)
Subsidiaries:						
Jyoti Limited	India	100.00%	100.00%	100.00%	100.00%	100.00%
Apollo Zipper India Limited	India	90.00%	90.00%	90.00%	90.00%	90.00%
Prime Cellular Limited	India	99.60%	99.60%	99.60%	99.60%	99.60%
Prima Buildwell Private Limited	India	100.00%	100.00%	100.00%	100.00%	100.00%
Kujjal Builders Private Limited	India	50.00%	50.00%	50.00%	50.00%	50.00%
Entity controlled by the Company:						
The Lalit Suri Educational & Charitable Trust	India	100%	100%	100%	100%	100%
Joint Ventures:						
Cavern Hotel & Resorts FZ Co	United Arab Emirates	16.67%	16.67%	16.67%	16.67%	16.67%

1.1. Basis of Preparation

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the company to be filed by the Company with SEBI, in accordance with the requirements of:

a. The 'Restated Consolidated Statement of the Assets and Liabilities of the Group as at 31 March 2018, 31 March 2017, 2016, 2015 and 2014, the 'Restated Consolidated

Statement of Profit and Loss', the 'Restated Consolidated Statement of Changes in Equity' and the 'Restated Consolidated Statement of Cash Flows', for the years ended 31 March 2018, 2017 2016, 2015 and 2014 (collectively referred to as 'Restated Consolidated Financial Information') have been compiled by the management of the Company from the statutory audited Consolidated financial statements of the Company for the years ended 31 March 2018, 2017, 2016, 2015 and 2014 and have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The financial statements for the years ended 31 March 2015 and 31 March 2014 were prepared in accordance with the Accounting Standards notified in the Companies Accounting Standards Rules of the relevant time (Indian GAAP).

The Group has elected to present all periods as per Ind AS instead of Indian GAAP. The Proforma financial information of the Company as at and for the year ended 31 March 2015, and 2014("the Proforma Financial Information") are prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated 31 March 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices except as stated otherwise (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. 1 April 2015) while preparing the Proforma Financial Information as at and for the years ended 31 March 2015 and 2014 and accordingly suitable restatement adjustments in the accounting heads has been made in the Proforma financial information. The Proforma Financial Information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31 March, 2015 and 2014.

b. Section 26 of the Companies Act 2013; and
c. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").
d. Guidance note on Reports in Company Prospectuses (Revised 2016); and
e. Other generally accepted accounting principles in India.

The restated consolidated financial information have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Property, plant and equipment and intangible assets have been carried at deemed cost (which includes revalued amount of land and building at certain locations) on the date of transition (i.e. 1April 2015) using the optional exemption allowed under Ind AS 101.

The basis of preparation for specific items where exemptions have been applied are as follows:

Property, Plant and Equipment

IND AS 101 permits a first time adopter to elect and continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition i.e. 01 April, 2015 to IND AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by IND AS 38 Intangible Assets.

Accordingly, the Company has elected to measures all of its property, plant and equipment and intangible assets at their previous GAAP carrying values as at the date of transition.

For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015 and 2014, the Company has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back. Similar approach has been followed with respect to intangible assets.

Composite Leases

When a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or an operating lease at the date of transition to IND AS on the basis of the facts and circumstances existing at that date. Accordingly, the Company has fair valued land and building components of leased property at Bangalore as at 31 March 2015 to assess the classification as finance or operating for both the components.

For the purpose of Proforma Consolidated Ind AS financial information for the year ended March 31, 2015 and 2014, the Company has continued with the classification of finance and operating leases on the date of transition (i.e. April 1, 2015).

Business Combinations

Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognized under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraphC4 of Appendix C of Ind AS 101.For the purpose of Proforma Ind AS financial statements for the year ended 31 March 2015 and 2014, the Company has continued with the existing exemption on the date of transition (i.e. April 1, 2015) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.

Investments in subsidiaries and jointly controlled entities

Ind AS 101 permits a first-time adopter to choose the previous GAAP carrying amount at the entity's date of transition to Ind AS to measure the investment in the subsidiary and jointly controlled entities as the deemed cost. Accordingly, the Company has opted to measure its investment in subsidiary and jointly controlled entities at deemed cost i.e., previous GAAP carrying amount. The same exemption has been carried back and applied at 01 April, 2013.

Long term foreign currency monetary items

Ind AS 101 allows a first-time adopter to continue the policy adopted for the accounting for exchange differences arising on translation of the long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per previous GAAP. Accordingly, for exchange differences, arising on translation/ settlement of long-term foreign currency monetary items acquired before 1 April 2016, pertaining to the acquisition of a depreciable asset, are adjusted to the cost of the asset.

Goodwill

Goodwill is measured as 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. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the resulting gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the year ended March 31, 2015 (i.e. equity under Indian GAAP as at April 1, 2014 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended March 31, 2015 and 2014 with adjusted impact due to Ind AS principles applied on Proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1,2015), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at April 1, 2014. Accordingly, the closing equity balance as at March 31, 2015 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013.

These Restated Consolidated Financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

a) Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Group and its joint ventures. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group voting rights and potential voting rights
- The size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group accounting policies.
The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Policy of goodwill on consolidation explains how to account for any related goodwill.

(c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the consolidated financial statements. IND AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

(d) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

b) Business combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date

,including goodwill, have been carried forward after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate IND AS.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Common Control Business Combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

1.2. Recent accounting developments

Ind AS 115- Revenue from Contract with Customers

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, 'Revenue from Contract with Customers'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors•

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018. The Group will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Company is in the process of evaluating the impact of this adjustment.

Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, 'Foreign currency transactions and advance consideration', which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.

1.3. Significant Accounting Policies

a) Investment in joint ventures:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether the Company has significant influence or joint control, are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill, if any, relating to joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

If Group's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit or loss of a joint venture' in the statement of profit or loss.

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

c) Property, Plant and Equipment

Recognition and initial measurement

Under the previous GAAP (Indian GAAP), property plant and equipment were carried in the balance sheet at their cost of purchase except for land and building at certain locations which were carried at revalued amount. Using the deemed cost exemption available as per IND AS 101, the Group has elected to carry forward the carrying value of PPE under Indian GAAP as on 31 March 2015 as book value of such assets under IND AS at the transition date i.e. 1 April 2015.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent measurement (depreciation and useful lives)

Prior to April 1, 2014, depreciation on tangible fixed assets, except leasehold improvements, has been provided on the straight-line method as per the rates prescribed under Schedule XIV to the erstwhile Companies Act, 1956 or using the rates arrived at based on the useful lives estimated by the management, whichever is higher. Leasehold improvements were depreciated over the term of the respective leases or useful life, whichever is lower.

For the purpose of Proforma Consolidated IND AS financial information for the year ended March 31, 2015 and 2014, the Group has rolled back the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back.

Subsequent to April 1, 2014, depreciation on property, plant and equipment is provided on the straight-line method using the rates arrived on the basis of the useful life which coincides with the useful life prescribed under Schedule II of the Companies Act, 2013. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Leasehold buildings are amortized on a straight line basis over the unexpired period of lease or useful life, whichever is lower.

Non RCC structures for conference halls are depreciated over the period of eight years or their estimated useful life, whichever is lower.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

d) Intangible Assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Using the deemed cost exemption available as per IAS 101, the Group has elected to carry forward the carrying value of intangible assets under Indian GAAP as on 31 March 2015 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2015.

Subsequent measurement

The Group has capitalized computer software in the nature of software licenses as intangible assets and the cost of software is amortized over the license period or three years, being their expected useful economic life, whichever is lower.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

e) Goodwill on Consolidation

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

f) Impairment of non-financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the consolidated statement of Profit and Loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

g) Foreign Currencies

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Under previous GAAP, from accounting periods commencing on or after 1 April 2011, exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset were adjusted to the cost of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference. Such exchange differences arising on translation/ settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset were amortized over the remaining useful lives of the assets. The Group has elected to continue with the said policy on exchange differences arising on long term foreign currency monetary items existing on 31 March 2016 as allowed under IND AS 101.

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 the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

Group Companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

h) Fair Value Measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions

- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments

i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax/value added tax (VAT)/Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The Group applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below:

Revenue from hotel operations:
Revenue from hotel operations comprise sale of rooms and apartments, food and beverages, liquor and wine, banquet rentals and other services relating to hotel operations including telecommunication, laundry, business centre, health centre etc. Revenue is recognized as and when the services are rendered after the guest check into the Hotel and is disclosed net of allowances. Difference in revenue and billed as at year end is carried in financial statements as at year end in financial statements as unbilled revenue.

Aircraft charter:
Revenue from hiring of the aircraft is recognized as and when services are rendered.

Rent:
Income from rent is recognized over the period of the contract on straight line basis. Initial direct cost is expensed off when incurred.

Maintenance charges:
Amounts collectible as maintenance charges are recognized over the period of the contract, on an accrual basis. Corresponding costs are recorded as incurred.

Membership programme:
Membership revenue is recognized pro rata over the period of the membership term. Joining fee is recorded as income on sale of membership card.

Tuition and application fees:
Tuition and application fees received is recognized on accrual basis.

Loyalty points programme:
The Group operates a Lalit loyalty points programme, Lalit Connect, Lalit Plus, Lalit Engage, which allows customers to accumulate points when they stay in the hotels of the Group. The points can be redeemed for free stay, subject to a minimum number of points being obtained.

The fair value of the points issued is deferred and recognized as revenue when the points are redeemed.

Sale of goods (Trading goods)
Revenue is recognized when all significant risks and rewards of ownership of the goods have passed to the buyer and is disclosed net of taxes collected by the Group on behalf of the government.

Interest Income:
For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Commission Income:
Income is recognized on accrual basis.

Consultancy / Management fee:
Consultancy / Management fee is recognized on accrual basis when right to receive payment is established by the terms of the contract.

Dividend income
Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

j) Borrowing Costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement
All financial assets except investment in subsidiaries, joint ventures and associates are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortized cost
- Equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade, security deposits and other receivables.

Equity investments

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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 amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Lease receivables under IND AS 17

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 11 and IND AS 18

d) Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables; and
- All lease receivables resulting from transactions within the scope of IND AS 17

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. On that basis, the Group estimates the following provision matrix at the reporting date, except to the individual cases where recoverability is certain:

	Less than or equal to 365 days	**More than 365 days**
Default rate	0%	100%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for financial instruments is described below:

- Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized 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 include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.This category generally applies to borrowings.

Financial guarantee contracts
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognized less cumulative amortization.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in P&L
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in OCI. No change in EIR due to reclassification
FVTOCI	Amortized cost	Fair value at reclassification date becomes its new amortized cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortized cost
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable to the Provided Fund.

The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains or losses are recognized in the Statement of Profit and Loss in the profit/loss for the year. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

m) Provisions

Provisions are recognized when the Group has 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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Leases

The determination of 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 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 or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Group is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss. Contingent rentals are recognized as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

p) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets (including MAT credit) are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

q) Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

r) Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Stores and spares inventory comprises cutlery, crockery, linen, other store items food and beverage, liquor and wine items in hand: Cost is determined on first in first out basis. Circulating stock of crockery and cutlery issued for more than two months is charged to the profit and loss account as consumption.

Trading goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of the business, less estimated costs necessary to make the sale.

Inventory of food and beverage items in hand includes items used for staff cafeteria and is charged to consumption, net of recoveries, when issued.

s) Government grants and subsidies

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

t) Use of estimates

The preparation of the consolidated financial statements in conformity with IND AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 41. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (‘CODM’) [Chairperson and Chief Financial Officer].

Identification of segments:

In accordance with IND AS 108 Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company’s CODM to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the CODM [Chairperson and Chief Financial Officer, which has been identified as the CODM], to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs:
Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole

v) Cash and cash equivalents

Cash and cash equivalent in the 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

w) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group excludes depreciation and amortization expense, interest income, finance costs, and tax expense from the profit/(loss) from continuing operations.

x) Cash dividend distribution to equity holders

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Annexure V

Notes to restated consolidated financial information **(All amounts in Rupees million)**

Note 2 : Property, plant & equipment

Particulars	**Freehold land**	**Leasehold land**	**Freehold building**	**Leasehold building**	**Plant and equipment**	**Office equipments**	**Furniture and fixtures**	**Computers**	**Aircrafts**	**Vehicles**	**Total**
Cost or valuation											
31 March 2014											
Gross carrying amount											
As at 01 April 2013 (Proforma)	4,522.09	937.41	2,041.05	4,399.64	3,260.01	74.80	736.48	120.43	674.71	114.76	16,881.38
Additions/adjustments	145.95	-	1,346.51	997.22	1,404.91	22.36	188.49	50.00	-	32.99	4,188.43
Exchange differences	-	-	-	64.18	-	-	-	-	-	-	64.18
Disposals	-	-	-	-	(13.16)	(0.07)	(0.08)	(3.57)	-	(7.98)	(24.86)
As at 31 March 2014(Proforma)	**4,668.04**	**937.41**	**3,387.56**	**5,461.04**	**4,651.76**	**97.09**	**924.89**	**166.86**	**674.71**	**139.77**	**21,109.13**
Accumulated depreciation											
As at 31 March 2013 (Proforma)	-	0.38	262.62	372.00	1,064.41	23.79	375.00	76.93	142.23	69.69	2,387.05
Depreciation charge for the year	-	58.61	38.48	79.65	199.96	3.66	66.15	14.06	37.83	13.33	511.73
Disposals	-	-	-	-	(12.47)	(0.04)	(0.10)	(3.39)	-	(6.34)	(22.34)
As at 31 March 2014 (Proforma)	**-**	**58.99**	**301.10**	**451.65**	**1,251.90**	**27.41**	**441.05**	**87.60**	**180.06**	**76.68**	**2,876.44**
Net book value as at 31 March 2014 (Proforma)	**4,668.04**	**878.42**	**3,086.46**	**5,009.39**	**3,399.86**	**69.68**	**483.84**	**79.26**	**494.65**	**63.09**	**18,232.69**
31 March 2015											
Gross carrying amount											
As at 01 April 2014 (Proforma)	4,668.04	937.41	3,387.56	5,461.04	4,651.76	97.09	924.89	166.86	674.71	139.77	21,109.13
Additions/adjustments	-	-	896.35	1,710.61	707.72	5.37	33.08	17.20	26.06	6.61	3,403.00
Exchange differences	-	-	-	33.71	-	-	-	-	-	-	33.71
Disposals	-	-	-	(11.65)	(12.62)	(0.26)	(1.22)	(1.63)	-	(7.44)	(34.82)
As at 31 March 2015 (Proforma)	**4,668.04**	**937.41**	**4,283.91**	**7,193.71**	**5,346.86**	**102.20**	**956.75**	**182.43**	**700.77**	**138.94**	**24,511.02**
Accumulated depreciation											
As at 31 March 2014 (Proforma)	-	58.99	301.10	451.65	1,251.90	27.41	441.05	87.60	180.06	76.68	2,876.44
Depreciation charge for the year	-	9.64	62.28	88.69	849.15	38.92	109.14	42.06	31.05	9.91	1,240.84
Disposals	-	-	-	-	(5.95)	(0.25)	(0.95)	(1.55)	-	(5.36)	(14.06)
As at 31 March 2015 (Proforma)	**-**	**68.63**	**363.38**	**540.34**	**2,095.10**	**66.08**	**549.24**	**128.11**	**211.11**	**81.23**	**4,103.22**
transfer											
Net book value as at 31 March 2015 (Proforma)	**4,668.04**	**868.78**	**3,920.53**	**6,653.37**	**3,251.76**	**36.12**	**407.51**	**54.32**	**489.66**	**57.71**	**20,407.80**
31 March 2016											
Gross carrying amount								\			
As at 01 April 2015	4,668.04	937.41	4,283.91	7,193.71	5,346.86	102.20	956.75	182.43	700.77	138.94	24,511.02
Additions/adjustments	-	-	80.96	36.19	123.65	7.06	34.58	10.29	-	9.87	302.60
Exchange differences	-	-	7.92	47.30	-	-	-	-	-	-	55.22
Disposals	(442.80)	-	-	(0.37)	(40.30)	(5.92)	(1.19)	(0.94)	-	(7.66)	(499.18)
As at 31 March 2016	**4,225.24**	**937.41**	**4,372.79**	**7,276.83**	**5,430.21**	**103.34**	**990.14**	**191.78**	**700.77**	**141.15**	**24,369.66**
Accumulated depreciation											
As at 31 March 2015	-	68.63	363.38	540.34	2,095.10	66.08	549.24	128.11	211.11	81.23	4,103.22
Depreciation charge for the year	-	9.66	69.46	117.95	508.44	11.96	90.75	27.48	31.70	10.77	878.17
Disposals	-	-	-	-	(32.93)	(4.60)	(1.09)	(0.91)	-	(5.99)	(45.52)
As at 31 March 2016	**-**	**78.29**	**432.84**	**658.29**	**2,570.61**	**73.44**	**638.90**	**154.68**	**242.81**	**86.01**	**4,935.87**
Net book value as at 31 March 2016	**4,225.24**	**859.12**	**3,939.95**	**6,618.54**	**2,859.60**	**29.90**	**351.24**	**37.10**	**457.96**	**55.14**	**19,433.79**

Notes to restated consolidated financial information (All amounts in Rupees million)

Note 2 : Property, plant & equipment

As at 31 March 2017											
Gross carrying amount											
As at 01 April 2016	4,225.24	937.41	4,372.79	7,276.83	5,430.21	103.34	990.14	191.78	700.77	141.15	24,369.66
Additions/adjustments	-	-	4.78	806.14	326.95	6.06	31.55	20.72	4.85	4.32	1,205.37
Exchange differences	-	-	(2.31)	(13.11)	-	-	-	-	-	-	(15.42)
Disposals	-	-	(7.57)	(1.01)	(11.77)	(0.64)	(25.22)	(2.03)	-	(4.73)	(52.97)
As at 31 March 2017	**4,225.24**	**937.41**	**4,367.69**	**8,068.85**	**5,745.39**	**108.76**	**996.47**	**210.47**	**705.62**	**140.74**	**25,506.64**
Accumulated depreciation											
As at 31 March 2016	-	78.29	432.84	658.29	2,570.61	73.44	638.90	154.68	242.81	86.01	4,935.87
Depreciation charge for the year	-	9.64	69.54	120.77	488.81	9.24	78.24	24.84	31.91	9.00	841.99
Disposals	-	-	-	(1.01)	(8.13)	(0.59)	(23.32)	(1.94)	-	(4.52)	(39.51)
As at 31 March 2017	**-**	**87.93**	**502.38**	**778.05**	**3,051.29**	**82.09**	**693.82**	**177.58**	**274.72**	**90.49**	**5,738.35**
Net book value as at 31 March 2017	**4,225.24**	**849.48**	**3,865.31**	**7,290.80**	**2,694.10**	**26.67**	**302.65**	**32.89**	**430.90**	**50.25**	**19,768.29**
As at 31 March 2018											
Gross carrying amount											
As at 01 April 2017	4,225.24	937.41	4,367.69	8,068.85	5,745.39	108.76	996.47	210.47	705.62	140.74	25,506.64
Additions/adjustments	-	-	149.46	132.20	81.10	11.87	3.69	1.58	10.68	31.01	421.60
Exchange differences	-	-	0.63	2.63	-	-	-	-	-	-	3.26
Transferred from assets held for sale (Refer note 55)	153.84	-	-	-	-	-	-	-	-	-	153.84
Disposals	-	-	-	(0.53)	(5.18)	(7.46)	(1.85)	(2.82)	-	(6.13)	(23.96)
As at 31 March 2018	**4,379.08**	**937.41**	**4,517.77**	**8,203.16**	**5,821.32**	**113.17**	**998.31**	**209.23**	**716.30**	**165.62**	**26,061.38**
Accumulated depreciation											
As at 01 April 2017	-	87.93	502.38	778.05	3,051.29	82.09	693.82	177.58	274.72	90.49	5,738.35
Depreciation charge for the year	-	9.64	71.80	131.14	488.12	10.58	67.37	14.72	32.21	11.94	837.50
Disposals	-	-	-	(0.53)	(3.99)	(6.89)	(1.18)	(2.38)	-	(5.70)	(20.66)
As at 31 March 2018	**-**	**97.57**	**574.18**	**908.66**	**3,535.42**	**85.78**	**760.01**	**189.92**	**306.93**	**96.73**	**6,555.19**
Net book value as at 31 March 2018	**4,379.08**	**839.84**	**3,943.60**	**7,294.50**	**2,285.90**	**27.40**	**238.30**	**19.32**	**409.37**	**68.89**	19,506.19

Notes to restated consolidated financial information (All amounts in Rupees million)

Note 2 : Property, plant & equipment

a. Capitalised borrowing costs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended As at 31 March 2015 (Proforma)	For the year ended As at 31 March 2014 (Proforma)
Borrowing cost capitalized	177.04	171.44	215.20	525.74	768.92
Interest earned	(0.57)	(0.53)	(0.98)	(5.67)	(11.27)
Net borrowing cost capitalized	**176.47**	**170.91**	**214.22**	**520.07**	**757.65**

b. Reconciliation of the carrying amount of portion of own use building at the beginning and end of the year*:

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended As at 31 March 2015 (Proforma)	For the year ended As at 31 March 2014 (Proforma)
Gross block/Deemed cost	264.69	264.69	264.69	264.69	264.69
Accumulated depreciation	57.85	53.41	48.97	44.51	40.22
Depreciation for the year	4.44	4.44	4.46	4.28	4.55
Net book value	**206.84**	**211.28**	**215.72**	**220.18**	**224.47**

***** Building is predominantly used by the Company for its own purpose. However, portion of the property has been let out on short-term basis.

c. Depreciation charge for the year includes following transferred to Preoperative expenditure pending allocation under note 48.

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended As at 31 March 2015 (Proforma)	For the year ended As at 31 March 2014 (Proforma)
	2.53	5.65	5.08	5.10	57.87
	2.53	**5.65**	**5.08**	**5.10**	**57.87**

Note:

Certain property, plant and equipment are pledged against borrowings, the details related to which have been described in note 18 and 23 on borrowings

Refer note 36 for the depreciation and amortisation expense.

Annexure V

Notes to restated consolidated financial information **(All amounts in Rupees million)**

Note 3 : Intangible assets

Particulars	**Software**	**Goodwill**
Gross carrying amount		
As at 01 April 2013 (Proforma)	**68.61**	**855.28**
Additions	18.76	-
Disposals	(1.23)	(12.73)
As at 31 March 2014 (Proforma)	**86.14**	**842.55**
Accumulated amortisation		
As at 01 April 2013 (Proforma)	**54.61**	**-**
Amortisation for the year	8.31	-
Disposals	(1.01)	-
As at 31 March 2014 (Proforma)	**61.91**	**-**
Net carrying amount as at 31 March 2014 (Proforma)	**24.23**	**842.55**
Gross carrying amount		
As at 01 April 2014 (Proforma)	**86.14**	**842.55**
Additions	17.54	
As at 31 March 2015 (Proforma)	**103.68**	**842.55**
Accumulated amortisation		
As at 01 April 2014 (Proforma)	**61.91**	
Amortisation for the year	14.87	
As at 31 March 2015 (Proforma)	**76.78**	**-**
Net carrying amount as at 31 March 2015 (Proforma)	**26.90**	**842.55**
Gross carrying amount		
As at 01 April 2015 (Proforma)	**103.68**	**842.55**
Additions	6.22	
Disposals	(0.08)	-
As at 31 March 2016	**109.82**	**842.55**
Accumulated amortisation		
As at 01 April 2015 (Proforma)	**76.78**	
Amortisation for the year	14.48	
Disposals	(0.08)	
As at 31 March 2016	**91.18**	**-**
Net carrying amount as at 31 March 2016	**18.64**	**842.55**
Gross carrying amount		
As at 01 April 2016	**109.82**	**842.55**
Additions	3.25	
Disposals	(0.10)	-
As at 31 March 2017	**112.97**	**842.55**
Accumulated amortisation		
As at 01 April 2016	**91.18**	
Amortisation for the year	11.68	
Disposals	(0.09)	
As at 31 March 2017	**102.77**	**-**
Net carrying amount as at 31 March 2017	**10.20**	**842.55**

Annexure V

Notes to restated consolidated financial information **(All amounts in Rupees million)**

Particulars	Software	Goodwill
Gross carrying amount		
As at 01 April 2017	112.97	842.55
Additions for the year	19.13	-
Adjustments	2.66	-
Disposals	(0.08)	-
As at 31 March 2018	**134.68**	**842.55**
Accumulated amortisation		
As at 01 April 2017	102.77	-
Amortisation for the year	10.16	-
Disposals	(0.08)	-
As at 31 March 2018	**112.85**	**-**
Net carrying amount as at 31 March 2018	**21.83**	**842.55**

Notes to restated consolidated financial information (All amounts in rupees million)

Note 4 : Investments	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
1 (31 March 2017: 1; 31 March 2016 :1,31 March 2015: 1, 31 March 2014: 1) equity share of United Arab Emirates Dirham (AED) 100,000 fully paid-up in Cavern Hotel and Resort FZCO, Dubai, U.A.E.	1.08	1.08	1.08	1.08	1.08
Less: Impairment in the value of investment	(1.08)	(1.08)	(1.08)	(1.08)	(1.08)
Investments at fair value through P&L					
Unquoted equity shares					
36,000 (31 March 2017: 36,000 (31 March 2016: 36,000, 31 March 2015: 36,000, 31 March 2014: Nil) equity shares of Rs. 10 each fully paid up in Green Infra Wind Power Generation Limited	0.36	0.36	0.36	0.36	-
	0.36	**0.36**	**0.36**	**0.36**	**-**
Aggregate value of unquoted investments	**1.44**	**1.44**	**1.44**	**1.44**	**1.08**
Aggregate value of impairment in value of investments	**1.08**	**1.08**	**1.08**	**1.08**	**1.08**

Refer Note 44

The Company has made investment in certain quoted and unquoted securities and these investments are already impaired and hence, related fair value disclosure i.e. quantiative information about significant unobservable inputs has not been presented.

Note 5 : Loans	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
(Unsecured, considered good unless otherwise stated)					
Loan to Related party					
Joint venture company					
-Considered doubtful	67.80	67.80	67.80	67.80	67.80
Less: Provision for doubtful advances	(67.80)	(67.80)	(67.80)	(67.80)	(67.80)
	-	-	-	-	-
Security deposits at amortised cost	63.11	54.46	62.32	58.50	55.45
	63.11	**54.46**	**62.32**	**58.50**	**55.45**

Note 6 : Other non current financial assets	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
(Unsecured, considered good unless otherwise stated)					
Balances with banks:					
- Deposits with original maturity of more than 12 months	17.97	16.97	56.75	62.02	12.14
- Margin money deposited (held as security)*	70.28	111.17	31.24	35.56	97.58
Interest accrued on deposits with banks	12.56	10.81	19.86	21.25	22.04
Finance lease receivable	95.42	95.39	95.43	95.45	95.48
	196.23	**234.34**	**203.28**	**214.28**	**227.24**

*Break up of margin money deposits held as security	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Held as bank guarantee for debt service	4.76	4.53	4.48	9.98	75.14
Held against bank loan	65.52	106.64	26.76	25.58	22.44

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Notes to restated consolidated financial information **(All amounts in rupees million)**

Note 7 : Other non current assets	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
(Unsecured, considered good unless otherwise stated)					
Capital advances	221.51	210.49	209.29	217.98	334.61
Prepaid expenses	6.17	0.53	0.19	0.28	0.38
Prepaid rent (including prepayments of leasehold land)	410.56	403.83	418.90	434.65	451.19
Deferred IPO expenses	22.79	-	-	-	-
	661.03	**614.85**	**628.38**	**652.91**	**786.18**

Note 8 : Inventories*	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
(At cost or net realisable value, whichever is lower)					
Traded goods	12.78	12.84	10.53	9.96	8.74
Food and beverage (excluding liquor and wine)	29.61	30.53	33.34	31.56	27.05
Liquor and wine	65.96	67.94	78.93	68.97	54.91
Stores, cutlery, crockery, linen, provisions and others	77.79	83.86	76.98	65.41	62.41
(including stock in transit 31 March 2018: Rs. Nil; 31 March 2017: Rs. Nil;31 March 2016: Rs. Nil; 31 March 2015: Rs. 1.83 million; 31 March 2014: Rs 1.83 million)					
	186.14	**195.17**	**199.78**	**175.90**	**153.11**

* Refer note 18 and 23 for inventories pledged

Note 9 : Trade receivables	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Secured, considered good	6.93	6.17	3.68	3.24	3.95
Unsecured, considered good	636.92	486.44	432.34	382.87	311.24
Unsecured, considered doubtful	96.88	88.22	66.44	60.33	57.18
	740.73	**580.83**	**502.46**	**446.44**	**372.37**
Less : Impairment allowance (allowance for doubtful debts)	(96.88)	(88.22)	(66.44)	(60.33)	(57.18)
	643.85	**492.61**	**436.02**	**386.11**	**315.19**

- Trade receivables are non-interest bearing and are generally recovered over a term of 60 to 90 days (Refer note 45).

- Trade receivable includes dues from directors or other officers of the Company or from private companies and firms in which any director of the Company is a partner or director (Refer note 46).

- Refer note 18 and 23 for trade receivables pledged

Annexure V

Notes to restated consolidated financial information **(All amounts in rupees million)**

Note 10 : Cash and cash equivalents	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Balances with banks:-					
In current accounts	194.96	663.14	77.15	328.33	167.28
In EEFC Accounts	5.16	6.97	2.28	6.53	3.24
In deposits with original maturity of less than three months	2.36	1.12	114.61	321.40	268.70
Cheques on hand	5.21	10.09	6.66	6.02	14.59
Cash on hand	10.97	6.98	8.26	8.02	9.17
	218.66	**688.30**	**208.96**	**670.30**	**462.98**

Notes:	154.48	843.21	470.34	3,521.05	33.58

(i) Available undrawn committed borrowings facilities

(ii) The Company has pledged a part of its short-term deposits to fulfill collateral requirements. Refer note 23 for details.

Note 11 : Other bank balances	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Balances with banks:-					
Margin money (held against bank guarantee)	115.99	62.72	4.11	25.15	39.34
Deposits with original maturity of more than three months but less than twelve months	0.57	40.65	48.26	25.83	266.82
Unpaid dividend account	2.74	2.29	2.45	2.66	2.93
	119.30	**105.66**	**54.82**	**53.64**	**309.09**

Note 12 : Loans	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
(Unsecured, considered good unless otherwise stated)					
Security deposits at amortised cost	10.86	11.29	11.01	14.45	16.03
	10.86	**11.29**	**11.01**	**14.45**	**16.03**

Notes to restated consolidated financial information (All amounts in rupees million)

Note 13 : Other current financial assets	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
(Unsecured, considered good unless otherwise stated)					
Interest accrued on deposits with banks	2.39	4.02	10.23	3.16	9.40
Subsidy receivable	14.21	9.39	13.32	12.58	3.94
Other advance recoverable	27.77	10.11	10.13	10.19	235.56
Finance lease receivable	0.02	0.03	0.02	0.02	0.02
Unbilled revenue	38.68	34.70	44.86	23.11	18.04
	83.07	**58.25**	**78.56**	**49.06**	**266.96**

Note 14 : Other current assets	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
(Unsecured, considered good unless otherwise stated)					
Prepaid expenses	73.22	79.74	84.55	78.33	86.83
Balances with statutory authorities	91.69	140.11	133.13	135.80	93.01
Prepaid rent (including prepayments of leasehold land)	18.52	21.40	20.67	18.54	18.41
Other advances					
- considered good	48.79	48.53	66.06	59.65	62.20
- considered doubtful	2.28	17.08	0.41	0.41	0.41
	51.07	65.61	66.47	60.06	62.61
Less: Provision for doubtful advances	(2.28)	(17.08)	(0.41)	(0.41)	(0.41)
	48.79	**48.53**	**66.06**	**59.65**	**62.20**
	232.22	**289.78**	**304.41**	**292.32**	**260.45**

Note 15 : Assets classified as held for sale	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Land (Refer note 55)	-	161.88	161.88	-	-
Plant and machinery	2.00	2.00	3.00	3.00	3.00
	2.00	**163.88**	**164.88**	**3.00**	**3.00**

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Notes to restated consolidated financial information **(All amounts in Rupees million)**

Note 16 : Share Capital	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)	As at 31 March 2013 (Proforma)
Authorised 100,000,000 (31 March 2017: 100,000,000, 31 March 2016: 100,000,000, 31 March 2015: 100,000,000, 31 March 2014: 100,000,000) equity shares of Rs. 10 each fully paid up	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Issued, Subscribed & Paid up 75,991,199 (31 March 2017: 75,991,199, 31 March 2016: 75,991,199, 31 March 2015: 75,991,199, 31 March 2014: 75,991,199) equity shares of Rs 10 each fully paid up	759.91	759.91	759.91	759.91	759.91	759.91
	759.91	**759.91**	**759.91**	**759.91**	**759.91**	**759.91**

a Reconciliation of the authorised and issued equity shares at the beginning and at the the end of the period

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
Authorised share capital at the beginning of the year	100,000,000	1,000.00	100,000,000	1,000.00	100,000,000	1,000.00	100,000,000	1,000.00	100,000,000	1,000.00
Changes during the year	-	-	-	-		-	-	-	-	-
Authorised share capital at the end of the year	**100,000,000**	**1,000.00**	**100,000,000**	**1,000.00**	**100,000,000**	**1,000.00**	**100,000,000**	**1,000.00**	**100,000,000**	**1,000.00**

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Notes to restated consolidated financial information **(All amounts in Rupees million)**

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Issued share capital at the beginning of the year	75,991,199	759.91	75,991,199	759.91	75,991,199	759.91	75,991,199	759.91	75,991,199	759.91
Change during the year	-	-	-	-	-	-	-	-	-	-
Issued share capital at the end of the year	**75,991,199**	**759.91**	**75,991,199**	**759.91**	**75,991,199**	**759.91**	**75,991,199**	**759.91**	**75,991,199**	**759.91**

b Terms/Rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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. The distributions will be in proportion to the number of equity shares held by the shareholders.

c Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Equity shares of Rs. 10 fully paid up										
Deeksha Holding Limited	30,710,301	40.41%	30,710,301	40.41%	30,710,301	40.41%	30,710,301	40.41%	30,710,301	40.41%
Mr. Jayant Nanda	10,399,998	13.69%	10,399,998	13.69%	10,399,998	13.69%	-	-	-	-
Deutsche Bank Trust Company (held on behalf of GDR holders)	-	-	-	-	-	-	10,399,998	13.69%	10,399,998	13.69%
Dr. Jyotsna Suri	7,247,935	9.54%	7,247,935	9.54%	7,247,935	9.54%	7,247,935	9.54%	7,247,935	9.54%
Responsible Builders Private Limited	7,106,400	9.35%	7,106,400	9.35%	7,106,400	9.35%	7,106,400	9.35%	7,106,400	9.35%
Richmonds Enterprises S.A.#	5,491,200	7.23%	5,491,200	7.23%	5,491,200	7.23%	5,491,200	7.23%	5,491,200	7.23%
Dubai Ventures Limited*	-	-	-	-	4,100,000	5.40%	4,100,000	5.40%	4,100,000	5.40%
Groves Universal Group S.A.*#	4,100,000	5.40%	4,100,000	5.40%	-	-	-	-	-	-
Keshav Suri	3,880,596	5.11%	3,880,596	5.11%	3,880,596	5.11%	3,880,596	5.11%	3,880,596	5.11%

As per the records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares except for those which were issued on behalf of Global Depository Receipts shareholders.

*During the year ended 31 March 2017, Company had terminated share purchase agreement with Dubai Ventures Limited and shares had been purchased by Groves Universal Group S.A. from Dubai Ventures Limited.

#Subsequent to 31 March 2018, above companies have been dissolved and shares have been transmitted in the name of sole beneficiary, Mr. Jayant Nanda, resulting in the total shareholding to 19,991,198 shares and 26.32% of the total shareholding.

d Share reserved for issue under option

The Company has reserved an option for the permanent employees of the Company and its subsidiaries, including directors under "Employee Stock Option Plan, 2017" and has issued 700,600 options to the permanent employees.

e Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the balance sheet date

The Company has not issued any shares pursuant to contract without payment being received in cash, nor allotted as fully paid up by way of bonus shares or bought back any shares during the period of five years.

Annexure V

Notes to restated consolidated financial information **(All amounts in rupees million)**

Note 17 : Other equity	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Securities premium reserve					
As at the beginning of the year	2,903.47	2,903.47	2,903.47	2,903.47	2,903.47
As at the end of the year	**2,903.47**	**2,903.47**	**2,903.47**	**2,903.47**	**2,903.47**
Retained earnings					
As at the beginning of the year	3,642.93	3,872.04	4,245.71	4,802.79	4,833.64
Add: Net profit/(loss) for the year	750.42	(160.08)	(332.56)	(507.92)	3.70
Add: Other comprehensive income for the year	(6.12)	(0.44)	4.63	(4.70)	9.61
Less: Equity dividend	(75.99)	(56.99)	(38.00)	(38.00)	(38.00)
Less: Tax on distribution of equity dividend	(15.47)	(11.60)	(7.74)	(6.46)	(6.16)
As at the end of the year	**4,295.77**	**3,642.93**	**3,872.04**	**4,245.71**	**4,802.79**
General reserve					
As at the beginning of the year	828.93	828.93	788.93	991.87	903.33
Add :Transfer from debenture redemption reserve on account of redemption of debentures	-	-	40.00	40.00	88.54
Less: Depreciation on account of adoption of Schedule II of the Companies Act 2013	-	-	-	(242.94)	-
As at the end of the year	**828.93**	**828.93**	**828.93**	**788.93**	**991.87**
Capital reserve					
As at the beginning of the year	1,128.50	1,128.50	1,128.50	1,128.50	1,128.50
As at the end of the year	**1,128.50**	**1,128.50**	**1,128.50**	**1,128.50**	**1,128.50**
Debenture redemption reserve					
As at the beginning of the year	-	-	40.00	80.00	168.54
Less :Transfer from debenture redemption reserve on account of redemption of debentures	-	-	(40.00)	(40.00)	(88.54)
As at the end of the year	**-**	**-**	**(0.00)**	**40.00**	**80.00**
Foreign currency translation reserve					
As at the beginning of the year	-	-	-	-	266.84
Additions	-	-	-	-	(266.84)
As at the end of the year	-	-	-	-	-
	9,156.67	**8,503.83**	**8,732.94**	**9,106.61**	**9,906.63**

Notes:

Securities premium : Comprises premium received on issue of shares

Retained earnings : Comprises of balance of Profit and Loss at each year end.

General reserve : Under erstwhile Companies Act, 1956, General reserves was created through an annual transfer of net income at specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a divided distribution in a given year is more than 10% of the paid up capital of the Company for that year, then the total dividend distribution is less than the total distribution results for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserves has been withdrawn

Debenture redemption reserve : Under erstwhile Companies Act, 1956, Debenture redemption reserve had to be created up to 25% of the total redemption value. Post repayment of the debentures, such reserve had been transferred to the General reserve.

Capital reserve : Comprise increase in value of asset acquired out of amalgamation of Udaipur Hotels Limited and Khajuraho Hotels Limited, as compared to book value of assets and on forfeiture of share application money.

Notes to restated consolidated financial information (All amounts in Rupees million)

Note 18 : Borrowings	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Non current borrowings (Refer note 43 below)					
Term loans					
Secured					
Rupee loans from banks (Refer note 1 to 28 below)	11,784.18	10,979.80	9,857.58	8,356.75	6,567.96
Rupee loans from financial institutions (Refer note 29 to 31 below)	22.82	41.67	60.45	2,067.54	2,572.13
Foreign currency loans from banks (Refer note 32 & 33 below)	814.82	979.13	1,151.02	1,191.10	1,211.87
Non Convertible Debentures (Refer note 41 & 42 below)	-	-	-	160.00	320.00
Unsecured					
Rupee loan from a bank (Refer note 34 below)	-	-	-	214.75	207.91
Loan from related parties (Refer note 35 to 40 below)	43.29	113.52	181.47	9.31	10.41
	12,665.11	**12,114.12**	**11,250.52**	**11,999.45**	**10,890.28**
Less: Current maturities (Refer note 25)	469.28	483.47	521.15	1,630.00	849.68
Obligations under finance lease	150.48	150.42	150.37	150.33	150.29
	12,346.31	**11,781.07**	**10,879.74**	**10,519.78**	**10,190.89**

Net debt reconciliation*

Company's movement in its net debts during the year is as follows:

Particulars	Non current borrowings	Current borrowings	Interest accrued on borrowings	Total
Net debt as on 1 April 2017	12,264.54	1,860.20	111.19	14,235.93
Cash flows, net	470.57	(560.64)	-	(90.07)
Foreign exchange adjustments	4.81	5.63	-	10.44
Interest expense	-	-	1,413.10	1,413.10
Interest paid	-	-	(1,534.95)	(1,534.95)
Other non-cash movements				
Amortisation of processing fees	75.67	-	(75.67)	-
Capitalisation of interest	-	-	177.04	177.04
Net debt as on 31 March 2018	**12,815.59**	**1,305.19**	**90.71**	**14,211.49**

* Effective 1 April 2017, the Group adopted the amendment to INDAS 7 'Statement of Cash Flows', which requires the entities to provide dislosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement

Further, as per paragraph 60 of the IND AS 7 'Statement of Cash Flows' (as amended), when an entity applies these amendments, it is not required to provide comparative information for the preceding periods, hence movement in net debts has been provided for current year only.

Rupee loans from banks

1 Term Loan from Yes Bank Limited aggregating to Rs. 5,102.03 million (31 March 2017: Rs. 5,371.57 million; 31 March 2016: Rs. 5,420.22 million, 31 March 2015: Rs. 2,437.33 million; 31 March 2014 Rs. Nil) carries interest ranging from 10% to 12.50% per annum. The loan is repayable in 44 structured quarterly installments starting from February 2016 after a moratorium of 1 year from the date of first disbursement. The loan is secured by first pari-passu charge on land and building of Mumbai and Ahmedabad (under construction) hotel properties and first pari-passu charge on movable fixed assets of Mumbai, Goa, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company. Further, there is a negative lien on Bangalore and Delhi property.

2 Term Loan from Axis Bank Limited aggregating to Rs. 1,338.99 million (31 March 2017: Rs. 1,390.82 million; 31 March 2016: Rs 1,232.60 million; 31 March 2015: Rs. 1,216.48 million; 31 March 2014 Rs. Nil) carries interest ranging from 10.50% to 12.65% per annum. The loan is repayable in 44 structured quarterly installments starting from November 2015 after a moratorium of 1 year from the date of first disbursement. The loan is secured by first pari-passu charge by way of hypothecation of movable fixed assets of Mumbai, Goa, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by Company (both present and future) and first pari-passu charge by way of mortgage over immovable fixed assets of Mumbai and Ahmedabad (under construction) hotel properties.

3 Term Loan from Tamilnad Mercantile Bank Limited (TMB) aggregating to Rs. 234.35 million (31 March 2017: Rs. 243.51 million; 31 March 2016: Rs. 247.46 million; 31 March 2015: Rs. Nil; 31 March 2014 Rs. Nil), (sanctioned amount Rs. 250.00 million) carries interest @ 12.00 % per annum. The loan is repayable in 44 structured quarterly installments starting from February 2016 after a moratorium of 1 year from the date of first disbursement. The loan is secured by first pari-passu charge on land and building of Mumbai and Ahmedabad (under construction) hotel properties and first pari-passu charge on movable fixed assets of Mumbai, Goa, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company.

4 Term Loan from ICICI Bank Limited aggregating to Rs. 319.75 million (31 March 2017: Rs. 223.71 million; 31 March 2016: Rs. 107.96 million; 31 March 2015: Rs. Nil; 31 March 2014 Rs. Nil), carries interest ranging from 12.45% to 13.35% per annum. The loan is repayable in 40 quarterly installments after a moratorium of 8 quarters from the date of first disbursement. The loan is secured by first pari-passu charge on Jaipur and Khajuraho property and routing of Cash Flows of Jaipur, Srinagar and Khajuraho property through the designated accounts.

5 Term Loan from The Jammu and Kashmir Bank Limited aggregating to Rs. 1,497.11 million (31 March 2017: Rs. 996.56 million; March 2016: Rs. Nil, 31 March 2015: Rs. Nil; 31 March 2014 Rs. Nil) carries interest @ 10.00% per annum. The loan is repayable in 32 structured quarterly installments starting from June 2019 after a moratorium of 2 years from the date of first disbursement. The loan is secured by way of equitable mortgage on exclusively first charge over land and building of Srinagar hotel of the Company.

6 Term Loan from Yes Bank Limited aggregating to Rs. 531.91 million (31 March 2017: Rs. 552.39 million; 31 March 2016: Rs. Nil, 31 March 2015: Rs. Nil; 31 March 2014 Rs. Nil) carries interest @ 9.60% per annum. The loan is repayable in 52 structured quarterly installments starting from February 2017. The loan is secured by extension of first pari-passu charge on land and building of Mumbai and Ahmedabad (under construction) hotel properties and extension of first pari-passu charge on movable fixed assets of Mumbai, Goa, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by the Company.

7 Term Loan from Axis Bank Limited aggregating to Rs. 380.94 million (31 March 2017: Rs. 380.53 million; 31 March 2016: Rs. Nil, 31 March 2015: Rs. Nil; 31 March 2014 Rs. Nil) carries interest @ 10.50% per annum. The loan is repayable in 42 structured quarterly installments starting from October 2017 after a moratorium of 1 year from the date of first disbursement. The loan is secured by extension of first pari-passu charge by way of hypothecation of movable fixed assets of Mumbai, Goa, Ahmedabad, Bangalore, Delhi and Udaipur hotels owned by Company (both present and future) and extension of first pari-passu charge by way of mortgage over immovable fixed assets of Mumbai and Ahmedabad hotels. Further, there is a negative lien on immovable assets of Bangalore property.

8 Term Loan from Yes Bank Limited aggregating to Rs. 580.14 million (31 March 2017: Rs Nil; 31 March 2016: Rs. Nil; 31 March 2015: Rs. Nil; 31 March 2014: Rs. Nil) carries interest @ 10.00% per annum. The loan is repayable in 40 structured quarterly instalments from the date of first disbursement. The loan is secured by exclusive charge on land and building of Udaipur Hotel and current assets of the Company except those of Jaipur hotel.

9 Term Loan from Yes Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 69.68 million; 31 March 2014 Rs. 68.16 million) carried interest ranging from 13.50% to 14% per annum. The loan was secured by exclusive charge on 109S Grand Helicopter.

10 Term Loan from Yes Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 85.52 million; 31 March 2014 Rs. 99.24 million) carried interest ranging from @ 13.75% to 14.85% per annum. The loan was secured by equitable mortgage of land and building of Mumbai and Goa Hotels and hypothecation of plant and machinery and all other movable fixed assets of Mumbai and Goa hotels on pari-passu basis.

11 Term Loan from Yes Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 358.36 million; 31 March 2014 Rs. 353.81 million) carried interest ranging from 12.50% to 13.25% per annum. The loan was secured by equitable mortgage on movable fixed assets of Mumbai and Goa Hotels both present and future and charge on land & building of Mumbai & Goa Hotels on pari-passu basis.

12 Term Loan from Yes Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 235.00 million; 31 March 2014 Rs. 215.00 million) carried interest ranging from @ 12.50% to 12.75% per annum. The loan was secured by equitable mortgage on movable fixed assets of Mumbai and Goa Hotels both present and future and charge on land & building of Mumbai & Goa Hotels on pari-passu basis.

13 Term Loan from Jammu and Kashmir Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 499.56 million; 31 March 2014 Rs. Nil) carried interest @ 13.25% per annum. The loan was secured by extension of exclusive charge over Ahmedabad Hotel (under construction) and by charge over movable and immovable fixed assets of Mumbai & Goa Hotels on pari-passu basis.

14 Term Loan from Jammu and Kashmir Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 187.49 million; 31 March 2014 Rs. 312.27 million) carried interest @ 13.25% per annum. The loan was secured by extension of exclusive charge over Ahmedabad Hotel (under construction) and by charge over movable and immovable fixed assets of Mumbai & Goa Hotels on pari-passu basis.

15 Term Loan from IDBI Bank aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 250.00 million; 31 March 2014 Rs. 326.18 million) carried interest ranging from 12.75% to 13.25%. The loan was secured by hypothecation of all movable fixed assets of the hotel at New Delhi and exclusive charge on movable and immovable fixed assets of the Company lying and situated at hotel, The Lalit Grand Palace, Srinagar and exclusive charge/mortgage on the ownership rights of Sh. NK Batra on the land.

16 Term Loan from State Bank of India aggregating to Rs. Nil (31 March 2017: Rs. 1.40 million; 31 March 2016: Rs 21.42 million; 31 March 2015: Rs. 43.60 million; 31 March 2014 Rs. 60.20 million) carried interest ranging from 14.00% to 14.70% per annum. The loan was secured by equitable mortgage of land situated at Udma Village, Hosdurg Taluk in the District of Kasaragod and property landed at Kalnad Village, Hosdurg Taluk in District of Kasaragod by way of mortgage of lease deed and pari-passu 1st charge over all existing and future plant and machinery, fixtures and fittings and other movable fixed assets of the Bekal Hotel.

17 Term Loan from Axis Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015 Rs. Nil; 31 March 2014 Rs. 667.97 million) carried interest ranging from 12.25% to 12.50%. The balance loan was repayable in 24 quarterly installments, comprising of 1 installment of Rs. 13.40 million, 5 quarterly installments of Rs. 27.00 million each and balance 18 installments of Rs. 30.00 million each starting from December 2015. The loan was secured by equitable mortgage over immovable fixed assets of Mumbai and Goa Hotels and hypothecation of movable fixed assets of Mumbai and Goa Hotels both existing and future on pari-passu basis.

18 Term Loan from Ratnakar Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015 Rs. Nil; 31 March 2014 Rs. 192.84 million) carried interest ranging from 13.15% to 14.10%. The loan was repayable in 9 quarterly installments comprising of 1 installment of Rs. 17.34 million and 8 equal installments of Rs. 22.22 million each starting from March 2015. The loan was secured by charge on movable fixed assets and immovable fixed assets both existing and future of Mumbai and Goa hotels on pari-passu basis.

19 Term Loan from Yes Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015 Rs. Nil; 31 March 2014: Rs. 1,119.15 million) carried interest ranging from @ 13.75% to 14.10%. The balance loan was repayable in 23 quarterly installments, comprising of 5 installments of Rs. 45.00 million each and balance 18 installments of Rs. 50.00 million each starting from June 2015. The loan was secured by equitable mortgage of land and building of Mumbai and Goa Hotels and hypothecation of plant and machinery and all other movable fixed assets of Mumbai and Goa Hotels on pari-passu basis. The loan was further secured by subservient charge on 109S Grand Helicopter.

20 Term Loan from Jammu and Kashmir Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015: Rs. Nil; 31 March 2014: Rs. 201.30 million) carried interest ranging from 13.25% to 13.5%. The company had repaid Rs. 250.00 million during this year out of which Rs. 187.50 million has been repaid out of the loan of Rs. 2,000.00 million taken from IFCI during the year. The balance loan was repayable in 4 quarterly installments comprising of 3 installments of Rs. 62.50 million and 1 installment of Rs. 14.00 million starting from June 2014. The loan was secured by:

- equitable mortgage of land and building of Mumbai and Goa on pari-passu basis and Ahmedabad (under construction) Hotels.
- hypothecation of plant and machinery and all other movable Fixed Assets of Mumbai, Goa, New Delhi, Udaipur and Ahmedabad (under construction) Hotels.
- hypothecation of furniture and fixtures, cutlery, stores and spares and assignment of leasehold rights of land, building and plant and machinery of Bengaluru Hotel;

Apollo Zipper India Limited, a subsidiary of the Company

21 Term Loan from Yes Bank Limited Limited aggregating Rs. 848.16 million (31 March 2017: Rs. 875.42 million (31 March 2016 Rs. Nil, 31 March 2015 Rs. Nil, 31 March 2014 Rs. Nil) carries interest @ 9.60% per annum payable monthly. The loan was taken during the F.Y. 16-17 amounting to Rs 949.98 million . The balance loan is repayable in 46 quarterly installments. The loan is secured by first pari-passu charge on land and building of the hotel by way of mortgage, first pari-passu charge on moveable Fixed assets (Present & Future) of the hotel, second pari-passu charge on current assets (including receivable) of the hotel and corporate guarantee given by the holding company Bharat Hotels Limited.

22 Term Loan from Axis Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil (31 March 2016 Rs. 240.65 million, 31 March 2015 Rs. 242.58 million, 31 March 2014 Rs. 192.18 million) carried interest @ base rate plus 2.5% per annum. The loan was taken during the F.Y. 13-14. The loan had been refinanced from Yes Bank Limited and payable balance as at year end amounts to Rs. 875.42 million. This loan was secured by first pari-passu charge by way of mortgage over Kolkata Hotel land and construction thereon, present and future, first pari-passu charge by way of hypothecation of all the company's movable assets, including movable machinery, machinery spares, tools and accessories, both present and future, first pari passu charge on company's current assets, cash flow, receivables, book debts, both present and future, and bank guarantee given by the Company.

23 Term Loan from Axis Bank Limited aggregating to Rs. Nil (31 March 2017: Rs.Nil (31 March 2016 Rs. 1,231.82 million; 31 March 2015 Rs. 1,296.67 million, 31 March 2014 Rs. 1,321.06 million) carried interest @ base rate plus 2.5% . The loan was taken during the F.Y. 12-13. During the year 2016-17, the company had repaid the entire loan amount by taking a loan partly from Yes Bank Limited Limited amounting to Rs. 633.08 million and partly from Bharat Hotels Limited amounting to Rs.544.50 million. The loan was secured by first pari-passu charge by way of mortgage over Kolkata Hotel land and construction thereon, present and future, first pari-passu charge on company's current assets, cash flow, receivables, book debts, both present and future, first pari-passu charge by way of hypothecation of all the company's movable assets, including movable machinery, machinery spares, tools and accessories, both present and future, and bank guarantee given by the Company.

Kujjal Builders Private Limited, a subsidiary of the Company

24 Term loan from Jammu and Kashmir Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016 Rs. 368.68 million; 31 March 2015 Rs. 393.48 million; 31 March 2014 Rs. 398.60 million) carried interest ranging @ 12.25% to 13% and repayable in 36 structured quarterly payments. The loan was secured by pari-passu charge by way of equitable mortgage on land and building and pari-passu charge on all the moveable fixed and current assets of the company (both present and future). The said loan is taken over during the current year .

25 Term loan from Vijaya Bank aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016 Rs. 371.77 million; 31 March 2015 Rs. 396.00 million; 31 March 2014 Rs. 400.00 million) carried interest ranging from @ 12.45% to13.71% . The balance loan was repayable in 30 structured quarterly installments. The loan was secured by pari-passu charge by way of equitable mortgage on land and building and pari-passu charge on all the moveable fixed and current assets of the company (both present and future). The said loan is taken over by Axis Bank during the current year .

26 Term loan from Yes Bank Limited Limited aggregating to Rs. NIL (31 March 2017: Rs. Nil (31 March 2016 Rs. 465.00 million; 31 March 2015 Rs. 495.00 million 31 March 2014 Rs. 490.00 million) carried interest ranging from @ 13.25% to 13.96%. The balance loan was repayable in 30 structured quarterly installments. The loan was secured by pari-passu charge by way of equitable mortgage on land and building and pari-passu charge on all the moveable fixed and current assets of the company (both present and future). The said loan is taken over by Axis Bank during the current year .

27 Term loan from Yes Bank Limited Limited aggregating to to Rs. Nil (31 March 2017: Rs.Nil (31 March 2016 Rs. 150.00 million; 31 March 2015 Rs. 150.00 million; 31 March 2014 Rs. 150.00 million) carried interest ranging from @ 13.25% to 13.46% repayable in 30 structured quarterly payments. Loan was secured against the land and buildings, fixed assets and current assets of the company.

28 Term Loan from Axis Bank Limited aggregating to Rs 950.80 million (31 March 2017: Rs. 943.89 million (31 March 2016 Rs. Nil, 31 March 2015: Rs. Nil, 31 March 2014: Rs. Nil) ,carries interest @ 11% per annum. The loan is repayable in 12 years in 35 structured quarterly installments beginning from 31.08.2019. The loan is secured by pari-passu charge by way of equitable mortgage on land and building and pari-passu charge on all the moveable fixed and current assets of the company (both present and future). Further, there is a negative lien on Bangalore hotel property on pari-passu basis with Yes Bank.

Rupee loans from financial institutions

29 Term Loan from Tourism Finance Corporation of India ('TFCI') aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015 Rs. Nil; 31 March 2014 Rs. 500.00 million) carried interest ranging from 13.75% to 14%. The loan was repayable in 28 quarterly installments (first 27 equal quarterly installments of Rs. 17.90 million each and last installment of Rs. 16.70 million) commencing from 12 May 2014 and ending on 12 February 2021. The loan was secured by equitable mortgage of land and building both existing and future of Mumbai and Goa Hotels and hypothecation of plant and machinery and all other movable fixed assets both existing and future of Mumbai and Goa Hotels.

30 Term loan from Kerala State Industrial Development Corporation ('KSIDC') aggregating to Rs. 22.82 million (31 March 2017: Rs. 41.67 million; 31 March 2016: Rs. 60.45 million; 31 March 2015: Rs. 79.33 million; 31 March 2014 Rs. 98.15 million) carries interest @ 9% per annum. The loan is repayable in 32 quarterly instalments after initial moratorium of 24 months from 1st disbursement or 12 months from date of commercial operations, whichever is earlier. The loan is secured by equitable mortgage of land situated at Udma Village, Hosdurg Taluk ble inin the District of Kasaragod and landed property at Kalnad Village, Kasaragod Taluk by way of mortgage of lease deed and pari-passu first charge over all existing and future plant and machinery, fixtures and fittings and other movable fixed assets of the Bekal hotel.

31 Term loan from Industrial Finance Corporation of India ('IFCI') aggregating to Rs. Nil (31 March 2017: Rs. Nil; March 2016: Rs. Nil, 31 March 2015: Rs. 1,988.21 million; 31 March 2014 Rs. 1,973.98 million) carried interest ranging from 12.65% to 13.60% per annum. The loan was secured by equitable mortgage of land and building of Mumbai and Goa hotels on pari-passu basis and hypothecation of movable assets of Mumbai and Goa hotels on pari-passu basis and collateral security of Ahmedabad hotel.

Foreign currency loan from a bank

32 External Commercial Borrowing from ICICI Bank Limited, Bahrain aggregating to Rs. 695.97 million (equivalent to USD 10.70 million converted at an exchange rate of INR 65.0441 per USD) (31 March 2017: Rs. 839.93 million (equivalent to USD 12.95 million converted at an exchange rate of INR 64.8386 per USD); 31 March 2016: Rs. 990.70 million (equivalent to USD 14.93 million converted at an exchange rate on INR 66.3329 per USD); 31 March 2015: Rs. 1,029.16 million (equivalent to USD 16.44 million converted at an exchange rate on INR 62.5909 per USD); 31 March 2014: Rs. 1,049.43 million (equivalent to USD 17.46 million converted at an exchange rate on INR 60.0998 per USD)) carries interest at 5% margin on USD 6-months LIBOR. The loan is repayable in 33 quarterly instalments starting 7 quarters after 1st drawdown. The loan is secured by equitable mortgage on the movable and immovable fixed and current assets and the cash flows, both present and future, of Jaipur and also secured by exclusive charge on movable and immovable fixed assets of Khajuraho hotel, both present and future.

Apollo Zipper India Limited, a subsidiary of the Company

33 Foreign Currency Loan from ICICI Bank Limited, Bahrain, aggregating to Rs. 118.85 million (equivalent to USD 1.83 million converted at an exchange rate of 65.0441) (31 March 2017: Rs. 139.20 million (equivalent to USD 2.14 million converted at an exchange rate of 64.8386) (31 March 2016 Rs. 160.32million (equivalent to USD 2.41 million converted at an exchange rate of 66.3329 per USD), 31 March 2015 Rs. 161.94 million (equivalent to USD 2.58 million converted at an exchange rate of 62.5908 per USD), 31 March 2014 Rs. 162.44 million (equivalent to USD 2.70 million converted at an exchange rate of 60.0998 per USD) converted at an exchange rate of 54.3893 per USD) carries interest at USD Libor (6 months) plus 500 basis points. The balance loan is repayable in 21 quarterly installments (F.Y. 2017-2022). The loan is secured by first pari-passu charge on Kolkata property and corporate guarantee given by the Company.

<u>Rupee loan from a bank (Unsecured)</u>

34 Term loan from Hongkong and Shanghai Banking Corporation Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil; March 2016: Rs. Nil, 31 March 2015: Rs. 214.75 million; 31 March 2014 Rs. 207.91 million) carried interest @ 10.50% per annum.

<u>Loan from related parties</u>

Kujjal Builders Private Limited, a subsidiary of the Company

35 Unsecured Loan taken from Eila Builders & Developers Pvt. Ltd. aggregating to Rs. 12.29 million (31 March 2017: Rs. 13.52 million (31 March 2016 Rs. 12.42 million; 31 March 2015 Rs. 9.31 million; 31 March 2014 Rs. 10.41 million) carries interest ranging from @ 11.00 % to 12.95% and is repayable after 3 years.

Apollo Zipper India Limited, a subsidiary of the Company

36 Unsecured Loan taken from Deeksha Holding Limited aggregating to Rs. 10 million (31 March 2017: Rs. 94.00 million (31 March 2016 Rs. 121.00 million; 31 March 2015 Rs. Nil, 31 March 2014 Rs. Nil) carries interest @ 8.00% per annum and is repayable as per mutual agreement.

37 Unsecured loan taken from Responsible Builders Private Limited carries interest @8% per year amounting to Rs. 5 million (31 March 2017: Rs. Nil; 31 March 2016: Rs. Nil; 31 March 2015: Rs. Nil and 31 March 2014: Rs. Nil) is repayable in three years, the period may be reduced/extended between lenders and borrower as mutually agreed. The lender reserve the right to recall the loan in full or in part after giving 60 clear days notice.

The Lalit Suri Educational & Charitable Trust, an entity controlled by the Company

38 Unsecured Loan taken from Deeksha Holding Limited aggregating to Rs. 16.00 million (31 March 2017: Rs. 6.00 million (31 March 2016 Rs. Nil, 31 March 2015 Rs. Nil, 31 March 2014 Rs. Nil) carries a fixed rate of interest OF 8% per annum.

Kujjal Builders Private Limited, a subsidiary of the Company

39 Unsecured Loan taken from Deeksha Holding Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil (31 March 2016 Rs. 46.50 million; 31 March 2015 Rs. Nil, 31 March 2014 Rs. Nil) carried interest @ 8.00% and was repayable after 3 years.

40 Unsecured Loan taken from Premium Farm Fresh Produce Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil (31 March 2016 Rs. 1.55 million; 31 March 2015 Rs. Nil, 31 March 2014 Rs. Nil) carried interest @ 8.00% and was repayable after 3 years.

Debentures

41 11.50% Non Convertible Debentures (NCD's) from Jammu and Kashmir Bank Limited aggregating to Rs. Nil (31 March 2017: Rs. Nil (31 March 2016: Rs. Nil; 31 March 2015 Rs. 160.00 million; 31 March 2014 Rs. 320.00 million). Debentures were secured by the land at Mouje Maharajapura, Kadi Taluka, Gujarat and mortgage of immovable assets at Mumbai and Goa units and hypothecation of movable assets of Mumbai and Goa units on pari-passu basis. NCD's were listed on the Bombay Stock Exchange.

42 12.30% Non Convertible Debentures from LIC aggregating to Rs. Nil (31 March 2017: Rs. Nil (31 March 2016: Rs. Nil; 31 March 2015 Rs. Nil; 31 March 2014 Rs. Nil) and from GIC Rs. Rs. Nil (31 March 2017 Rs. Nil (31 March 2016: Rs. Nil; 31 March 2015 Rs. Nil; 31 March 2014 Rs. Nil) have been fully paid during the year. Debentures were secured by the land at Mouje Maharajapura, Kadi Taluka, Gujarat and mortgage of immovable assets at Mumbai and Goa units and hypothecation of movable assets of Mumbai and Goa units on pari-passu basis.

43 **Loan covenants**

Bank loans contain certain debt covenants relating to limit on total borrowings amount, security coverage ratio and others. The Company has breached certain loan covenants as at the end of the reporting date. However, the Company has obtained waiver letters from banks for compliance, pursuant to which these loans have been classified as per their maturity profile.

44 The Company has not defaulted in the repayment of loans and interest as at balance sheet date.

Annexure V

Notes to restated consolidated financial information **(All amounts in rupees million)**

Note 19 : Other non current financial liabilities	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Financial liabilities at amortised cost					
Deposits received against assets given under finance lease	11.08	10.85	10.57	10.09	10.15
Security deposits	27.61	27.23	23.89	9.43	26.48
Lease rent payable	6.47	6.91	7.34	7.77	8.20
	45.16	**44.99**	**41.80**	**27.29**	**44.83**

Note 20 : Long term provisions	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Provision for employee benefits					
Gratuity (Refer note 43)	96.76	80.50	72.65	73.51	60.71
	96.76	**80.50**	**72.65**	**73.51**	**60.71**

Annexure V

Notes to restated consolidated financial information **(All amounts in rupees million)**

Note 21 : Deferred tax liabilities (net)	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Deferred tax asset					
Effect of unabsorbed depreciation and business loss	1,593.05	434.20	306.39	404.10	479.25
Provision for doubtful debts and advances	53.31	50.48	47.39	34.85	53.83
Deferred government grant	2.60	2.60	4.26	5.91	9.22
Re-measurement gains/(losses) on defined benefit plans	4.17	0.37	-	2.49	-
Effect of expenditure debited to statement of profit and loss in the respective periods but allowed for tax purposes in subsequent periods	72.65	64.59	60.09	82.52	101.63
MAT credit entitlement	425.93	407.35	281.40	158.59	151.33
Fair value of financial instruments	61.31	53.39	41.44	67.02	10.53
Total deferred tax assets	**2,213.02**	**1,012.98**	**740.97**	**755.48**	**805.79**
Deferred tax liabilities					
Accelerated depreciation for tax	2,568.40	2,233.94	1,901.36	1,918.35	2,067.22
Re-measurement gains/(losses) on defined benefit plans	-	-	1.92	-	4.99
Others	17.11	-	-	-	-
Total deferred tax liabilities	**2,585.51**	**2,233.94**	**1,903.28**	**1,918.35**	**2,072.21**
Net deferred tax liability reflected in statement of assets and liabilities	**372.49**	**1,220.96**	**1,162.31**	**1,162.87**	**1,266.42**

Annexure V

Notes to restated consolidated financial information **(All amounts in rupees million)**

Note 22 : Other non current liabilities	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Deferred lease rent	320.47	329.14	337.68	336.70	342.46
Lease rent payable	22.82	22.82	22.82	26.89	18.34
Deferred government grant (Refer note 38)	46.31	61.84	78.85	95.86	112.87
	389.60	**413.80**	**439.35**	**459.45**	**473.67**

Note 23 : Borrowings	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
From banks					
Secured					
Cash credit facilities (Refer note 9 to 15 below)	436.21	990.52	443.27	444.22	309.63
Loan against fixed deposits (Refer note 16 below)	28.00	32.42	29.53	-	-
Short term loans (Refer note 17 and 18 below)	238.09	237.21	242.70	249.74	239.80
Unsecured					
Cash credit facilities (Refer note 11 below)		-	577.73	348.19	349.11
Short term loans (Refer note 19 & 20 below)	494.34	492.77	504.13	-	-
Buyers credit on account of invoice financing facilities availed (Refer note 21 below)		-	-	147.81	137.51
From related parties (unsecured)					
Loan from Associates Company (Refer note 1 to 4 below)	2.25	49.89	5.85	-	-
Loan from a director (Refer note 5 to 8 below)	106.30	57.39	35.47	0.30	0.30
	1,305.19	**1,860.20**	**1,838.68**	**1,190.26**	**1,036.35**

Loan from Associates Company

Apollo Zipper India Limited, a subsidiary of the Company

1. Unsecured Loan taken from Deeksha Holding Limited amounting to Rs. Nil (31 March 2017: Rs. 13.42 million; 31 March 2016: Rs. 4.31 million; 31 March 2015: Rs Nil; 31 March 2014: Rs. Nil;) carried interest @ 8% per annum and was repayable as per mutual agreement.

The Lalit Suri Educational and Charitable Trust, an entity controlled by the Company

2. Unsecured interest free loan taken from Cargo Hospitality Private Limited amounting to Rs. Nil (31 March 2017: Rs. 30.00 million; 31 March 2016: Rs. Nil, 31 March 2015: Rs Nil; 31 March 2014: Rs. Nil) was repayable as per mutual agreement.

Kujjal Builders Private Limited, a subsidiary of the Company

3. Unsecured Loan taken from Deeksha Holding Limited amounting to Rs. Nil (31 March 2017: Rs. 5.24 million; 31 March 2016: Rs. 1.12 million; 31 March 2015: Rs Nil; 31 March 2014: Rs. Nil;).

4. Unsecured Loan taken from Eila Builders and Developers Limited amounting to Rs. 2.25 million (31 March 2017: Rs. 1.23 million; 31 March 2016: Rs. 0.42 million; 31 March 2015: Rs Nil; 31 March 2014: Rs. Nil).

Loan from a director

5. Unsecured loan taken from Dr. Jyotsna Suri amounting to Rs. Nil (31 March 2017: Rs. 43.50 million; 31 March 2016: Rs. 35.00 million; 31 March 2015: Rs Nil; 31 March 2014: Rs. Nil).

Apollo Zipper India Limited, a subsidiary of the Company

6. Unsecured Loan taken from Dr. Jyotsna Suri amounting to Rs. 10.50 million (31 March 2017: Rs. 3.59 million; 31 March 2016: Rs. 0.17 million; 31 March 2015: Rs Nil; 31 March 2014: Rs. Nil) carries interest @ 8% per annum and is repayable as per mutual agreement.

The Lalit Suri Educational and Charitable Trust, an entity controlled by the Company

7. Unsecured Loan taken from Dr. Jyotsna Suri amounting to Rs. 95.50 million (31 March 2017: Rs. 10.00 million; 31 March 2016: Rs. Nil, 31 March 2015: Rs Nil; 31 March 2014: Rs. Nil) carries interest @ 8% per annum and is repayable as per mutual agreement.

Jyoti Limited, a subsidiary of the Company

8. Unsecured interest free loan taken from Dr. Jyotsna Suri amounting to Rs. 0.3 million (31 March 2017: Rs. 0.30 million; 31 March 2016: Rs. 0.30 million; 31 March 2015: Rs 0.30 million; 31 March 2014: Rs. 0.30 million) is repayable as per mutual agreement.

Secured Cash credit facilities

9. Cash Credit facilities from Jammu and Kashmir Bank Limited amounting to Rs. Nil (31 March 2017: Nil; 31 March 2016: Nil; 31 March 2015: Nil; 31 March 2014: Rs. 259.63 million) were secured by hypothecation of company's entire current assets both present and future (excluding Jaipur) and also extension of charge on Mumbai and Goa Hotels as collateral security.

10. Cash Credit facilities from Yes Bank Limited amounting to Rs. 319.73 million (31 March 2017: Rs. 304.01 million; 31 March 2016: Rs. 348.82 million, 31 March 2015: Rs 345.09 million; 31 March 2014: Rs. Nil) carries interest @ 9.90 % per annum. The loan is secured by first pari-passu charge on current assets (including receivables) of all the hotels of the Company (both present and future), except those of Jaipur hotel of the Company.

11. Short term facilities from Deutsche Bank AG aggregating to Rs. Nil (31 March 2017: Rs. 576.98 million; 31 March 2016: Rs. 577.73 million, 31 March 2015: Rs. 348.19 million; 31 March 2014: 349.11 million) carried interest ranging from 12.45 % to 13.16 % per annum. The Company had repaid the loan during the year ended 31 March 2018.These short term facilities were guaranteed by Richmond Enterprises S.A. (Refer note 46). During the year ended 31 March 2016, the loan had also been secured by immovable property of Udaipur hotel of the Company and hence, these were classified as secured.

Kujjal Builders Private Limited, a subsidiary of the Company

12. Cash Credit facilities from Yes Bank Limited Limited amounting to Rs. Nil (31 March 2017: Rs. Nil million; 31 March 2016: Rs. 49.81 million; 31 March 2015: Rs. 52.97 million; 31 March 2014: Rs. Nil)

13. Cash Credit facilities from Axis Bank Limited Rs 58.12 million (31 March 2017: Rs. 48.13, 31 March 2016: Rs. Nil million; 31 March 2015: Rs. Nil million; 31 March 2014: Rs. Nil) carries interest @ 12% (sanction rate ; 3 months MCLR plus 3.90%, payable monthly) The loan is taken in current year .The loan is secured by pari-passu charge by way of equitable mortgage on land and building and pari-passu charge on all the moveable fixed and current assets of the company both present and future.

Apollo Zipper India Limited, subsidiary of the Company

14 (a). Cash Credit facilities from Axis Bank Limited amounting to Rs. Nil, (31 March 2017: Rs. Nil, (31 March 2016 Rs. 44.64 million, 31 March 2015 Rs. 46.16 million; 31 March 2014: Rs. Nil) taken during the F.Y. 12-13 carried interest @ 13% per annum. The company had repaid the entire amount during the year 2016-17 by taking a loan from Yes Bank Limited. The loan was secured by first pari-passu charge on land and building of the company by way of mortgage and movable fixed assets of the company (both present and future) and second pari-passu charge on current assets (including receivables) of the company.

14 (b). Cash Credit facilities from Yes Bank Limited amounting to Rs. 58.36 million, (31 March 2017: Rs. 61.40 million (31 March 2016 Rs. Nil, 31 March 2015 Rs. Nil; 31 March 2014: Rs. Nil) carries interest @ 9.95% per annum. The loan is secured by first pari-passu charge on current assets (including receivables) of the company and second pari-passu charge on land and building of the company by way of mortgage and movable fixed assets of the company (both present and future).

15. Cash Credit facilities from Axis Bank amounting to Rs. Nil (31 March 2017: Rs. Nil (31 March 2016: Rs. Nil; 31 March 2015: Rs. Nil; 31 March 2014: Rs. 50.00 million), secured by
- First pari-passu charge by way of mortgage charge over Kolkata Hotel land and construction thereon, present and future.
- First pari-passu charge by way of hypothecation of all the Company's movables, including movable machinery, machinery spares, tools and accessories both present and future.
- First pari-passu charge on Company's current assets, cash flow, receivables, books debts, both present and future.
- Corporate Guarantee of Bharat Hotels Limited.

Secured Loan against fixed deposits

16. Loan against fixed deposits taken from Jammu and Kashmir Bank Limited is secured by fixed deposits. The loan carries interest @ 1.49% higher than the interest received by the Company on the fixed deposits made with the bank.

Secured Short term loan

17. Packing Credit Foreign Currency ('PCFC') Loan from Yes Bank Limited amounting to Rs. 238.09 million (equivalent to USD 3.66 million at an exchange rate of 65.0441 per USD); (31 March 2017: Rs. 237.21 million (equivalent to USD 3.65 million at an exchange rate of 64.8386 per USD); 31 March 2016: Rs. 242.70 million (equivalent to USD 3.65 million at an exchange rate of 66.3329 per USD); (31 March 2015: Rs. 249.74 million (equivalent to USD 39.90 million at an exchange rate of 62.5908 per USD); 31 March 2014: Nil) carries interest @ LIBOR+400 basis points. The loan is secured by first pari-passu charge on current assets (including receivables) of all the hotels of the Company (both present and future), except those of Jaipur hotel of the Company.

18. Loan from Ratnakar Bank aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Nil; 31 March 2015: Nil; 31 March 2014: Rs. 239.80 million (equivalent to USD 3.99 million converted at an exchange rate of INR 60.0998 per USD)), sanctioned amount Rs. 250.00 million; carries effective interest rate of LIBOR+325 basis points. The loan is secured by exclusive charge on the Beechcraft of the Company and on the movable and immovable fixed assets of Srinagar Hotel on pari-passu basis. The company is in the process of getting charge registered of Srinagar Hotel.

Notes to restated consolidated financial information (All amounts in rupees million)

Unsecured Short term loan

19. Short term facilities from Barclays Bank Plc aggregating to Rs. 494.34 million (equivalent to USD 7.60 million at an exchange rate of 65.0441 per USD); 31 March 2017: Rs. 492.77 million (equivalent to USD 7.60 million at an exchange rate of 64.8386 per USD); 31 March 2016: Rs. 504.13 million (equivalent to USD 7.60 million at an exchange rate of 66.3329 per USD); 31 March 2015: Rs Nil; 31 March 2014: Rs Nil) carries interest @ 5.42 % per annum. These facilities are guaranteed by Premium Holdings Limited (Refer note 46).

20. Term Loan from HSBC Bank aggregating to Rs. Nil (31 March 2017: Rs. Nil (31 March 2016: Rs. Nil; 31 March 2015: Rs. Nil; 31 March 2014: Rs. Nil).

Unsecured Buyers credit on account of invoice financing facilities availed

21. Invoice financing facility from Deutsche Bank aggregating to Rs. Nil (31 March 2017: Rs. Nil; 31 March 2016: Rs Nil; 31 March 2015: Rs. 147.81 million; 31 March 2014: Rs. 137.51 million) carried interest @ 12.50 % per annum.These facilities were guaranteed by Premium Holdings Limited (Refer note 46).

Loan covenants

Bank loans contain certain debt covenants relating to limit on total borrowings amount, security coverage ratio and others. The Company has breached certain loan covenants as at the end of the reporting date. However, the Company has obtained waiver letters from banks for compliance.

The Company has not defaulted in the repayment of loans and interest as at balance sheet date

Note 24 : Trade Payables - short term	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Trade payable					
- total outstanding dues of micro and small enterprises (Refer note 49)	-	-	-	-	-
- total outstanding dues of creditors other than micro and small enterprises	865.06	448.96	313.44	348.74	328.21
	865.06	**448.96**	**313.44**	**348.74**	**328.21**

Annexure V

Notes to restated consolidated financial information **(All amounts in rupees million)**

Note 25 : Other current financial liabilities	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Financial liabilities at amortised cost					
Current maturities of long term borrowings (Refer note 18)	469.28	483.47	521.15	1,630.00	849.68
Interest accrued but not due on borrowings	89.97	111.19	98.75	115.34	90.34
Book overdraft from banks	9.78	100.42	108.26	67.86	57.35
Sundry deposits	21.03	13.05	10.31	25.51	18.24
Payables on purchase of fixed assets	211.09	148.27	258.58	297.23	332.56
Unpaid dividend*	2.74	2.29	2.45	2.66	2.93
Employee related liabilities	122.82	80.58	43.41	81.93	140.93
Retention payable	71.21	62.04	76.51	77.65	77.05
Payable to related parties	0.74	-	-	-	0.05
Outstanding dues of creditors	-	161.73	203.27	126.75	100.94
Lease rent payable	-	-	-	-	12.12
Other payables	4.41	0.93	0.82	13.49	3.96
	1,003.07	**1,163.97**	**1,323.51**	**2,438.42**	**1,686.15**

* Not due for deposit to Investor Education and protection Fund

Note 26 : Short term provisions	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Provision for employee benefits					
Gratuity (Refer note 44)	37.84	33.36	26.42	19.19	14.86
Compensated absences	46.75	41.66	45.52	66.32	60.34
Other provisions					
Provision for membership programme	6.58	3.62	4.15	2.63	1.77
Provision for wealth tax	-	-	-	7.80	8.55
	91.17	**78.64**	**76.09**	**95.94**	**85.52**

Note 27 : Other current liabilities	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Advance received against sale of property	-	-	20.00	-	30.00
Deferred revenue membership programme	45.74	35.63	41.02	32.83	31.43
Deferred lease rent	8.47	8.57	8.52	6.28	5.85
Advances from customers	177.34	169.69	141.61	104.36	112.64
Statutory dues payable	142.53	205.82	204.02	144.19	155.91
Deferred government grant (Refer note 38)	16.64	17.01	17.01	17.01	17.01
	390.72	**436.72**	**432.18**	**304.67**	**352.84**

Notes to restated consolidated financial information (All amounts in rupees million)

Note 28 : Revenue from operations	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Sale of services and products					
- Room and apartment rental	3,279.32	2,813.03	2,584.96	2,274.10	1,913.47
- Food and beverage (excluding liquor and wine)	2,497.47	2,173.31	2,044.79	1,795.65	1,435.29
- Liquor and wine	553.06	466.16	433.70	298.22	275.17
- Banquet and equipment rentals	219.34	185.38	140.22	124.79	117.94
- Membership programme revenue	88.75	82.58	84.10	75.66	56.52
- Traded goods	9.99	9.51	9.66	8.17	9.39
- Other services	485.37	551.53	477.80	453.31	305.63
Other operating revenues					
- Rent and maintenance income	181.96	171.46	142.98	114.48	113.98
- Consultancy/management fee	8.26	16.49	18.70	17.62	18.22
- Aircraft charter hire charges	48.92	61.49	44.73	52.86	55.39
- Tuition and application fees	7.41	6.96	6.65	-	1.59
	7,379.85	**6,537.90**	**5,988.29**	**5,214.86**	**4,302.59**

Note 29 : Other income	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Other income - recurring					
Amortisation of deferred lease rental	3.72	3.75	2.85	2.27	2.54
Government grant income (Refer note 38)	15.90	17.01	17.01	17.01	13.07
Miscellaneous income	24.01	43.04	32.40	52.97	46.52
Other income - non recurring					
Excess provision/ credit balances written back	46.72	42.52	26.29	33.93	21.09
Net gain on disposal of property, plant and equipment	-	-	119.12	-	-
Exchange differences (net)	0.55	-	0.53	6.88	4.12
Donation income	74.50	-	16.50	-	4.50
	165.40	**106.32**	**214.70**	**113.06**	**91.84**

Annexure V

Notes to restated consolidated financial information **(All amounts in rupees million)**

Note 30 : Cost of food and beverages consumed	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015 (Proforma)**	**For the year ended 31 March 2014 (Proforma)**
Consumption of food and beverages (excluding liquor and wine)					
Inventory at the beginning of the year	30.53	33.15	31.56	27.05	16.47
Add: Purchases	776.45	672.06	635.78	561.39	459.67
Less: Inventory at the end of the year	(29.61)	(30.53)	(33.15)	(31.56)	(27.05)
Cost of food and beverage consumed (excluding liquor and wine)	**777.37**	**674.68**	**634.19**	**556.88**	**449.09**
Consumption of liquor and wine					
Inventory at the beginning of the year	67.94	78.93	68.97	54.91	45.29
Add: Purchases	137.60	111.18	119.09	90.90	82.73
Less: Inventory at the end of the year	(65.96)	(67.94)	(78.93)	(68.97)	(54.91)
Cost of liquor and wine consumed	**139.58**	**122.17**	**109.13**	**76.84**	**73.11**
Consumption of food and beverages (including liquor and wine)	**916.95**	**796.85**	**743.32**	**633.72**	**522.20**

Note 31 : Change in inventories of traded goods	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015 (Proforma)**	**For the year ended 31 March 2014 (Proforma)**
Traded goods					
Inventory at the beginning of the year	13.02	10.71	9.96	8.74	8.94
Inventory at the end of the year	12.78	13.02	10.71	9.96	8.74
	0.24	**(2.31)**	**(0.75)**	**(1.22)**	**0.20**

Note 32 : Employee benefits expense	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015 (Proforma)**	**For the year ended 31 March 2014 (Proforma)**
Salaries, wages and allowances (Refer note 48)	1,172.57	1,068.46	972.87	927.74	775.80
Contribution to provident fund and other funds (Refer note 48)	91.69	78.73	69.96	67.29	56.38
Gratuity expense (Refer note 43)	15.00	13.42	14.73	15.05	14.28
Leave compensation expenses	13.01	7.04	0.71	22.81	12.48
Staff welfare expenses (Refer note 48)	28.69	20.94	16.70	14.42	14.45
Staff recruitment and training	6.17	9.00	6.76	6.46	10.67
	1,327.13	**1,197.59**	**1,081.73**	**1,053.77**	**884.06**

Annexure V

Notes to restated consolidated financial information **(All amounts in rupees million)**

Note 33 : Other expenses	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015 (Proforma)**	**For the year ended 31 March 2014 (Proforma)**
Consumption of stores, cutlery, crockery, linen, provisions and others*	261.68	234.72	198.38	172.37	142.51
Lease rent*	224.04	179.05	175.55	164.25	169.57
Power and fuel*	822.37	738.22	707.94	750.55	608.76
Aircraft fuel	6.64	6.98	5.08	8.87	10.87
Banquet and decoration expenses	174.85	132.61	134.64	102.68	110.82
Membership programme expenses*	4.82	6.04	37.63	36.45	30.42
Repair and maintenance:					
- Buildings*	95.71	77.71	81.87	56.48	59.02
- Plant and machinery*	197.99	186.45	187.81	152.72	120.28
- Aircraft	24.30	20.05	19.24	21.76	34.17
- Others*	60.61	49.58	44.48	41.97	35.43
Royalty and marketing fees	-	23.78	-	-	-
Rates and taxes*	128.08	131.75	140.69	113.14	111.55
Insurance*	27.23	25.79	24.92	26.62	26.33
Communication costs*	57.72	50.54	43.53	40.49	31.46
Printing and stationery*	43.87	43.62	39.09	33.46	26.58
Travelling and conveyance*	192.10	160.78	160.78	137.02	145.95
Advertisement and business promotion*	129.31	109.45	109.36	90.03	134.32
Commission -other than sole selling agent*	122.59	84.45	76.41	59.34	56.41
Sub contracting expenses*	243.34	203.62	186.94	174.69	144.31
Membership and subscriptions*	18.73	16.67	26.21	40.48	40.46
Professional fees*	74.21	47.22	73.01	58.52	47.20
Legal charges*	20.31	16.16	19.87	31.32	27.38
Advances written off	-	1.02	-	0.01	10.31
Freight and cartage*	12.27	11.10	10.44	9.19	6.75
Exchange differences (net) *	-	1.06	-	-	-
Loss on sale/ discard of property, plant and equipment (net)	0.89	1.88	-	0.66	0.88
Donations	7.14	4.66	5.52	6.97	7.40
Bad Debts written off	1.97	0.05	0.94	0.73	1.35
Provision for doubtful advances	3.81	16.67	-	0.95	-
Provision for doubtful debts	11.01	22.07	7.22	4.34	5.73
Directors fees and commission	2.61	1.97	1.41	1.25	1.27
Bank charges*	49.01	48.35	43.46	40.97	29.28
Payment to auditors	8.68	9.06	7.62	8.10	7.75
Miscellaneous expenses*	23.94	20.99	19.86	17.64	10.48
Total	**3,051.83**	**2,684.12**	**2,589.90**	**2,404.02**	**2,195.00**

*Refer note 48

Annexure V

Notes to restated consolidated financial information **(All amounts in rupees million)**

Note 34 : Finance income	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015 (Proforma)**	**For the year ended 31 March 2014 (Proforma)**
Finance income - recurring					
Finance lease income	10.93	10.93	10.93	10.98	10.92
Others					
- bank deposits	16.50	16.66	13.86	28.09	26.44
- others	33.26	26.30	30.21	24.57	2.05
Exchange difference on foreign currency borrowings	-	4.88	-	-	0.43
Unwinding of discount on security deposits	3.49	2.48	2.21	1.96	1.84
	64.18	**61.25**	**57.21**	**65.60**	**41.68**

Note 35 : Finance costs	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015 (Proforma)**	**For the year ended 31 March 2014 (Proforma)**
Interest on:					
- loan from related parties	3.52	23.09	10.43	-	4.67
-loans from banks	1,230.06	1,271.01	1,069.01	450.95	386.68
- loans from financial institution	3.01	4.63	231.11	352.41	185.35
- debentures	-	-	1.26	29.99	70.81
- credit facilities from banks	104.12	116.39	109.87	91.60	80.13
- others	0.41	0.11	0.10	-	2.02
Bank charges	4.09	7.77	26.53	212.44	23.39
Unwinding of finance cost from financial instruments	3.33	2.89	1.93	1.96	2.21
Finance charges payable under finance leases	18.88	18.80	18.79	8.96	2.15
Interest on defined benefit plans	6.67	6.69	6.73	6.12	6.44
Exchange difference on foreign currency borrowings	3.86	-	21.09	10.92	-
	1,377.95	**1,451.38**	**1,496.85**	**1,165.35**	**763.85**

Annexure V

Notes to restated consolidated financial information **(All amounts in rupees million)**

Note 36 : Depreciation and amortisation expense	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Depreciation of property, plant and equipment	837.50	841.99	878.17	1,240.84	511.73
Amortisation of intangible assets	10.16	11.68	14.48	14.87	8.31
	847.66	**853.67**	**892.65**	**1,255.71**	**520.04**
Less: transferred to Pre-operative expenditure (Refer note 48)	-	2.60	2.63	2.66	55.39
Less: depreciation due to change in rate	-	-	-	371.52	-
	847.66	**851.07**	**890.02**	**881.53**	**464.65**

Consolidated notes forming part of restated financial statements

37 Segmental Information

Business segments:

For management purposes, the Group is organised into business units based on its services rendered and products sold. The leadership team (chief financial officer and chairperson, being chief operating decision maker) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss. No operating segments have been aggregated to form the above reportable operating segments. The Group has three reportable segments, as follows:

Hotel operations

It represents sale of rooms and apartments, food and beverages, banquet rentals and other services relating to hotel operations including telecommunication, laundry, business centre, health centre and other related services

Aircraft charter operations

It represents services rendered to customers who hire aircraft for travel.

Other activities

It represents operations relating to renting of shops located within hotel premises and separate business towers operated by the Group and income and expenses arising out of training and education activities carried out by the Group.

(All amounts in Rupees Million)

Particulars	Hotel operations					Aircraft charter operations					Other activities					Total				
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue																				
External sales	7,141.55	6,297.99	5,793.93	5,047.52	4,133.22	48.92	61.49	44.73	52.86	55.39	189.38	178.42	149.63	114.48	113.98	7,379.85	6,537.90	5,988.29	5,214.86	4,302.59
Other income	86.39	103.81	194.20	87.52	83.05		-	-	-	-	79.00	6.33	19.97	18.66	9.22	165.39	110.14	214.17	106.18	92.27
Unallocated corporate income																	-	-	-	
Finance Income		-	-	-			-	-	-		10.93	11.37	11.25	11.50	11.39	10.93	10.93	10.93	10.98	10.92
Unallocated corporate income							-	-								53.26	46.50	46.81	61.50	30.33
Total	**7,227.94**	**6,401.80**	**5,988.13**	**5,135.04**	**4,216.27**	**48.92**	**61.49**	**44.73**	**52.86**		**279.31**	**196.12**	**180.84**	**144.64**	**134.59**	**7,609.43**	**6,705.47**	**6,260.20**	**5,393.52**	**4,436.11**
																				-
Segment result	2,603.89	1,426.35	1,209.74	784.84	826.47	(58.70)	(38.83)	(49.09)	(43.88)	(50.97)	204.50	110.17	87.10	34.06	25.26	2,749.68	1,497.69	1,247.75	775.02	800.76
Interest expense	-	-	-	-	-	-	-	-	-	-	-	0.03	0.03	0.03	0.02	-	0.03	0.03	0.03	0.02
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,669.06)	(1,783.92)	(1,799.42)	(1,451.72)	(922.84)
Tax expense/credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(758.21)	186.07	96.40	(2.56)	(80.73)
Profit/(Loss) for the year	**2,603.89**	**1,426.35**	**1,209.74**	**784.84**	**826.47**	**(58.70)**	**(38.83)**	**(49.09)**	**(43.88)**	**(50.97)**	**204.50**	**110.20**	**87.13**	**34.09**	**25.29**	**838.83**	**(472.33)**	**(648.10)**	**(674.17)**	**(41.37)**
																				-

Particulars	Hotel operations					Aircraft charter operations					Other activities					Total				
	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
Segment assets	22,809.90	22,773.33	23,417.16	23,906.27	23,797.12	451.90	458.35	478.53	508.68	507.37	1,230.79	881.00	796.05	704.56	705.69	24,492.59	24,112.67	24,691.74	25,119.50	25,010.18
																				-
Unallocated corporate assets																**2,033.48**	2,296.43	1,308.56	1,610.90	1,591.15
Total	**22,809.90**	**22,773.33**	**23,417.16**	**23,906.27**	**23,797.12**	**451.90**	**458.35**	**478.53**	**508.68**	**507.37**	**1,230.79**	**881.00**	**796.05**	**704.56**	**705.69**	**26,526.07**	**26,409.10**	**26,000.30**	**26,730.40**	**26,601.33**
																				-
Segment liabilities	1,621.68	2,898.42	2,825.04	2,754.64	2,928.72	5.34	3.80	1.89	2.42	3.40	439.62	425.16	361.54	349.06	374.60	2,066.64	3,327.38	3,188.47	3,106.12	3,306.72
																				-
Unallocated corporate liabilities																14,838.89	14,202.43	13,391.28	13,514.81	12,218.87
																				-
Total	**1,621.68**	**2,898.42**	**2,825.04**	**2,754.64**	**2,928.72**	**5.34**	**3.80**	**1.89**	**2.42**	**3.40**	**439.62**	**425.16**	**361.54**	**349.06**	**374.60**	**16,905.53**	**17,529.81**	**16,579.75**	**16,620.93**	**15,525.59**
																				-
Capital expenditure towards acquisition of fixed assets	863.53	613.07	736.19	1,557.79	2,976.02	10.68	4.85	-	26.06	-	359.82	109.14	88.39	-	-	1,234.03	727.06	824.58	1,583.85	2,976.02
Depreciation / amortization	795.85	767.30	807.23	785.21	369.95	32.21	31.91	31.70	31.05	37.83	6.44	5.89	5.92	6.03	6.04	834.50	805.10	844.85	822.29	413.82
Non cash expenses other than depreciation and amortization	23.34	41.64	7.22	5.96	19.61	-	-	-	-	-	-	0.03	0.03	-	0.02	23.34	41.67	7.25	5.96	19.63

Note: Capital expenditure includes exchange differences that have been capitalised.

Geographical information

The operating interests of the Company are confined to India since all the operational activities exists in India only. Accordingly, the figures appearing in these financial statements relate to the Company’s single geographical location i.e. India.

Notes to restated consolidated financial information (All amounts in rupees million)

Note 38 : Government Grants

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
At the beginning of the year	78.85	95.86	112.87	129.88	62.58
Received during the year		-	-	-	80.37
Released to the statement of profit and loss	(15.90)	(17.01)	(17.01)	(17.01)	(13.07)
At the end of the year	**62.95**	**78.85**	**95.86**	**112.87**	**129.88**
Current	16.64	17.01	17.01	17.01	17.01
Non-current	46.31	61.84	78.85	95.86	112.87
	62.95	**78.85**	**95.86**	**112.87**	**129.88**

Government grants have been received for the purchase of certain items of property, plant and equipment.

Note 39 : Current Tax Assets

a. The major components of income tax expense is as follows :

Profit and loss section	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Current income tax:					
Current income tax charge (MAT payable)	87.08	127.05	98.79	(30.10)	(2.43)
Less: MAT credit entitlement	(18.58)	(125.95)	(122.81)	(7.26)	-
Deferred tax:					
Relating to origination and reversal of temporary differences	(826.71)	184.97	120.42	34.80	(78.30)
Income tax expense reported in the statement of profit or loss	**(758.21)**	**186.07**	**96.40**	**(2.56)**	**(80.73)**

OCI Section	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Deferred tax related to items recognised in OCI during in the year:					
Net gain/(loss) on remeasurement of defined benefit plans	(9.30)	(0.71)	6.75	(7.19)	14.69
Income tax charged to OCI	**3.18**	**(0.37)**	**1.83**	**(2.49)**	**5.08**

b. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate is explained below :

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Accounting profit before tax	80.62	(286.26)	(551.70)	(676.73)	(122.10)
India' statutory income tax rate	34.61%	34.61%	34.61%	33.99%	32.45%
At India' statutory income tax rate	27.90	(99.07)	(190.93)	(230.02)	(39.62)
Effect of Changes in tax rates	19.49	-	-	25.20	-
Difference in brought forward-losses and unabsorbed depreciation:					
Deferred tax recignised on losses of subsidiaries (Refer Note 59)	(732.94)	-	-	-	-
Effect of change in asset base due to indexation benefit under Income Tax Act	(8.52)	(11.12)	(55.63)	(40.60)	(132.72)
Tax on expenses not eligible for deduction	(7.01)	7.46	10.06	23.58	16.28
Other adjustments	5.39				

Notes to restated consolidated financial information (All amounts in rupees million)

Non deductible expenses for tax purpose:					
Other permanent differences		(18.64)	(35.28)	(44.05)	12.23
Reversal of deferred tax asset on temporary differences	(54.54)				
Income tax expense reported in the statement of profit and loss before losses of joint venture and subsidiaries for which no DTA has been recognised	**(750.25)**	**(121.37)**	**(271.78)**	**(265.89)**	**(143.83)**
Losses of subsidiaries for which no DTA has been recognised	(7.97)	307.44	368.18	263.33	63.10
Income tax expense reported in the statement of profit and loss	**(758.21)**	**186.07**	**96.40**	**(2.56)**	**(80.73)**

c. Reconciliation of deferred tax liabilities (net)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Opening balance	1,220.96	1,162.31	1,162.87	1,266.42	1,339.64
Tax expenses recognised in statement of profit and loss	(845.29)	59.01	(2.39)	27.56	(78.30)
Tax (income)/ expenses recognised in OCI	(3.18)	(0.37)	1.83	(2.49)	5.08
Tax income recognised in General reserve		-	-	(128.62)	-
Closing balance	**372.49**	**1,220.96**	**1,162.31**	**1,162.87**	**1,266.42**

d. MAT credit entitlement

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Opening balance	407.35	281.40	158.59	151.33	151.33
Add: MAT credit for the current year	18.58	125.95	122.81	7.26	-
Closing balance	**425.93**	**407.35**	**281.40**	**158.59**	**151.33**

The Group has recognised MAT credit since there is convincing evidence that the Group will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.

e. Unused tax losses

Capital losses

The Group has not recognised deferred tax assets of Rs. 168.38 million on losss under the head 'Capital gain' as the Company is not likely to generate taxable income under the same head in foreseeable future. The significant portion of these losses will expire in Financial year ending 31 March 2022.

Business losses and unabsorbed depreciation

The group has tax losses/unabsorbed depreciation that are available for off-setting against the future taxable profits of the companies in which such loss arose. Break up of the same as per the expiry date is as follows:

Financial year	Nature of loss	Less than 5 years	More than 5 years	No expiry date	Total
2009-10	Business losses	0.21			0.21
2010-11	Business losses	3.54			3.54
2011-12	Business losses	2.95			2.95
2012-13	Business losses	371.92			371.92
2013-14	Business losses	1,781.57			1,781.57
2013-14	Unabsorbed depreciation	-		130.32	130.32
2014-15	Business losses	618.39			618.39
2014-15	Unabsorbed depreciation	-		348.27	348.27
2015-16	Business losses	-	947.60		947.60
2015-16	Unabsorbed depreciation	-		303.44	303.44
2016-17	Business losses	-	709.61		709.61
2016-17	Unabsorbed depreciation	-		266.14	266.14
2017-18	Unabsorbed depreciation	-		159.21	159.21
2017-18	Business losses	-	349.02		349.02
		2,778.58	**2,006.23**	**1,207.38**	**5,992.19**

Notes to restated consolidated financial information (All amounts in rupees million)

Note 40 : Earning per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Basic and Diluted Earnings per share	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015 (Proforma)**	**For the year ended 31 March 2014 (Proforma)**
Profit/(loss) attributable to equity share holders of Group for basic EPS	750.42	(160.08)	(332.56)	(507.92)	3.70
Weighted average number of Equity shares for basic EPS	75,991,199	75,991,199	75,991,199	75,991,199	75,991,199
Basic earning per share	9.88	(2.11)	(4.38)	(6.68)	0.05
Diluted Earnings per share					
Profit/(loss) attributable to equity share holders of Group for diluted EPS	750.42	(160.08)	(332.56)	(507.92)	3.70
Weighted average number of dilutive equity shares for diluted EPS	75,991,199	75,991,199	75,991,199	75,991,199	75,991,199
Diluted earning per share	9.88	(2.11)	(4.38)	(6.68)	0.05

Note 41 : Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – The Group as lessee

The Group has taken certain land on long term lease basis. The lease agreements generally have an escalation clause. These leases are generally non-cancellable. The Group has determined based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life/remaining economic life of the property and the fair vaue of the asset, that it does not have all the signifcant risks and rewards of ownersip of these properties and accounts for the contracts as operating leases.

Further, the Group based on an evaluation of the terms and conditions of the respective agreements decided that wherever the escalation are aligned the the average expected general inflation of the lease term period, operating lease payments are not required to be provided on a straightl-line basis over the lease term as an expense in the statement of profit and loss and in other cases (including structured payment terms), operating lease payments are expensed on a straight-line basis over the lease term in the statement of profit and loss.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 43.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Revenue recognition – Lalit loyalty programme

The Group estimates the fair value of points awarded under the Lalit loyalty programme by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences. The estimated liability towards unredeemed points amounted to Rs. 6.58 million (31 March 2017: Rs. 3.62 million; 31 March 2016: Rs. 4.15 million; 31 March 2015: Rs. 2.63 million and 31 March 2014: Rs. 1.76 million),

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Notes to restated consolidated financial information (All amounts in rupees million)

Note 42 : Commitments & Contingent liabilities

(a) Capital Commitments

Descriptions	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Estimated amount of contracts remaining to be executed and not provided for	786.99	1,037.10	1,189.52	910.74	1,366.75

(b) Leases

Operating lease commitments - Group as lessee

The Group has entered into operating leases on certain Land and Building properties with lease terms between 30 to 99 years. The Group has the option, under some of its leases, to lease the assets for additional terms of 30 years.

The Group has paid Rs. 227.64 millions (31 March 2017: Rs. 179.05 millions; 31 March 2016: Rs.175.55 millions; 31 March 2015: Rs.164.25 millions; 31 March 2014: Rs.169.57 millions) during the year towards minimum lease payment.

Future minimum rentals payables under non-cancellable operating leases are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Within one year	128.54	119.09	109.90	108.00	113.22
After one year but not more than five years	505.28	458.10	459.91	448.93	443.28
More than five years	2,939.33	2,967.68	3,081.52	3,195.37	3,432.46
	3,573.15	**3,544.87**	**3,651.33**	**3,752.30**	**3,988.96**

Operating lease commitments - Group as lessor

The Group has entered into operating leases consisting of certain offices. These lease terms are between 3 to 99 years. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements.

Future minimum rentals receivables under non-cancellable operating leases are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Within one year	23.84	58.84	58.56	34.61	26.25
After one year but not more than five years	0.84	22.62	75.42	2.87	0.88
More than five years	14.81	15.32	15.53	15.74	15.91
	39.49	**96.78**	**149.51**	**53.22**	**43.04**

Finance lease commitments - Group as lessee

The Group has finance leases for various items of Land and Building properties. The Group's obligations under finance lease are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases together with the present value c minimum lease payments are, as follows -

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Within one year	18.75	18.75	18.75	18.75	18.75
After one year but not more than five years	75.00	75.00	75.00	75.00	75.00
More than five years	1,591.64	1,610.39	1,629.14	1,647.89	1,666.64
	1,685.39	**1,704.14**	**1,722.89**	**1,741.64**	**1,760.39**

Notes to restated consolidated financial information (All amounts in rupees million)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Within one year	4.56	16.67	16.67	16.67	16.67
After one year but not more than five years	16.24	50.09	50.09	50.09	50.09
More than five years	20.38	83.66	83.61	83.57	83.53
	41.18	**150.42**	**150.37**	**150.33**	**150.29**

The Group has given certain portion of land and buildings on finance lease. The lease terms is for 93-99 years.
Future gross rentals receivables under non-cancellable finance leases are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Within one year	10.94	10.94	10.94	10.94	10.94
After one year but not more than five years	43.78	43.78	43.78	43.78	43.78
More than five years	623.68	634.63	645.57	656.51	667.46
	678.40	**689.35**	**700.29**	**711.23**	**722.18**

Future minimum rentals receivables under non-cancellable finance leases are as follows:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Within one year	0.02	0.02	0.02	0.02	0.02
After one year but not more than five years	0.10	0.09	0.09	0.08	0.07
More than five years	95.33	95.36	95.38	95.41	95.39
	95.45	**95.47**	**95.49**	**95.51**	**95.48**

Notes to restated consolidated financial information (All amounts in rupees million)

Note 43 : Gratuity and other post-employment benefit plans

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Gratuity Plan	134.60	113.86	99.07	92.70	75.57
Total	**134.60**	**113.86**	**99.07**	**92.70**	**75.57**

The Group has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more or service gets a gratuity on separation equal to 15 days salary (last drawn salary) for each completed year of continuous service or part thereof in excess of six months.

Risk analysis

The Company is exposed to a number of risks in the defined benfit plans.Most significant risks pertaining to defined benefit plans and management estimation of the impact of these risks are as follows:

Longevity risk/life expectancy

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of plan participants will increase the plan liability.

Changes in the defined benefit obligation as at :

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Opening Defined benefit obligations	113.86	99.07	92.70	75.57	80.53
Service Cost	15.00	13.42	14.73	15.05	14.28
Net interest expense	6.67	6.69	6.73	6.12	6.44
Gratuity cost charged to consolidated statement of profit and loss	**21.67**	**20.11**	**21.46**	**21.17**	**20.72**
Actuarial changes arising from changes in demographic assumptions	0.03	(0.29)	(0.62)	0.28	-
Actuarial changes arising from changes in financial assumptions	0.25	4.01	0.48	7.36	(7.25)
Experience adjustments	9.02	(3.01)	(6.61)	(0.45)	(7.44)
Remeasurement gain/(loss) in other comprehensive income	**9.30**	**0.71**	**(6.75)**	**7.19**	**(14.69)**
Contribution by employer					
Benefits paid	(10.23)	(6.48)	(8.34)	(11.23)	(10.99)
Closing Defined benefit obligations*	**134.60**	**113.41**	**99.07**	**92.70**	**75.57**

*Closing defined benfit obligation as on 31 March 2017 excludes liability amounts for employees transferred from group companies amounting to Rs. 0.45 millions

Amount recognised in the consolidated statement of profit or loss is as under:

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Current service cost	15.00	13.42	14.73	15.05	14.28
Net interest expense	6.67	6.69	6.73	6.12	6.44
Amount recognised in the statement of profit or loss	**21.67**	**20.11**	**21.46**	**21.17**	**20.72**

Amount recognised in Other comprehensive income is as under:

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Actuarial gain/(loss) arising from changes in demographic assumption	0.03	(0.29)	(0.62)	0.28	-
Actuarial gain/(loss) arising from changes in financial assumption	0.25	4.01	0.48	7.36	(7.25)
Experience adjustments	9.02	(3.01)	(6.61)	(0.45)	(7.44)
Amount recognised in Other comprehensive income	**9.30**	**0.71**	**(6.75)**	**7.19**	**(14.69)**

The principal assumptions used in determining gratuity for the Group's plans are shown below:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Discount rate	7.30%	6.90%	7.80%	8.00%	9.00%
Future salary increase	8.00%	7.50%	7.50%	7.50%	7.5% to 10%

Notes to restated consolidated financial information (All amounts in rupees million)

Sensitivity analysis for gratuity liability:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Impact of the change in Discount rate					
(a) Impact due to increase of 0.5%	131.04	109.22	88.67	90.90	73.78
(b) Impact due to decrease of 0.5%	137.01	114.23	93.00	97.06	78.90
Impact of the change in Salary increase					
(a) Impact due to increase of 0.5%	136.97	114.21	93.00	97.06	78.93
(b) Impact due to decrease of 0.5%	131.04	109.22	88.65	90.87	73.73

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.44 years.

The following payments are expected contributions to the defined benefit plan in future years

Duration (Years)	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
1	373.83	320.25	254.38	190.32	146.53
2	193.32	159.86	145.24	107.93	64.49
3	180.87	146.49	119.40	99.51	96.00
4	154.72	134.86	116.10	86.62	86.21
5	131.04	110.42	109.67	93.19	68.61
6 and above 6	950.28	761.06	818.71	1,357.22	1,316.67
Total expected payments	1,984.07	1,632.93	1,563.49	1,934.79	1,778.51

Notes to restated consolidated financial information (All amounts in rupees million)

Note 44 : Fair value measurement

a. Financial instruments by category

	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016		As at 31 March 2015 (Proforma)		As at 31 March 2014 (Proforma)	
	FVTPL	**Amortised cost**	**FVTPL**	**Amortised cost**	**FVTPL**	**Amortised cost**	**FVTPL**	**Amortised cost**	**FVTPL**	**Amortised cost**
Financial Assets										
Investments in equity instruments	0.36	-	0.36	-	0.36	-	0.36	-	-	-
Trade receivables	-	643.85	-	492.61	-	436.02	-	386.11	-	315.19
Security Deposits	-	73.97	-	65.75	-	73.33	-	72.95	-	71.48
Margin money deposits	-	186.27	-	173.89	-	35.35	-	60.71		136.92
Interest accrued	-	14.95	-	14.83	-	30.09	-	24.41		31.44
Finance lease receivable	-	95.44	-	95.42	-	95.45	-	95.47		95.50
Cash and cash equivalents	-	218.66	-	688.30	-	208.96	-	670.30	-	462.98
Subsidy receivable	-	14.21	-	9.39	-	13.32	-	12.58		3.94
Others	-	87.73	-	104.72	-	162.45	-	123.81	-	535.49
Total Financial Assets	**0.36**	**1,335.08**	**0.36**	**1,644.91**	**0.36**	**1,054.97**	**0.36**	**1,446.34**	**-**	**1,652.94**
Financial Liabilities										
Borrowings	-	14,120.78	-	14,124.74	-	13,239.57	-	13,340.04		12,076.92
Deposits(including retention money)	-	130.93	-	113.17	-	121.28	-	122.68		131.92
Trade Payables	-	865.06	-	448.96	-	313.44	-	348.74		328.21
Other Current Financial Liabilities	-	441.55	-	605.41	-	715.54	-	705.26		741.18
Other non current Financial Liabilities	-	6.47		6.91	-	7.34	-	7.77		8.20
Total Financial Liabilities	**-**	**15,564.79**	**-**	**15,299.19**	**-**	**14,397.17**	**-**	**14,524.49**	**-**	**13,286.43**

Note: The financial assets above do not include investments in joint ventures which are measured at cost in accordance with Ind AS 101, Ind AS 27 and Ind AS 28.

b. Fair value measurement hierarchy for assets and liabilities

Fair value measurement

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 under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i) Level 1

Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2

Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

iii) Level 3

Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group’s assumptions about pricing by market participants.

Notes to restated consolidated financial information (All amounts in rupees million)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Financial assets and liabilities measured at fair value

	As at 31 March 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.36	0.36

	As at 31 March 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.36	0.36

	As at 31 March 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.36	0.36

	As at 31 March 2015 (Proforma)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	0.36	0.36

	As at 31 March 2014 (Proforma)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial investments as FVTPL				
Unquoted equity instruments	-	-	-	-

Notes to restated consolidated financial information (All amounts in rupees million)

c. **Fair value of financial assets and liabilities measured at amortised cost**

i. The management assessed that fair values of cash and cash equivalents, trade receivables, trade payables, bank overdrafts, Interest accrued on bank deposits with banks, other current financial assets and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

ii. The fair values of loans, security deposits, borrowings and other financial assets and liabilities are considered to be the same as their fair values, as there is an immaterial change in the lending rates.

Note 45 : Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. This financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits and payables/receivables in foreign currencies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates. The Group is carrying its borrowings primarily at variable rate. The Group expects the variable rate to decline, accordingly the Group is currently carrying its loans at variable interest rates.

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Variable rate borrowings	13,795.65	13,885.19	13,878.92	13,009.91	12,771.60
Fixed rate borrowings	325.13	235.59	245.82	229.66	568.44

Notes to restated consolidated financial information (All amounts in rupees million)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Effect on Profit before tax				
	As at 31 March 2018	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Increase by 50 basis points for all the period presented	69.93	69.43	69.39	65.05	63.86
Decrease by 50 basis points for all the period presented	(69.93)	(69.43)	(69.39)	(65.05)	(63.86)

Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure in foreign currency is in loans, debtors and advances denominated in foreign currency. The Group is not restricting its exposure of risk in change in exchange rates. The Group expects the Indian Rupee to strengthen and accordingly the Group is carrying the risk of change in exchange rates.

		As at 31 March 2018	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Trade creditors						
-USD		0.02	0.01	0.01	0.02	0.14
Advances						
-USD		1.89	-	-	-	3.75
Trade receivables						
-GBP	-	0.07	0.09	0.18	0.05	0.05
FDR						
-USD		0.33	0.32	0.32	0.32	0.32
EEFC Bank Balance						
-USD		4.26	0.11	0.03	0.10	0.05
Unsecured loans						
-USD		7.60	7.60	7.60	-	-
Secured loans						
-USD		16.21	18.76	21.16	23.08	24.15

Notes to restated consolidated financial information (All amounts in rupees million)

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD-INR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Effect on profit before tax*				
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
USD Sensitivity					
Increase by 5% (for all periods presented)	(56.44)	(84.10)	(94.26)	(70.98)	(71.88)
Decrease by 5% (for all periods presented)	56.44	84.10	94.26	70.98	71.88

*In accordance with exemption allowed under Ind AS 101, the Company capitalises exchange differences arising on long term foreign currency monetary items. Accordingly, the profit before tax will not be impacted to that extent.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including loans to related parties, deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(a) Trade receivables

Customer credit risk is managed by each business location subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Group does not hold collateral as security.

(b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Group's maximum exposure to credit risk for the components of the balance sheet at respective reporting dates is the carrying amount.

Gross carrying amount of trade receivables

Ageing	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Not due	91.30	69.46	58.50	48.86	76.77
0-60 days past due	389.04	298.68	237.99	226.09	164.98
61-120 days past due	85.26	65.98	52.59	45.88	25.35
121-180 days past due	33.93	27.14	27.73	17.37	25.18
180-365 days past due	29.63	19.35	32.63	27.69	8.66
More than 365 days	111.57	100.22	93.02	80.55	71.43
	740.73	**580.83**	**502.46**	**446.44**	**372.37**

Provision for doubtful debts (including provision for expected credit loss on trade receivables)

Ageing	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
121-180 days past due	0.02	-	-	0.05	3.36
180-365 days past due	5.00	1.35	4.08	3.34	1.96
more than 365 days	91.86	86.87	62.36	56.94	51.86
	96.88	**88.22**	**66.44**	**60.33**	**57.18**

Notes to restated consolidated financial information (All amounts in rupees million)

Reconciliation of provision for doubtful debts - Trade receivables (including provision for expected credit losses)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Provision at beginning	82.82	66.44	60.33	49.10	58.33
Addition during the year	11.01	16.67	-	0.95	-
Reversal during the year	(2.35)	(0.29)	(1.11)	(1.19)	(9.23)
Provision at closing	**91.48**	**82.82**	**59.22**	**48.86**	**49.10**

Reconciliation of provision for doubtful advances - Loans and deposits

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Provision at beginning	84.88	68.21	68.21	68.21	68.70
Addition during the year	3.81	16.67	-	0.95	-
Reversal during the year	(18.61)	-	-	(0.95)	(0.49)
Provision at closing	**70.08**	**84.88**	**68.21**	**68.21**	**68.21**

Liquidity risk

The Group monitors its risk of a shortage of funds by estimating the future cash flows. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Group had access to the following undrawn borrowing facilities at the end of the reporting periods -

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Floating rate					
(a) Expiring within one year (Bank overdraft and other facilities)					
Secured					
-Cash credit facilities	153.79	179.48	6.73	8.75	-
-Short term loans	11.90	12.79	7.30	0.26	10.20
Unsecured					
-Cash credit facilities	-	-	2.27	1.81	0.89
-Short term loans	-	25.94	26.53	-	-
-Buyer's credit	-	-	-	2.19	12.49
-Loan from directors	-	-	-	-	-
(b) Expiring beyond one year (Bank loans)					
Secured					
-Rupees term loan from banks	2.30	625.00	427.50	3,506.53	10.00
-Foreign currency loan from banks	-	-	-	-	

Notes to restated consolidated financial information (All amounts in rupees million)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

	0 to 1 years	1 to 2 years	2 to 5 years	More than 5 years
Year ended 31 March 2018				
Contractual maturities of borrowings	3,100.69	2,126.59	6,944.51	10,386.69
Contractual maturities of finance lease obligations	18.75	18.75	56.25	1,591.64
Contractual maturities of trade payables	862.55	-	-	-
Contractual maturities of security deposit received	21.68	0.21	1.79	489.35
Contractual maturities of other financial liabilities	351.04	-	-	-

	0 to 1 years	1 to 2 years	2 to 5 years	More than 5 years
Year ended 31 March 2017				
Contractual maturities of borrowings	5,248.86	2,190.49	7,496.60	16,063.36
Contractual maturities of finance lease obligations	18.75	18.75	56.25	1,610.39
Contractual maturities of trade payables	448.96	-	-	-
Contractual maturities of security deposit received	14.03	27.61	3.12	495.71
Contractual maturities of other financial liabilities	556.28	-	-	-

	0 to 1 years	1 to 2 years	2 to 5 years	More than 5 years
Year ended 31 March 2016				
Contractual maturities of borrowings	6,243.21	1,971.92	6,339.32	13,009.41
Contractual maturities of finance lease obligations	18.75	18.75	56.25	1,629.14
Contractual maturities of trade payables	313.44	-	-	-
Contractual maturities of security deposit received	6.34	6.33	28.19	496.17
Contractual maturities of other financial liabilities	693.29	-	-	-

	0 to 1 years	1 to 2 years	2 to 5 years	More than 5 years
Year ended 31 March 2015 (Proforma)				
Contractual maturities of borrowings	5,053.61	4,245.57	6,043.49	11,200.20
Contractual maturities of finance lease obligations	18.75	18.75	56.25	1,647.89
Contractual maturities of trade payables	348.74	-	-	-
Contractual maturities of security deposit received	5.36	6.54	3.92	495.73
Contractual maturities of other financial liabilities	667.56	-	-	-

	0 to 1 years	1 to 2 years	2 to 5 years	More than 5 years
Year ended 31 March 2014 (Proforma)				
Contractual maturities of borrowings	3,234.73	2,828.70	7,039.79	4,342.83
Contractual maturities of finance lease obligations	18.75	18.75	56.25	1,666.64
Contractual maturities of trade payables	328.21	-	-	-
Contractual maturities of security deposit received	1.63	17.71	0.10	518.27
Contractual maturities of other financial liabilities	727.89	-	-	-

Note 46: Related party disclosures

a) Name of related parties and their relationship:

Key managerial personnel	Ms. Jyotsna Suri, Chairperson & Managing Director Ms. Divya Suri Singh, Executive Director Ms. Deeksha Suri, Executive Director Mr. Keshav Suri, Executive Director Mr. Ramesh Suri, Non Executive Director Mr. Madhav Sikka, Chief Financial Officer (till 24 March 2018) Mr. Himanshu Pandey, Head Legal and Company Secretary (w.e.f. 16 October 2017) Mr. Sandeep Chandna, Company Secretary (till 20 September 2017) Mr. M.Y. Khan, Non Executive Director Mr. Narindra Batra Mr. Dhruv Prakash, Non Executive Director (w.e.f. 21 July 2017) Mr. Ranjan Mathai, Non Executive Director (w.e.f. 29 August 2017) Mr. Vivek Mehra, Non Executive Director (w.e.f. 21 July 2017) Ms. Shovana Narayan, Non Executive Director (w.e.f. 16 October 2017) Mr. Lalit Bhasin, Non Executive Director (till 6 September 2017) Mr. Hanuwant Singh, Non Executive Director (till 30 June 2017) Mr. D.V. Batra, Non Executive Director (till 14 August 2017) Mr. Vinod Khanna, Non Executive Director (till 27 April 2017) Mr. Abhay N Firodia, Non Executive Director (till 21 May 2016) Mr. Chakor Lal Doshi, Non Executive Director (till 20 July 2016)
Joint venture	Cavern Hotel and Resort FZCO
Enterprises owned or significantly influenced by key management personnel or their relatives	Deeksha Holding Limited (DHL) Deeksha Human Resource Initiatives Limited (DHRIL) Subros Limited Jyotsna Holding Private Limited Mercantile Capital & Financial Services Private Limited Bhasin & Company (till 6 September 2017) Cargo Hospitality Private Limited Cargo Motors Delhi Private Limited Cargo Motors Private Limited Cargo Motors Rajasthan Private Limited Eila Builders & Developers Limited FIBCOM India Limited Global Autotech Limited Grand Hotel & Investments Limited Kronokare Cosmetics Private Limited L.P. Hospitality Private Limited Premium Exports Limited Premium Holdings Limited Prima Telecom Limited Premium Farm Fresh Private Limited Richmond Enterprises S.A. Responsible Builders Private Limited Rohan Motors Limited Hemkunt Service Station Private Limited Tempo Automobiles Private Limited Godawari Motors Private Limited St. Olave's Limited Ramesh Suri (HUF)

Relatives of Key managerial personnel	Mr. Jayant Nanda

b) Loans made to the joint venture of subsidiary is on mutually agreed terms.

c) The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions.

d) The short term loans facilities (as discussed in note 23) from bank availed by the Company have been secured by way of guarantee given by Premium Holding Limited.

Notes to restated consolidated financial information (All amounts in rupees million)

Note 46: Related party transactions

The following tables provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(i) Key management personnel

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Dr. Jyotsna Suri					
- Salary	8.40	8.40	8.40	5.70	4.80
- Post employee benefits	0.31	0.31	0.31	3.01	0.21
- Leave encashment	-	-	(0.54)	0.56	-
-Lease rent paid	3.00	3.45	3.42	3.37	3.25
-Interest paid on deposits	5.06	9.21	2.97	-	3.14
-Corporate Guarantees Given/ (received)	(147.14)	(53.85)	(370.51)	-	-
-Director's sitting fees	0.10	0.10	0.04	0.04	0.03
-Loan (received)	(142.00)	(125.20)	(752.00)	-	(98.00)
-Loan repaid	92.80	120.00	717.00	-	98.00
-Sale of goods/ services	2.49	2.36	1.39	0.16	-
Ms. Deeksha Suri					
- Salary	7.20	7.20	7.20	6.20	4.80
- Post employee benefits	0.29	0.42	0.36	1.11	(0.09)
- Leave encashment	-	0.02	(0.51)	0.46	(0.17)
- Post employee benefits		0.45	(0.15)	-	-
-Lease rent paid	2.40	1.70	1.20	-	1.20
-Interest paid on deposits		-	-	1.20	0.28
-Loans (Received)					(7.50)
-Loans Paid					7.87
Ms. Divya Suri					
- Salary	7.20	7.20	7.20	6.20	4.80
-Post employee benefits	0.31	0.39	0.30	0.65	0.15
-Leave encashment	-	0.04	(0.50)	0.47	(0.18)
-Lease rent paid	2.40	1.70	1.20	1.20	1.20
-Interest paid on deposits	-	-	-	-	1.03
Donation received	11.00	-	-	-	
-Loan repaid	-	-	-	-	25.00
-Loan (received)	-	-	-	-	(25.00)
Mr. Keshav Suri					
- Salary	7.20	7.20	7.20	6.20	4.80
-Post employee benefits	0.28	0.37	0.32	0.79	0.04
-Leave encashment	-	0.02	(0.50)	0.45	(0.15)
-Interest paid on deposits	-	-	-		0.46
-Director's sitting fees	0.13	0.12	0.06	0.04	0.03
-Loan repaid	-	-	-	-	14.50
-Loan (received)	-	-	-	-	(14.50)
Mr. Madhav Sikka					
- Salary	4.96				
-Post employee benefits	0.10	0.16	0.10	0.10	0.09
-Leave encashment	-	0.02	(0.71)	(0.04)	0.10
Mr. Himanshu Pandey					
- Salary	1.89				
-Post employee benefits	0.06	0.06	0.04	0.06	0.03
-Leave encashment	-	0.01	(0.15)	0.10	0.02
Mr. Hanuwant Singh (Non-Executive Director)					
-Sitting fee	0.09	0.52	0.37	0.22	0.18
Mr. M.Y. Khan (Non-Executive Director)					
-Sitting fee	0.48	0.21	0.16	0.08	0.14

Notes to restated consolidated financial information (All amounts in rupees million)

Mr. Lalit Bhasin (Non-Executive Director)						
-Sitting fee		0.21	0.38	0.26	0.14	0.20
Mr. D V Batra (Non-Executive Director)						
-Sitting fee		0.08	0.11	0.12	0.10	0.06
Mr. Vinod Khanna (Non-Executive Director)						
-Sitting fee		-	0.04	0.06	0.02	0.02
Mr. Abhay N. Firodia (Non-Executive Director)						
-Sitting fee	-	-	-	0.02	-	
Mr. Chakor Lal Doshi (Non-Executive Director)						
-Sitting fee		-	0.02	0.02	0.02	0.02
Mr. Narindra Batra (Non-Executive Director)						
-Sitting fee		-	0.03	0.04	-	-
Mr. Sandeep Chandna						
- Salary		1.15	-	-	-	-
Mr. Dhruv Prakash						
- Sitting Fees		0.33	-	-	-	-
Mr. Ranjan Mathai						
- Sitting Fees		0.15	-	-	-	-
Mr. Vivek Mehra						
- Sitting Fees		0.26	-	-	-	-
Ms. Shovana Narayan						
- Sitting Fees		0.05	-	-	-	-
Mr.Ashok Pahwa						
-Sitting fee		-	-	-	-	0.02

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The non-executive directors do not receive gratuity entitlements from the Group.

(ii) Relatives to Key management personnel

Mr. Ramesh Suri					
-Director's sitting fees	0.60	0.43	0.37	0.38	0.41
Mr. Jayant Nanda					
-Donation received	38.50	-	-	-	-

Notes to restated consolidated financial information (All amounts in rupees million)

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
(iii) Transaction with Enterprises owned or significantly influenced by key manageiral personnel or their relatives:					
Deeksha Holding Limited (DHL)					
-Sale of goods / services	11.13	5.77	5.23	4.34	5.10
-Purchase of goods	0.80	0.30	0.29	0.36	0.22
-Lease rent paid	16.45	15.41	15.02	15.04	15.04
-Interest paid on loans	1.67	14.71	6.13	-	-
-Maintenance charges received	0.87	0.85	0.84	0.40	0.37
-Expenditure incurred by DHL and reimbursed by BHL	0.14	1.55	56.50	-	0.15
-Payment received by BHL on behalf of DHL	-	-	-	-	-
-Loan (received)	(20.00)	(13.60)	99.00	-	-
-Loan repaid	99.24	68.10	22.00	-	-
-Security deposit received	-	-	-	(0.60)	-
-Security deposit refunded	-	-	-	0.60	-
-Donation received	10.00	-	-	12.50	-

Notes to restated consolidated financial information (All amounts in rupees million)

Deeksha Human Resource Initiatives Limited (DHRIL)					
-Services received	-	-	16.63	15.98	14.66
-Services provided	-	-	-	-	-
-Expenditure incurred by DHRIL and reimbursed by parent company	-	0.01	15.50	18.77	12.84
-Maintenance charges received	-	-	0.79	0.27	0.22
Jyotsna Holding Private Limited					
-Lease rent paid	-	0.89	0.93	0.81	0.77
-Sale of goods / services	1.03	-	-	-	-
-Security deposit refund received	-	0.34	-	-	1.93
Mercantile Capital & Financial Services Private Limited					
-Maintenance charges received	0.11	0.10	0.10	0.10	0.08
Grand Hotels & Investments Limited					
-Consultancy Services provided	-	15.72	17.76	17.62	18.22
-Re-imbursement of expenses paid	-	13.43	5.37	10.62	10.10
Prima Telecom Limited					
-Sale of goods / services	0.18	0.10	0.07	-	0.08
-Purchase of goods	0.21	-	-	-	0.71
Premium Farm Fresh Produce Limited					
-Advance received for proposed sales of Amritsar land	-	-	-	30.00	17.00
-Sale of goods / services	-	-	-	4.60	2.46
-Donation received	15.00	-	6.50		
-Loan repaid	-	19.97	5.95		
Responsible Builders Private Limited					
-Maintenance charges received	0.46	0.48	0.47	0.19	0.18
-Loan (received)	5.00				
-Sale of goods / services	0.44				
-Interest paid on deposits	0.20				
Premium Exports Limited					
-Lease rent paid	0.14	0.27	0.27	0.12	0.12
-Security deposit paid	-	-	0.01		
Rohan Motors Limited					
-Sale of goods / services	0.84	0.54	0.64	0.69	0.75
-Purchase of Property, Plant and Equipment	0.42	-	-	-	0.46
-Services received	0.18	0.11	0.61	0.16	0.28
-Maintenance charges received	0.20	0.18	0.18	0.17	0.15
Subros Limited					
-Sale of goods / services	9.63	9.08	12.44	9.84	9.75
-Maintenance charges received	2.02	2.19	1.77	1.73	1.50
FIBCOM India Limited					
-Maintenance charges received	-	0.14	0.07	0.13	0.12
-Sale of goods / services	0.09				
Premium Holdings Limited					
-Guarantee (received)		-	(1,108.39)	-	

Notes to restated consolidated financial information (All amounts in rupees million)

L P Hospitality Private Limited					
-Consultancy Services	0.57	-	0.92	-	
Cargo Hospitality Private Limited					
-Sale of Property, Plant and Equipment		-	470.00	-	
-Loan (received)	(8.50)	(30.00)	-	-	
-Loan paid	38.50				
Kronokare Cosmetics Pvt Ltd					
-Purchase of goods	28.22	87.49	12.56	10.96	9.12
-Sale of Goods		6.42	4.76	-	
Cargo Motors Private Limited					
-Purchase of goods	-	-	-	-	-
-Sale of Goods	0.53	0.18	0.18	0.23	1.19
Bhasin & Co					
-Consultancy services received	-	0.42	0.42	0.42	0.45
-Sale of Goods	-	0.34	1.03	-	2.34
-Reimbursement of expenses		-	-	-	-
Eila Builders and Developers Limited					
Loan taken	-	-	-	-	-
Interest paid	1.83	1.36	1.51	1.24	2.25
Loan Repaid	1.23	0.27	(0.26)	(1.09)	(222.67)
Hemkunt Service Station Private Limited					
-Sale of goods / services	0.03	-	-	-	-
-Purchase of goods	12.31	-	-	-	-
Tempo Automobile Private Limited					
-Sale of goods / services	0.20	-	-	-	-
-Services received	0.07	-	-	-	-
Godawari Motors Private Limited					
-Sale of goods / services	0.25	-	-	-	-
-Purchase of goods	3.90	-	-	-	-
-Maintenance charges received	0.25	-	-	-	-
St. Olave's Limited					
-Consultancy Services provided	5.92	-	-	-	-
-Expenditure incurred by BHL and reimbursement received by BHL	7.67	-	-	-	-
Cargo Motors Rajasthan Pvt Ltd					
-Sale of goods / services	0.67	0.13	-	-	-
Ramesh Suri (HUF)					
-Maintenance charges received	0.11	-	-	-	-

(iv) Balance outstanding at period end	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Key management personnel - Receivables					
Ms. Jyotsna Suri	2.49	-	-	-	
Joint ventures of Subsidiaries - Receivables					
Cavern Hotel and Resorts FZ Co		-	-	53.73	

Notes to restated consolidated financial information (All amounts in rupees million)

Enterprises owned or significantly influenced by key management personnel or their relatives- Receivables

Deeksha Holding Limited	3.30	3.75	2.80	1.56	2.02
Deeksha Human Resource Initiatives Limited	0.09	0.09	0.16	0.09	0.02
Jyotsna Holding Private Limited	-	-	-	-	1.93
Mercantile Capital & Financial Services Private Limited	0.01	0.01	0.01	0.01	-
Premium Farm Fresh Produce Limited	-	-	-	1.95	0.45
Prima Telecom Limited	0.10	0.04	0.01	-	-
Responsible Builders Private Limited	0.06	0.07	0.06	-	-
Rohan Motors Limited	0.29	0.28	0.19	0.16	0.13
Subros Limited	2.75	4.36	3.77	2.18	1.40
FIBCOM India Limited	1.22	1.21	1.07	1.04	0.05
Grand Hotels & Investments Limited	5.37	22.26	22.48	10.21	9.62
LP Hospitality Pvt Ltd	0.16	1.97	1.97	-	-
Cargo Motors Delhi Private Limited	10.40	10.40	10.40	10.40	-
Cargo Motors Private Limited	4.14	3.60	3.49	4.51	1.23
Cargo Motors Rajasthan Private Limited	0.93	0.44	0.31	0.31	0.31
Kronokare Cosmetics Pvt Ltd	1.30	0.83	0.76	-	-
Ramesh Suri HUF	0.03	-	-	-	-
Bhasin & Company	-	1.65	1.50	1.37	0.58
Tempo Automobiles Private Limited	0.01	-	-	-	-
Godawari Motors Private Limited	0.27	-	-	-	-
St. Olave's Limited	13.91	-	-	-	-
Relatives of Key managerial personnel- Receivables					
Mr. Jayant Nanda	-	1.07	-	-	-

Notes to restated consolidated financial information (All amounts in rupees million)

Key management personnel - Payables		-			
Ms. Jyotsna Suri	111.14	62.13	34.84	0.35	-
Ms. Divya Suri	0.36	2.35	0.09	-	-
Ms. Deeksha Suri	0.36	3.00	0.09	-	-
Mr. Keshav Suri	-	0.64	-	-	-
Joint ventures of Subsidiaries - Payables					-
Enterprises owned or significantly influenced by key management personnel or their relatives- Payables					
Deeksha Holding Limited	27.60	113.87	130.35	0.09	2.30
Deeksha Human Resource Initiatives Limited	0.48	15.70	15.36	4.93	7.07
Jyotsna Holding Private Limited	0.01	0.01	0.08	0.01	0.42
Mercantile Capital & Financial Services Private Limited	-	-	-	-	0.33
Premium Farm Fresh Produce Limited	-	-	-	-	30.00
Responsible Builders Private Limited	-	-	-	0.02	0.02
Rohan Motors Limited	0.02	-	0.50	-	1.09
Subros Limited	-	-	-	-	9.79
FIBCOM India Limited	-	-	-	-	0.11
Premium Exports Limited	-	0.26	0.02	-	
Bhasin & Company	-	0.57	-	0.51	
Kronokare Cosmetics Pvt Ltd	0.12	1.28	0.57	0.22	
Eila Builders and developers Ltd	14.54	14.74	13.79	12.68	12.66
Global Autotech Limited	0.01				
L P Hospitality Private Limited	0.01				
Hemkunt Service Station Private Limited	4.23				
Tempo Automobiles Private Limited	0.01				

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
(vi) Corporate Guarantee/undertaking outstanding:					
Key management personnel- Payables					
Dr. Jyotsna Suri	(571.50)	(424.36)	(370.51)	-	-
Enterprises owned or significantly influenced by key management personnel or their relatives- Payables					
Premium Holdings Limited	(520.35)	(518.71)	(530.66)	-	-
Richmond Enterprises S.A.	-	(620.00)	(577.73)	-	-

Notes to restated consolidated financial information (All amounts in rupees million)

Note 47 : Lalit Loyalty and Membership Programme

(a) Points for Lalit Connect

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Accrued points	375,247	232,339	560,659	383,932	146,369
Redeemed points	48,651	149,536	329,750	146,243	54,288
Redemption percentage	12.97%	64.36%	58.81%	38.09%	37.09%
Unexpired points	326,596	82,803	230,909	237,689	92,081

(b) Points for Lalit Plus

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Accrued points	189,175	346,659	399,653	238,177	136,146
Redeemed points	68,650	181,081	326,559	151,312	50,161
Redemption percentage	36.29%	52.24%	81.71%	63.53%	36.84%
Unexpired points	120,525	165,578	73,094	86,865	85,985

Notes to restated consolidated financial information (All amounts in rupees million)

(c) Points for Lalit Engage

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Accrued points	90,852	54,705	111,303	107,114	-
Redeemed points	14,484	40,143	51,488	97,096	-
Redemption percentage	15.94%	73.38%	46.26%	90.65%	-
Unexpired points	76,368	14,562	59,815	10,018	-

(d) Movement in provision

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
At the beginning of the year	3.62	4.15	2.63	1.77	1.90
Arising during the year	6.26	8.74	19.21	10.73	2.48
Utilised during the year	3.29	9.27	17.69	9.87	2.61
At the end of the year	6.58	3.62	4.15	2.63	1.77

(e) Movement in membership programme

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
At the beginning of the year	35.63	41.03	32.85	31.42	23.72
Arising during the year	88.75	82.58	84.10	75.66	56.52
Utilised during the year	78.64	87.98	75.92	74.23	48.82
At the end of the year	45.74	35.63	41.03	32.85	31.42

Notes to restated consolidated financial information (All amounts in rupees million)

Note 48 : Preoperative expenditure pending allocation

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Balance as per last account	1,219.28	1,495.07	1,203.12	2,270.04	2,476.86
Additions during the year:					
Personnel expenses					
Salaries, wages and bonus	29.35	32.86	30.96	42.06	89.43
Contribution to provident and other funds	1.09	1.47	1.37	1.57	1.92
Staff welfare expenses	0.01	0.78	0.09	-	2.15
Depreciation/ amortization	2.53	5.65	5.08	5.10	57.87
Operating and other expenses			-		
Business promotion	-	-	-		1.35
Consumption of stores, cutlery, crockery, linen, provisions and others	-	6.55	-	-	-
Lease rent	2.54	2.78	4.20	15.79	4.85
Power and fuel	4.51	14.44	4.20	2.84	21.43
Repair and maintenance			-		
- Buildings	-	0.07	0.05	0.02	-
- Plant and machinery	-	-	-	0.16	0.13
- Others	-	-	-	-	1.82
Rates and taxes	0.40	21.67	-	3.07	9.28
Insurance	0.80	1.02	0.87	3.41	3.50
Communication costs	-	0.18	-	-	5.49
Printing and stationery	-	0.47	0.04	0.37	1.50
Traveling and conveyance	1.96	1.35	0.53	3.63	14.16
Advertisement and business promotion	-	0.70	-	0.03	-
Security and cleaning expenses (Sub contracting expenses)	4.09	7.87	4.62	3.97	2.77
Membership and subscriptions	-	0.08	-	-	-
Professional fees	5.15	2.99	13.07	14.28	97.58
Legal charges	8.93	2.30	1.87	1.14	3.03
Freight and cartage	0.07	0.77	0.43	1.85	2.60
Exchange difference (net)	0.82	-	14.25	10.16	21.94
Bank Charges	-	0.02	-	-	-
Miscellaneous expenses	0.10	4.29	2.73	17.55	82.21
Interest on term loan	177.04	171.44	215.20	525.74	768.92
Bank charges	0.11	7.64	1.49	2.42	13.95
	1,458.75	**1,782.46**	**1,504.17**	**2,925.20**	**3,717.41**
Less : Interest earned	0.57	0.53	0.98	5.67	11.27
Less : Exchange difference (net)	-	3.94	-	-	-
Less : Expenditure transferred to Property, Plant and Equipment	96.37	558.71	8.12	1,716.41	1,436.10
Closing balance	**1,361.82**	**1,219.28**	**1,495.07**	**1,203.12**	**2,270.04**

Notes to restated consolidated financial information (All amounts in rupees million)

Note 49 : Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 to the extent of Confirmation received:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	-	-	-	-	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-	-	
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 section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-	-	-	-

Note 50 : Distribution made and proposed

	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015 (Proforma)	For the year ended 31 March 2014 (Proforma)
Cash dividends on equity shares declared and paid:					
Final dividend on equity shares paid for the year ended on 31 March 2018: Rs. 1.00 per share (31 March 2017: Rs. 0.75 per share;31 March 2016: Rs. 0.50 per share; 31 March 2015: Rs.0.50 per share and 31 March 2014: Rs. 0.50 per share)	75.99	56.99	38.00	38.00	38.00
Dividend distribution tax on final dividend	15.47	11.60	7.74	6.46	6.16
	91.46	**68.59**	**45.74**	**44.46**	**44.16**
Proposed dividends on Equity shares:					
Proposed dividend for the year ended on 31 March 2018: Rs. 1 per share (31 March 2017 : Rs. 1.00 per share;31 March 2016: Rs. 0.75 per share; 31 March 2015: Rs.0.50 per share and 31 March 2014: Rs.0.50 per share)	75.99	75.99	56.99	38.00	38.00
Dividend distribution tax on proposed dividend	15.47	15.47	11.60	7.74	6.46
	91.46	**91.46**	**68.59**	**45.74**	**44.46**

Proposed dividends (including DDT thereon) on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2018.

Notes to restated consolidated financial information (All amounts in rupees million)

Note 51 : Capital management

For the purpose of the Group’s capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group’s capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group’s policy is to keep the gearing ratio between 40% and 65%. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)	As at 31 March 2014 (Proforma)
Borrowings (Note 18, 23 & 25)	14,120.78	14,124.74	13,239.57	13,340.04	12,076.92
Trade payables (Note 24)	865.06	448.96	313.44	348.74	328.21
Book overdrafts from banks (Note 25)	9.78	100.42	108.26	67.86	57.35
Less: Cash and cash equivalents (Note 10)	(218.66)	(688.30)	(208.96)	(670.30)	(462.98)
Net debt	**14,776.96**	**13,985.82**	**13,452.31**	**13,086.34**	**11,999.50**
Equity	9,916.58	9,263.74	9,492.85	9,866.52	10,666.54
Capital and net debt	**24,693.54**	**23,249.56**	**22,945.16**	**22,952.86**	**22,666.04**
Gearing ratio	59.84%	60.16%	58.63%	57.01%	52.94%

In order to achieve this overall objective, the Group’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. (Also refer note 18 and 23)

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

Notes to restated consolidated financial information (All amounts in rupees million)

Note 52 : Corporate Social Responsibility expenditure

		For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014
a) Gross amount required to be spent by the Company during the year		5.34	0.41	Not Applicable	Not Applicable	Not Applicable

b) Amount spent during the quarter ending on 31 March 2018:	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	3.84	-	3.84

(b) Amount spent during the year ending on 31 March 2017:	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	3.34	-	3.34

b) Amount spent during the year ending on 31 March 2016:	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	-	-	-

53. Contingent Liabilities not provided for:

a) Income Tax Matters

Holding Company:

Assessment year	Amounts disputed(Rupees in million)				
	31 March 2018#	31 March 2017#	31 March 2016	31 March 2015	31 March 2014
1988-89 to 2009-10	86.37	86.37	825.40	825.40	825.40
2010 – 11	180.00	180.00	-	-	8.68
2011 - 12 to 2014-15	17.89	17.89	43.82	3.10	19.56
2015-16	12.06	-	-	-	-
Total	**296.32**	**284.26**	**869.22**	**828.50**	**853.64**

The above income tax matters include certain disallowances of expenses claimed by the Company and certain other additions made by the Assessing Officers in respective years. These matters are pending with various judicial/appellate authorities including CIT(A), ITAT and High court. For some of the matters, judicial/appellate authorities have decided the cases in favor of the Company. However, these are being contested again by the Department of Income tax.

Further, during the year, Company has received notice under section 148 of the Income-tax Act 1961, for assessment year 2010-11, for reassessment proceedings in respect of depreciation claimed amounting to Rs 529.55 million having tax impact of Rs 180.00 million. The Company has filed Writ Petition before the Hon'ble High Court of Delhi against the same notice, which is pending for further hearing.

The Company believes that it has merit in these cases and it is only possible, but not probable, that these cases may be decided against the Company. Hence, these have been disclosed as contingent liability and no provision for any liability has been deemed necessary in the financial statements.

In addition to the aforementioned, in respect of certain others income tax matters wherein the amount involved is Rs 604.56 million (31 March 2017: Rs 604.56 million), the Hon'ble High Court of Delhi has passed judgement in favor of the Company. The tax authorities have not yet filed any further appeals in respect of these matters and time period for filling the appeal has also lapsed. Considering the aforementioned, the management does not expect that any liability shall devolve on the Company in respect of these matters.

Subsidiary Company
Jyoti Limited
For the assessment years from 2005-06 to 2014-15, demand orders amounting to Rs. 191.87 million were passed against the company by relevant assessing officers on account of difference between actual market rent of the property and the license fee received. Appeals and cross appeals were filed with various judicial/appellate authorities including CIT(A) and ITAT. During the course of judicial proceedings, matters were decided in favor of the company and demand was initially reduced to Rs. 20.10 million. The order was further contested by the Subsidiary Company and the demand has been finally reduced to Rs. Nil.

However, effect of the favorable orders to the demand of Rs. 20.10 million have not been passed by the relevant officers. Also, the department has filed an appeal with High Court against such favorable order.

The management believes that it has merit in these cases and it is only possible, but not probable, that these cases may be decided against the company. Hence, these have been disclosed as contingent liability and no provision for any liability has been deemed necessary in the financial statements.

b) Demands against the Company

(Rupees in millions)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Interest on delayed payment of lease management fees (note (ii))	5.23	7.22	18.26	18.26	13.56
Demand for cumulative interest (note (iii))	118.45	118.18	118.18	118.18	118.18
Demand by Custom Authorities (note (iv))	96.80	96.80	96.80	96.80	66.80
Demand of service tax (note (v))	35.68	35.04	31.36	31.36	31.36
Demand of Urban Development tax (note (vi))	19.05	19.05	19.05	19.05	19.05
Claims from contractor (note (vii))	170.00	170.00	170.00	-	-
Demand of property tax (note (viii))	99.45	-	-	-	-
Demand of stamp duty(note (ix))	90.92	-	-	-	-
Other claims not acknowledged as debt	18.84	19.60	27.81	27.78	139.86

(i) Certain employees have filed cases in the courts/ legal forums against termination/ suspension/ assault and have sought relief. The liability, if any, with respect to these claims is not currently ascertainable and in the opinion of the management, would not have material effect on these financial statements.

(ii) Interest on delayed payments of lease management fees for one of the properties taken on lease, under a lease cum management contract, is being contested by the management and based on a legal advice, the management is confident that the aforementioned liability shall not devolve on the Company.

(iii) New Delhi Municipal Corporation (NDMC) has raised a demand of cumulative interest towards alleged delays in payments of initial license fees. The Company has responded to NDMC questioning the validity of such demand. NDMC has not provided the Company any basis of these demands. Based on a legal advice, the management is confident that the aforementioned liability shall not devolve on the Company.

(iv) Demand by Custom Authorities against import of aircraft is being challenged by the Company at Customs Excise Service Tax Appellate Tribunal (CESTAT).

(v) Demands of Service Tax is being challenged by the Company at various forums.

(vi) Municipal Council of Udaipur has raised a demand of Urban Development tax for the financial years 2007-08 to 2016-2017. The demand has been challenged in the Hon’ble High Court at Jodhpur and as per the interim order passed by the Court, the Company has paid Rs. 2.50 million for the said period. Based upon expert analysis, management believes that no further provision is necessary at this stage.

(vii) Claim received from a contractor not accepted by the Company amounting to Rs. 170.00 million against which the Company has given an advance of Rs. 66.20 million.

(viii) During the year ended 31 March 2018, the Company received a notice from Brahut Bangalore MahangaraPalike (“BBMP”) for its property situated at Kumara Krupa Road, Bangalore for additional property tax of Rs 99.45 million along with 2% interest charges. The Company has requested BBMP to provide basis of the additional property tax demand, contesting its validity, which has not yet been responded by BBMP.

(ix) During the year ended 31 March 2018, the Collector of Stamps at Udaipur issued a show cause notice towards stamp duty of approximately Rs. 90.92 million upon transfer of Laxmi Palace Vilas Hotel, the erstwhile unit of Indian Tourism Development Corporation (ITDC). The Company has filed a writ with the Hon’ble High Court of Jodhpur. The Hon’ble Court has directed the Collector Stamps not to raise any further order in this regard until the resolution of the transfer matter.

(x) During the current year, Company has received notice from the Collector of Stamp, Delhi wherein department has sought explanation as to why transfer of right to use of commercial establishment in the World Trade Centre is not liable to stamp duty. The Company is in the process of responding to the notice and based on legal analysis, is of the view that there is no likelihood of any liability devolving on the Company on this ground and accordingly no adjustment is required in these restated financial information.

c) Other matters

(i) The Payment of Bonus (amendment) Act, 2015 enhanced the eligibility limit for payment of bonus of employees from Rs. 0.01 million per month to Rs. 0.02 million per month from the Financial Year 2014-15. The Company has estimated liability of Rs. 19.52 million for the financial year 2014-15. The above amendment has been stayed by various High Courts. Accordingly, Company has not provided for enhanced bonus for Financial Year 2014-15 in the books of accounts.

(ii) Company has received notices for playing music without license in the various hotels of the Company, infringement of copyright. Management is confident that it has complied with the license as per the arrangement and therefore do not foresee any liability.

(iii) The Company has received various Show Cause notices from Department of Excise and Customs and Service Tax authorities on various matters amounting to Rs. 26.21 million. Management had responded to the respective departments and no demand notices has been received against the said notices. Management is confident that aforementioned liability shall not devolve on the Company.

(iv) During the year ended 31 March 2018, the Company has received order from Department of Commercial Taxes, Jaipur to deposit Rs. 1.66 million on account of excess employment subsidy received by the Company in the year 2014-15 under "Rajasthan Investment Promotion Scheme 2010". The matter is currently pending with Rajasthan Tax Board, Ajmer. Management believes, based on expert analysis, that no provision is required at this stage.

(v) During the year ended 31 March 2018, the Company has received show cause notice under section 13 of Luxuries Tax Act, 1996, being asked to submit books of accounts and other document pertaining to period from 2014-15 onwards. Company has responded to the aforesaid notice received. Management believes, based on expert analysis, that no provision is required at this stage

(vi) During the year ended 31 March 2015, Company has received a notice from the Secretary of the Udma Grama Panchayat on account of property tax revision under the Kerala Panchayat Raj (Property Tax , Service Cess and Surcharge) Rules, demanding differential property tax. The same is being contested by management in the Hon'ble High Court of Kerala.

Subsidiary Company

Apollo Zipper India Limited

i) Contingent Liabilities not provided for:

(Rupees in millions)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Duty payable if export commitment not met	84.60	96.02	96.02	96.02	96.02
Service tax and VAT	3.44	3.44	-	-	-

ii) During earlier years, Apollo Zipper India Limited had given certain portion of the premises to various entities and individuals on rent. After acquisition by Bharat Hotels Limited, the renovation of the property was initiated, for which it was necessary to have the afore-mentioned rented out portions vacated. As at the end of current year, two tenants are yet to vacate the premises. The Kolkata High court has passed eviction order against one of the two tenants, who has filed appeal before the division bench. AZIL is also negotiating the settlement with them and at this stage, it is not feasible to quantify the amount of settlement required, if any, and therefore, no amount has been accrued in this regard in these financial statements.

Kujjal Builders Private Limited ('KBPL')

i) Contingent Liabilities not provided for:

(Rupees in millions)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Duty payable if export commitment not met	67.89	67.89	67.89	84.47	18.89

ii) During the year 2013-2014, KBPL had received a demand notice for Rs. 187.50 million on account of delay in commencement of operations from Estate Office, Chandigarh which was later reduced to Rs. 142.50 million by the Finance Secretary. As per the orders of the Finance Secretary, the company paid Rs.45.00 million under protest and the remaining has to be deposited within a year from the date of Partial Occupation Certificate. The company had filed writ petition with Hon'ble High Court of Punjab & Haryana against the same demand. The Hon'ble Court has passed an order stating that further amount shall remain stayed till the final decision. Management believes that no provision is required.

iii) A suit has been filed against the Hotel and its directors / officers, claiming damages of Rs. 5 million by the parents of a guest who had died in the hotel premises. The damages have been claimed for alleged negligence of the hotel and its officers. The Company has contested the claim at Punjab and Haryana High Court and the suit is at initial stage. The management believes that they have a strong case and no provision is required.

iv) During the year ended 31 March 2018, KBPL received demand notice for recovery of Property tax for Rs 5.91 million pertaining to period from 2005-06 to 2017-18 from Chandigarh Municipal Corporation. The amount includes principal and interest . The Company had protested the said demand on the pretext that the entire IT Park, where the Hotel is located at Chandigarh was exempted from Property tax through Notification for development of IT Park. The contention of authority is that the exemption was applicable to IT Companies only and not other commercial institutions. The matter is still under consideration with authority. The management believes that they have a strong case and no provision is required.

v) During the year, KBPL received demand notice of Rs 0.76 million from music copy license company, Ponographics Performance Limited, towards annual license of music for Hotel for the FY 2017-18 . KBPL hadn't accepted the said notice since as per Company such fee is not applicable to it since it is paying fee to Ponographic Performance Limited for all eligible events at Hotel . No provision has been made in books for such liability.

v) **Guarantees:**

In respect of bank guarantees issued in favour of:

(Rupees in millions)

Particulars	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**	**As at 31 March 2014**
Customs Department for Export obligation	86.22	86.22	86.22	86.22	86.22
Estate Office, Chandigarh	-	33.00	33.00	33.00	33.00
Service Tax Department	0.05	0.05	0.05	0.05	0.05

54. The Company had obtained land on license of 99 years from New Delhi Municipal Corporation (NDMC) with effect from 11 March 1981. The Company has constructed a hotel and commercial towers on the aforementioned land. The Company is paying an annual license fee of Rs.14.50 million to the NDMC which is subject to revision after every 33 years provided that increase in license fees, shall be linked to the increase in the market value of the Underlying Land, subject to a ceiling of 100% of the preceding immediately license fee. NDMC did not increase the license fee upon the expiry of 33 years. In November 2016, NDMC issued a demand of Rs. 1,987.77 million vide provisional bills towards the increase in license fee from the date of expiry of the first term of 33 years. The Company filed a writ with the Hon'ble High Court at Delhi challenging the demand and basis thereof. The Hon'ble High Court, in February 2017, quashed and set aside the aforementioned provisional bills directing NDMC to recompute the demand, if any, and issue final bills with the basis of calculation specifically spelt out. Management based upon expert analysis, believes no additional liability shall be levied upon the company.

55. Management had decided to sell a piece of land during the year ended 31 March 2016 and accordingly had initiated the process of identifying a potential buyer. Based on market survey, the management expected to sell it at a value more than its carrying value. Hence, the aforementioned piece of land, has been accordingly disclosed as an asset held for sale at its carrying amount of Rs. 161.88 million as at 31March 2017. During the year ended 31 March 2018, the management has decided to construct and develop a hotel property on the said piece of land and has accordingly reclassified it under property, plant and equipment and capital work in progress at the carrying amount of Rs 153.84 million and Rs. 8.03 million respectively.

56. The Company had executed an agreement for the exchange of the existing Legacy 600 aircraft for the new generation Legacy 650 aircraft for a price of Rs. 952.90 million (equivalent to USD 18.50 million) which had written down value of Rs. 1,170.00 million as on 31 March 2012. As per Ind AS 105, the aircraft has been classified as asset held for sale in terms of the binding sale agreement entered into by the Company and recorded a loss of Rs. 217.10 million as on 1 April 2012. During the year ended 31 March 2013, the Company had charged depreciation of Rs. 80.50 million under previous GAAP which has been reversed in FY 2012-13 as the same has been classified as asset held for sale as on 1 April 2012. Further, during the year ended 31 March 2013, the agreement for exchange has been terminated by the customer and the Company was still in the process of identifying a new customer for sale of aircraft. However, the value of aircraft was reduced to Rs. 839.70 million based on the fair valuation of the aircraft and the Company further recorded a loss of Rs. 113.31 million to reduce the value of aircraft to Rs. 839.70 million. During the year ended 31 March 2014, the Company had sold the aircraft for Rs. 839.70 million and accordingly had recorded a loss of Rs. 171.60 million under previous GAAP, which was reversed under Ind AS.

57. One of the Company's Independent Director had been disqualified in the list prepared by Ministry of Corporate Affairs ('MCA'). Subsequently said Director has obtained communication from MCA confirming that he has been removed from the disqualification list. Accordingly, the concerned Director is not considered as disqualified Director under Section 164(2) of Companies Act, 2013.

58. During the year ended 31 March 2018, the Company has revised the joint venture agreement and obtained control over the board of Kujjal Builders Private Limited ("KBPL"). Further the Company also converted its interest bearing loan to be interest free during the year. Due to common control exercised on both the entities, financial statements has been amended from first period presented i.e, 1 April 2013. Considering the requirement of Appendix C of Ind-AS 103 'Business Combinations', KBPL has been consolidated as a subsidiary of the Company for the last five years.

59. Subsequent to the year end, Company has received show cause notice (the "Notice") form NDMC regarding unauthorized construction at New Delhi Hotel and its commercial towers. Management has sought additional time to respond to the Notice and has filled preliminary responses to the observation in the notice, which is yet to be responded by the NDMC.

60. During the year ended 31 March 2018, the Management has recognized deferred tax assets on the accumulated losses in two subsidiaries due to improved financial performance in these subsidiaries, resulting in the reasonable certainty for recognizing such deferred tax assets.

61. As per the terms of the land allocation agreement of Ahmedabad property, the Company was required to complete the construction within two years from the date of allotment i.e. by 23 March 2010. During the year, the Company had applied to the State Government of Gujarat for an extension of the construction period for next two years. The management does not anticipate any concern in obtaining extension of the completion deadline for the project.

62. The Company has entered into Memorandum of Understanding with certain promoter's entities for obtaining the license of the land parcels for construction of hotel properties.

Notes forming part of restated consolidated financial information (All amounts in Rupees in Millions)

Note 63: Impairment testing of goodwil

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows :

	31 March 2018	31 March 2017
Hotel operations at Kolkata property	514.13	514.13
Hotel operations at Srinagar property	326.81	326.81
	840.94	**840.94**
Units without significant goodwill	1.60	1.60
	842.54	**842.54**

Hotel operations at Kolkata property

The recoverable amount of this CGU is based on fair value less costs to sell, estimated using discounted cash flows. The fair value measurement has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

(in percent)	31 March 2018	31 March 2017
Discount Rate	11.8	12
Average Room revenue (ARR) growth rate	5	5
Occupancy Rate	3	2
EBITDA growth rate	3	3

The discount rate is a post-tax measure estimated based on the weighted-average cost of capital.

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter.

EBITDA has been estimated taking into account past experience, adjusted as follows:

- Revenue growth has been projected taking into account the average growth levels experienced over the past five years at its other hotel properties and the estimated sales volume and price growth for the next five years. It has been assumed that the average room price would increase in line with forecast inflation over the next five years.

- Cost increase has been factored into the budgeted EBITDA, reflecting various operational costs in which the CGU operates which are assumed to grow in line with inflation over the years.

The estimated recoverable amount of the CGU exceeds its carrying amount by approximately Rs. 407.37 Millions (31 March 2017 : Rs. 326.24 million). Management has identified that a reasonably possible change in three key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the percent by which these three assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Changes required for recoverable amount to equal carrying amount

(in percent)	31 March 2018	31 March 2017
Discount Rate	5.93	1.77
Occupancy rate growth rate	(78.33)	(3.30)
Average Room revenue (ARR) growth rate	(12.80)	(5.22)

Hotel operations at Srinagar property

The recoverable amount of this CGU is based on fair value less costs to sell, estimated using valuation techniques by a registered valuer. The fair value measurement has been categorised as Level 2 fair value based on the inputs to the valuation technique used. For the purpose of valuation, cost approach has been used to determine the value of subject land/leasehold rights. Value in real estate is created by utility of the real estate and capacity to satisfy the needs and wants.

The value of land represents the value in exchange where the valuation of land and development reflects the value in exchange and the additional return for development of the land on account of holding cost, construction execution risk and operating risk for running and maintaining the property. The contributions to the valuation of land parcels are derived from general uniqueness of the land, age of the construction, location of the land, relatively limited supply, heritage value of the property and specific utility of a given site.

Notes forming part of restated consolidated financial information (All amounts in Rupees in Millions)

Note 64 : Non-controlling Interests

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to thegroup. The amounts disclosed for each subsidiar before inter-company eliminations.

Kujjal Builders Private Limited
Non-Controlling Interests (NCI)

Summarised Balance Sheet	**March 2018**	**March 2017**	**March 2016**	**March 2015**	**March 2014**
Current Assets	123.73	114.26	110.92	89.35	112.18
Current Liabilities	248.85	1,280.43	1,070.58	911.98	579.52
Net Current Assets	**(125.12)**	**(1,166.17)**	**(959.66)**	**(822.63)**	**(467.34)**
Non Current Assets	4,220.78	4,408.49	4,573.53	4,763.91	4,459.67
Non Current Liabilities	2,157.54	4,133.58	3,880.87	3,577.80	3,296.39
Net Non Current Assets	**2,063.24**	**274.92**	**692.66**	**1,186.11**	**1,163.27**
Net Assets	**1,938.12**	**(891.25)**	**(267.00)**	**363.48**	**695.93**
Adjustment pertaining to interest free loan*	**1,326.26**				
Accumulated Non Controlling Interest	**(357.20)**	**(445.63)**	**(133.50)**	**181.74**	**347.97**

Summarised Statement of Profit and Loss	**March 2018**	**March 2017**	**March 2016**	**March 2015**	**March 2014**
Revenue	456.35	375.21	360.49	220.80	24.72
Profit for the year	176.94	(624.46)	(631.05)	(332.45)	(90.11)
Other comprehensive income	(0.09)	0.20	0.57	-	-
Total comprehensive income	**176.84**	**(624.25)**	**(630.48)**	**(332.45)**	**(90.11)**
Adjustment pertaining to interest free loan*	**-**				
Profit allocated to NCI	**88.42**	**(312.13)**	**(315.24)**	**(166.23)**	**(45.05)**

Summarised Cash Flows	**March 2018**	**March 2017**	**March 2016**	**March 2015**	**March 2014**
Cash flow from operating activities	(954.24)	253.88	192.35	(150.60)	448.04
Cash flow from financing activities	961.69	(217.45)	(167.67)	319.52	638.98
Cash flow from investing activities	(5.61)	(38.18)	(17.86)	(217.30)	(1,049.51)
Net increase or decrease in cash and cash equivalents	**1.84**	**(1.75)**	**6.82**	**(48.38)**	**37.51**

* This represents the proportion of Net assets allocated by the Group by means of Interest free loan. Entire risks and rewards pertaining to this loan shall be borne by the Group, hence the same is not allocated to the Non-controlling shareholders of the subsidiary.

Apollo Zipper India Limited

The Company holds 90% equity interest in this subsidiary. As per the agreement with the shareholder of the non- controlling interest, such shareholder shall not be responsible for any liabilities of the subsidiary company other than the liabilities specifically agreed to. In terms of the contractual arrangement with such shareholder, the Group has not allocated share of losses towards non-controlling interest.

Also, the subsidiary company had a revaluation reserve of Rs. 59.70 million arising out of revaluation exercise of certain fixed assets carried out in earlier years under previous GAAP. Although under Ind AS, such revaluation reserve has been transferred to retained earnings, however, the Group has allocated share of revaluation reserve aggregating to Rs. 59.70 million (31 March 2017: Rs. 59.70 million, 31 March 2016: Rs. 59.70 million, 31 March 2015: Rs. 59.70 million, 31 March 2014: Rs.59.70 million) towards non-controlling interest on a conservative basis.

Notes to restated consolidated financial information (All amounts in rupees million)

Note 65 : Interest in joint-ventures

The Group has a 16.67% interest in Cavern Hotels & Resorts Fz Co., joint venture involved in business of operation of Hotels. The Group’s interest in the joint venture is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on their Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet

	Cavern Hotels & Resorts FZ Co.				
	As at 31 March 2018	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Total Current assets	216.85	215.99	221.03	207.70	200.07
Total non-current assets	487.26	485.27	496.54	466.53	449.35
Total Current liabilities	(211.79)	(210.92)	(215.82)	(202.78)	(195.31)
Total Non-current liabilities	(625.92)	(623.36)	(637.84)	(599.29)	(577.22)
Equity Share Capital	(6.52)	(6.52)	(6.52)	(6.52)	(6.52)
Reserve & Surplus	**(140.12)**	**(139.54)**	**(142.61)**	**(134.36)**	**(129.63)**
Proportion of the Group's ownership	16.67%	16.67%	16.67%	16.67%	16.67%
Group's share of loss*	(23.36)	(23.26)	(23.77)	(22.40)	(21.61)

*Loss for Cavern Hotels & Resorts FZ Co. has not been recognised for all periods presented since the Group's share of losses exceeds its interest in the joint venture.

Reconcilation to carrying amounts

	Cavern Hotels & Resorts FZ Co.				
-	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Gross investment in joint ventures	1.08	1.08	1.08	1.08	1.08
Less: Provision for diminution	(1.08)	(1.08)	(1.08)	(1.08)	(1.08)
Net Investment in joint ventures	-	-	-	-	-
Loan to joint ventures	67.80	67.80	67.80	67.80	67.80
Less: Provision for doubtful loan	(67.80)	(67.80)	(67.80)	(67.80)	(67.80)
Less: Share of loss for previous years	-	-	-	-	
	-	-	-	-	-
Group's share of loss for the year adjusted through investment	-	-	-	-	
Group's share of loss for the year adjusted through loans	-	-	-	-	
Closing net investment	-	-	-	-	-
Closing net loan	-	-	-	-	-

Summarised statement of profit and loss

Particulars	Cavern Hotels & Resorts FZ Co.				
-	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015 (Proforma)**	**As at 31 March 2014 (Proforma)**
Revenue	-	-	-	-	-
Interest and other income	-	-	-	-	-
Cost of material consumed	-	-	-	-	-
Employee benefits expense	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-
Other expenses	0.02	0.02	0.02	0.02	0.02
Finance cost	-	-	-	-	-
Loss before tax	**(0.02)**	**(0.02)**	**(0.02)**	**(0.02)**	**(0.02)**
Income tax expense	-	-	-		
Loss for the year	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Group's share of loss for the year*	-	-	-	(0.00)	(0.00)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Group's share of total comprehensive income for the year*	-	-	-	-	-

*Loss for Cavern Hotels & Resorts FZ Co. has not been recognised for all periods presented since the Gorup's share of losses exceeds its interest in the joint venture.

Notes to restated consolidated financial information (All amounts in rupees million)

Note 66 : Additional information as required under Schedule III to the Companies Act, 2013 of enterprises:

31 March 2018

Particulars	Net Assets, ie total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated net assets
Parent								
Bharat Hotels Limited	11,012.21	114.47%	312.40	41.63%	(5.96)	97.30%	306.44	41.17%
Subsidiaries:								
Apollo Zipper India Limited	1,793.27	18.64%	244.14	32.53%	(0.07)	1.21%	244.07	32.79%
Jyoti Limited	(25.59)	-0.27%	(1.73)	-0.23%	-	-	(1.73)	-0.23%
Prima Buildwell Private Limited	(53.46)	-0.56%	1.08	0.14%	-	-	1.08	0.14%
Prime Cellular Limited	357.31	3.71%	(3.97)	-0.53%	-	-	(3.97)	-0.53%
The Lalit Suri Educational & Charitable Trust	202.16	2.10%	33.43	4.45%	-	-	33.43	4.49%
Kujjal Builders Private Limited	1,938.12	20.15%	176.94	23.58%	(0.09)	0.00%	176.85	23.76%
Joint ventures (investment as per the equity method)								
Cavern Hotels & Resorts FZ Co.								
Non controlling interest	(296.04)	-3.08%	(88.41)	-11.78%	-	-	(88.41)	-11.88%
Consolidation Adjustments/ Eliminations	(5,307.44)	-55.17%	76.54	10.20%	-	-	76.54	10.28%
TOTAL	**9,620.54**	**100%**	**750.42**	**100%**	**(6.12)**	**100%**	**744.30**	100%

31 March 2017

Particulars	Net Assets, ie total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated net assets
Parent								
Bharat Hotels Limited	10,797.23	121.60%	367.30	-229.45%	(0.71)	161.36%	366.59	-228.38%
Subsidiaries:								
Apollo Zipper India Limited	1,401.19	15.78%	(222.07)	138.72%	0.17	-38.64%	(221.90)	138.24%
Jyoti Limited	(23.85)	-0.27%	(2.05)	1.28%	-	0.00%	(2.05)	1.28%
Prima Buildwell Private Limited	(54.54)	-0.61%	(0.39)	0.24%	-	0.00%	(0.39)	0.24%
Prime Cellular Limited	361.28	4.07%	(4.58)	2.86%	-	0.00%	(4.58)	2.85%
The Lalit Suri Educational & Charitable Trust	139.03	1.57%	(29.41)	18.37%	-	0.00%	(29.41)	18.32%
Kujjal Builders Private Limited	(891.25)	-10.04%	(624.46)	390.09%	0.20	-45.45%	(624.26)	388.90%
Joint ventures (investment as per the equity method)								
Cavern Hotels & Resorts FZ Co.	-	-	-	-	-	-	-	-
Non controlling interest	(384.45)	-4.33%	312.25	-195.06%	(0.10)	22.73%	312.15	-194.46%
Consolidation Adjustments/ Eliminations	(2,465.35)	-27.77%	43.33	-27.07%	-	-	43.33	-26.99%
TOTAL	**8,879.29**	**100%**	**(160.08)**	**100%**	**(0.44)**	**100%**	**(160.52)**	100%

Notes to restated consolidated financial information (All amounts in rupees million)

31 March 2016

Particulars	Net Assets, ie total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated net assets
Parent:								
Bharat Hotels Limited	10,499.61	111.45%	468.19	-140.78%	3.70	79.91%	471.89	-143.90%
Subsidiaries:								
Apollo Zipper India Limited	(347.46)	-3.69%	(420.69)	126.50%	0.65	14.04%	(420.04)	128.09%
Jyoti Limited	(21.80)	-0.23%	(2.93)	0.88%	-	-	(2.93)	0.89%
Prima Buildwell Private Limited	(54.15)	-0.57%	0.71	-0.21%	-	-	0.71	-0.22%
Prime Cellular Limited	365.85	3.88%	(4.41)	1.33%	-	-	(4.41)	1.34%
The Lalit Suri Educational & Charitable Trust	153.60	1.63%	(7.14)	2.15%	-	-	(7.14)	2.18%
Kujjal Builders Private Limited	(267.00)	-2.83%	(631.05)	189.76%	0.57	12.31%	(630.48)	192.26%
Joint venture (investment as per the equity method):								
Cavern Hotels & Resorts FZ Co.	-	-	-	-	-	-	-	-
Non controlling interest	(72.30)	-0.77%	315.54	-94.88%	(0.29)	-6.26%	315.25	-96.13%
Consolidation Adjustments/ Eliminations	(835.80)	-8.87%	(50.78)	15.27%	-	-	(50.78)	15.49%
TOTAL	**9,420.55**	**100%**	**(332.56)**	**100%**	**4.63**	**100%**	**(327.93)**	**100%**

31 March 2015 (Proforma)

Particulars	Net Assets, ie total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated net assets
Parent:								
Bharat Hotels Limited	10,073.44	99.64%	37.71	-7.42%	(4.70)	100%	33.01	-6.44%
Subsidiaries:								
Apollo Zipper India Limited	72.58	0.72%	(412.30)	81.17%	-	-	(412.30)	80.43%
Jyoti Limited	(18.87)	-0.19%	(3.50)	0.69%	-	-	(3.50)	0.68%
Prima Buildwell Private Limited	(54.87)	-0.54%	(1.02)	0.20%	-	-	(1.02)	0.20%
Prime Cellular Limited	370.26	3.66%	(4.72)	0.93%	-	-	(4.72)	0.92%
The Lalit Suri Educational & Charitable Trust	137.98	1.36%	(7.89)	1.55%	-	-	(7.89)	1.54%
Kujjal Builders Private Limited	363.48	3.60%	(332.45)	65.45%	-	-	(332.45)	64.85%
Joint venture (investment as per the equity method):								
Cavern Hotels & Resorts FZ Co.	-	-	-	-	-	-	-	**0.00%**
Non controlling interest	242.95	2.40%	166.25	-32.73%	-	-	166.25	-32.43%
Consolidation Adjustments/ Eliminations	(1,077.48)	-10.66%	50.00	-9.84%	-	-	50.00	-9.75%
TOTAL	**10,109.47**	**100%**	**(507.92)**	**100%**	**(4.70)**	**100%**	**(512.62)**	**100%**

Notes to restated consolidated financial information (All amounts in rupees million)

31 March 2014 (Proforma)

Particulars	Net Assets, ie total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated other comprehensive income	Amount	As % of Consolidated net assets
Parent								
Bharat Hotels Limited	10,327.82	93.25%	159.49	4311%	9.61	100%	169.10	1270.47%
Subsidiaries:			-					
Apollo Zipper India Limited	484.89	4.38%	(78.50)	-2122%	-	-	(78.50)	-589.78%
Jyoti Limited	(15.37)	-0.14%	(3.68)	-99%	-	-	(3.68)	-27.65%
Prima Buildwell Private Limited	(53.85)	-0.49%	(1.73)	-47%	-	-	(1.73)	-13.00%
Prime Cellular Limited	374.98	3.39%	(4.78)	-129%	-	-	(4.78)	-35.91%
The Lalit Suri Educational & Charitable Trust	130.30	1.18%	(13.50)	-365%	-	-	(13.50)	-101.43%
Kujjal Builders Private Limited	695.93	6.28%	(90.11)	-2435%	-	-	(90.11)	-677.01%
Joint venture (investment as per the equity method):								
Cavern Hotels & Resorts FZ Co.	-	-	-	-	-	-	-	0.00%
Non controlling interest	409.20	3.69%	45.07	1218%	-	-	45.07	338.62%
Consolidation Adjustment/ Eliminations	(1,278.16)	-11.54%	(8.56)	-231%	-	-	(8.56)	-64.31%
TOTAL	**11,075.74**	**100%**	**3.70**	**100%**	**9.61**	**100%**	**13.31**	**100%**

Note 67 : First time adoption of Ind AS

a) Mandatory Transition to Ind AS

The financial statements, for the year ended 31 March 2017, was the first statutory financial statements prepared by the group under IND AS. For periods up to and including the year ended 31 March 2016, the group prepared its financial statements in accordance with accounting standards referred to in paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) notified under section 133 of the Companies Act, 2013. Accordingly, the group has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the group's opening balance sheet was prepared as at 1 April 2015, the group's date of transition to Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i) Ind AS Optional exemptions

Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying values other than the adjustments relating to Export Promotion Capital Goods.

Composite Leases

When a lease includes both land and building elements, a first time adopter may assess the classification of each element as finance or an operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing at that date. Accordingly, the group has fair valued land and building components of leased property at Bangalore as at 31 March 2015 to assess the classification as finance or operating for both the components.

Investment in subsidiaries and jointly controlled entities

Ind AS 101 permits a first-time adopter to choose the previous GAAP carrying amount at the entity's date of transition to Ind AS to measure the investment in the subsidiary and jointly controlled entities as the deemed cost. Accordingly, the group has opted to measure its investment in subsidiary and jointly controlled entities at deemed cost i.e., previous GAAP carrying amount.

Long term foreign currency monetary items

Ind AS 101 allows a first-time adopter to continue the policy adopted for the accounting for exchange differences arising on translation of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per previous GAAP. Accordingly for exchange differences, arising on translation/ settlement of long-term foreign currency monetary items acquired before 1 April 2016, pertaining to the acquisition of a depreciable asset, are adjusted to the cost of the asset. The group has availed this exemption and accordingly foreign currency fluctuation differences on the loan existing on the date of transition date shall continue to be accounted for as per the previous GAAP.

Business Combinations

Ind AS 103, Business Combinations has not been applied to acquisition of subsidiaries, which are considered under Ind AS that occurred before 1 April 2015. Use of this exemption means that Indian GAAP carrying amount of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with the respective Ind AS. The group has availed this exemption and therefore, business combinations concluded prior to the date of transition has not been restated under IND AS 103.

ii) Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

iii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

b) Proforma Financial Information under Ind AS

The Proforma financial information of the group as at and for the year ended 31 March 2014, 2015 and proforma financial information for the year ended 31 March 2016, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated 31 March 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. 1 April 2015) while preparing the proforma financial information for the period ended 31 March 2015 and 31 March 2014 and accordingly suitable restatement adjustments in the accounting heads has been made in the proforma financial information.

Notes to the restated consolidated financial information

Reconciliation of the Statement of Assets and Liabilities as reported previously(referred to as Previous GAAP) and IND AS

		31 March 2014 (Proforma)		
		Indian GAAP	**Proforma Adjustments***	**IND AS**
ASSETS	**Notes**	**Rs in million**	**Rs in million**	**Rs in million**
Non-Current Assets				
a) Property, Plant and Equipment	1, 10, & 13	17,063.35	1,169.34	18,232.69
b) Capital Work-in-Progress	13	3,350.43	1,045.99	4,396.42
c) Goodwill		842.55	-	842.55
d) Other intangible assets	13	21.78	2.45	24.23
e) Financial assets				
(i) Investments		-	-	-
(ii) Loans	2, 4 & 13	1,286.71	(1,231.26)	55.45
(iii) Other Non Current Financial assets	1	202.05	25.19	227.24
f) Non current tax assets (net)	11	238.52	11.24	249.76
g) Other non-current assets	4, 17 & 13	608.47	177.71	786.18
Total Non Current Assets		**23,613.86**	**1,200.66**	**24,814.52**
Current Assets				
a) Inventories	13	151.84	1.27	153.11
b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	8 & 9	355.00	(39.81)	315.19
(iii) Cash and cash equivalents	8 & 16	739.39	(276.41)	462.98
(iv) Other bank balances	16	31.04	278.05	309.09
(v) Loans	8 & 16	468.24	(452.21)	16.03
(vi) Other current financial assets	8 & 16	23.45	243.51	266.96
d) Other Current Assets	1, 3, 4 & 16	214.62	45.83	260.45
Assets classified as held for sale		3.00	-	3.00
Total Current Assets		**1,986.58**	**(199.77)**	**1,786.81**
Total Assets		**25,600.44**	**1,000.89**	**26,601.33**

**Proforma adjustments includes Ind AS adjsutments and restatement adjustments*

Notes to the restated consolidated financial information

	Notes	31 March 2014 (Proforma) Indian GAAP	Proforma Adjustments*	IND AS
EQUITY AND LIABILITIES				
Equity		**Rs in million**	**Rs in million**	**Rs in million**
a) Equity Share Capital		759.91	-	759.91
b) Other Equity		10,471.54	(564.91)	9,906.63
Equity attributable to owners of Bharat Hotels Limited		**11,231.45**	**(564.91)**	**10,666.54**
Non Controlling Interest		61.23	347.97	409.20
Total Equity		**11,292.68**	**(216.94)**	**11,075.74**
Non-current liabilities				
a) Financial Liabilities				
(i) Borrowings	4	9,598.94	591.95	10,190.89
(ii) Other Non Current Financial liabilities	4 & 16	13.54	31.29	44.83
b) Long Term Provisions	16	60.34	0.37	60.71
c) Deferred Tax Liabilities(Net)	11 & 17	758.72	507.70	1,266.42
d) Other non-current liablities	3, 6 & 16	541.20	(67.53)	473.67
Total Non Current Liabilities		**10,972.74**	**1,063.78**	**12,036.52**
Current liabilities				
a) Financial Liabilities				
(i) Borrowings	8 & 16	1,036.36	(0.01)	1,036.35
(ii) Trade Payables	8 & 16	349.36	(21.15)	328.21
(iii) Other Current Financial liabilities	16	1,537.77	148.38	1,686.15
b) Short Term Provisions	2	132.93	(47.41)	85.52
c) Other Current Liabilities	3 & 10	278.60	74.24	352.84
Total Current Liabilities		**3,335.02**	**154.05**	**3,489.07**
Total Liabilities		**14,307.76**	**1,217.83**	**15,525.59**
Total Equity and Liabilities		**25,600.44**	**1,000.89**	**26,601.33**

		31 March 2016			31 March 2015 (Proforma)		
		Indian GAAP	**Proforma Adjustments***	**IND AS**	**Indian GAAP**	**Proforma Adjustments***	**Proforma IND AS**
ASSETS	**Notes**	**Rs in million**	**Rs in million**	**Rs in million**	**Rs in million**	**Rs in million**	**Rs in million**
Non-Current Assets							
a) Property, Plant and Equipment	1, 10, & 13	17,276.09	2,157.70	19,433.79	18,143.53	2,264.27	20,407.80
b) Capital Work-in-Progress	13	2,735.29	233.74	2,969.03	2,355.90	148.77	2,504.67
c) Goodwill		842.55	-	842.55	842.55	-	842.55
d) Other intangible assets	13	17.00	1.64	18.64	24.43	2.47	26.90
e) Financial assets				-			-
(i) Investments		0.36	-	0.36	0.36	-	0.36
(ii) Loans	2, 4 & 13	2,084.48	(2,022.16)	62.32	1,719.47	(1,660.97)	58.50
(iii) Other Non Current Financial assets	1	163.97	39.31	203.28	191.55	22.73	214.28
f) Non current tax assets (net)	11	382.23	1.28	383.51	366.06	11.59	377.65
g) Other non-current assets	4, 17 & 13	822.52	(194.14)	628.38	755.05	(102.14)	652.91
Total Non Current Assets		**24,324.49**	**217.37**	**24,541.86**	**24,398.90**	**686.72**	**25,085.62**
Current Assets							
a) Inventories	13	194.29	5.49	199.78	170.76	5.14	175.90
b) Financial Assets							
(i) Investments		-	-	-	-	-	-
(ii) Trade receivables	8 & 9	423.89	12.13	436.02	416.82	(30.71)	386.11
(iii) Cash and cash equivalents	8 & 16	301.46	(92.50)	208.96	755.27	(84.97)	670.30
(iv) Other bank balances	16	-	54.82	54.82	-	53.64	53.64
(v) Loans	8 & 16	77.34	(66.33)	11.01	71.56	(57.11)	14.45
(vi) Other current financial assets	8 & 16	130.78	(52.22)	78.56	131.58	(82.52)	49.06
d) Other Current Assets	1, 3, 4 & 16	185.29	119.12	304.41	170.13	122.19	292.32
Assets classified as held for sale		164.88	-	164.88	3.00	-	3.00
Total Current Assets		**1,477.93**	**(19.49)**	**1,458.44**	**1,719.12**	**(74.34)**	**1,644.78**
Total Assets		**25,802.42**	**197.88**	**26,000.30**	**26,118.02**	**612.38**	**26,730.40**

**Proforma adjustments includes Ind AS adjsutments and restatement adjustments*

Notes to the restated consolidated financial information

		31 March 2016			31 March 2015 (Proforma)		
		Indian GAAP	Proforma Adjustments*	IND AS	Indian GAAP	Proforma Adjustments*	Proforma IND AS
EQUITY AND LIABILITIES	**Notes**	**Rs in million**	**Rs in million**	**Rs in million**	**Rs in million**	**Rs in million**	**Rs in million**
Equity							
a) Equity Share Capital		759.91	-	759.91	759.91	-	759.91
b) Other Equity	1, 3, 4, 5, 6, 7, 8, 11 12, 13, 14 & 15	9,137.72	(404.78)	8,732.94	9,612.12	(505.51)	9,106.61
Equity attributable to owners of Bharat Hotels Limited		**9,897.63**	**(404.78)**	**9,492.85**	**10,372.03**	**(505.51)**	**9,866.52**
Non Controlling Interest		61.20	(133.50)	(72.30)	61.21	181.74	242.95
Total Equity		**9,958.83**	**(538.28)**	**9,420.55**	**10,433.24**	**(323.77)**	**10,109.47**
Non-current liabilities							
a) Financial Liabilities							
(i) Borrowings	4	10,521.27	358.47	10,879.74	10,178.82	340.96	10,519.78
(ii) Other Non Current Financial liabilities	4 & 16	64.17	(22.37)	41.80	37.39	(10.10)	27.29
b) Long Term Provisions	16	72.59	0.06	72.65	72.89	0.62	73.51
c) Deferred Tax Liabilities(Net)	11 & 17	821.12	341.19	1,162.31	698.00	464.87	1,162.87
d) Other non-current liablities	3, 6 & 16	548.35	(109.00)	439.35	556.47	(97.02)	459.45
Total Non Current Liabilities		**12,027.50**	**568.35**	**12,595.85**	**11,543.57**	**699.33**	**12,242.90**
Current liabilities							
a) Financial Liabilities							
(i) Borrowings	8 & 16	1,807.75	30.93	1,838.68	1,163.77	26.49	1,190.26
(ii) Trade Payables	8 & 16	369.69	(56.25)	313.44	365.96	(17.22)	348.74
(iii) Other Current Financial liabilities	16	1,117.92	205.59	1,323.51	2,209.10	229.32	2,438.42
b) Short Term Provisions	2	148.23	(72.14)	76.09	143.60	(47.66)	95.94
c) Other Current Liabilities	3 & 10	372.48	59.70	432.18	258.80	45.87	304.67
Total Current Liabilities		**3,816.07**	**167.83**	**3,983.90**	**4,141.23**	**236.80**	**4,378.03**
Total Liabilities		**15,843.57**	**736.18**	**16,579.75**	**15,684.80**	**936.13**	**16,620.93**
Total Equity and Liabilities		**25,802.40**	**197.90**	**26,000.30**	**26,118.04**	**612.36**	**26,730.40**

**Proforma adjustments includes Ind AS adjsutments and restatement adjustments*

d) Notes to adjustments made as per Ind AS:

Note : 1

AS 19 excluded lease agreements to use land from its scope. However, lease agreements to use land are within the scope of Ind AS 17. Accordingly, in accordance with principles set out in Ind AS 17, shops in World trade center and World trade tower given under lease have been determined to be a finance lease arrangement. Accordingly, finance income on such leases has been recognised and rent income which was earlier recognised under previous GAAP has been derecognised. Further, leasehold building which was earlier capitalised under previous GAAP has been decapitalised and recognised as finance lease receivable. Accordingly, depreciation on leasehold buildings charged under previous GAAP has also been reversed.

Note : 2

Under Indian GAAP, proposed dividends including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared/paid. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid which happens after year end.

Note : 3

Interest free security deposits paid/received were carried at nominal cost under previous GAAP. On application of Ind AS 109, all such financial assets are now being measured at amortised cost using effective rate of interest. At the date of transition to Ind AS, difference between the amortised cost and Indian GAAP carrying amount these security deposits lacs has been recognised as prepaid rent. Correspondingly, interest income/expense on security deposits and amortisation of prepaid rent have also been accounted for.

Note : 4

Under previous GAAP, ancillary costs associated with raising of funds are amortised on a straight line basis over the period of borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Also, under Ind AS borrowings are presented net of any ancillary costs associated with raising of debt, while under previous GAAP such ancillary costs were shown as prepayments.

Note : 5

Under Indian GAAP, Prior period items are shown separately on the face of statement of profit and loss in the year in which these are identified. However, Ind AS requires the recognition of such items in the period to which they relate. Accordingly, prior period items has now been adjusted in respective years to which they relate to.

Note : 6

As per the provisions of AS 19, lease rentals were accounted for on a straight line basis for certain premises obtained on lease having an escalation clause in the lease agreement. However, as per Ind AS 17, straight lining of lease rental is not required in case lese rent escalation reflects expected inflation cost. The Company has determined that escalation rates in the existing agreements of leased premises are broadly in line with the inflation rates. Hence, lease equalisation charge of Rs. 1.30 million recognised under previous GAAP in the FY 2015 -16, has now been reversed.

Note : 7

The Company had executed an agreement for the exchange of the existing Legacy 600 aircraft for the new generation Legacy 650 aircraft for a price of Rs. 952.90 million (equivalent to USD 18.50 million) which had written down value of Rs. 1,170.00 million as on 31 March 2012. As per Ind AS 105, the aircraft has been classified as asset held for sale in terms of the binding sale agreement entered into by the Company and recorded a loss of Rs. 217.10 million as on 1 April 2012. During the year ended 31 March 2013, the Company had charged depreciation of Rs. 80.50 million under previous GAAP which has been reversed in FY 2012-13 as the same has been classified as asset held for sale as on 1 April 2012. Further, during the year ended 31 March 2013, the agreement for exchange has been terminated by the customer and the Company was still in the process of identifying a new customer for sale of aircraft. However, the value of aircraft was reduced to Rs. 839.70 million based on the fair valuation of the aircraft and the Company further recorded a loss of Rs. 113.31 million to reduce the value of aircraft to Rs. 839.70 million. During the year ended 31 March 2014, the Company had sold the aircraft for Rs. 839.70 million and accordingly had recorded a loss of Rs. 171.60 million under previous GAAP, which was reversed under Ind AS.

Note : 8

Udaipur Hotels Limited, a wholly owned subsidiary of the Company has been amalgamated with the Company, in terms of the Scheme of Arrangement under section 391 to section 394 of the erstwhile Companies Act, 1956, approved by the Hon'ble High Court of Delhi on 19 August 2013, which became effective on 19 Septmenber 2013 and the appointed date being 1 April 2012. The Company has given the effect to the scheme during the year ended 31 March 2013. As per Appendix C of Ind AS 103, the amalgamation of Udaipur Hotels Limited with the Company falls under the purview of common control business combination. The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, the effect of bisuness combination has been given from the effective date of 1 April 2012.

Note : 9

Auditors Qualifications

a. Matters adjusted in restated financial statements

Auditors Report 2013-14

1 A debtor balance of Rs. 40.50 million pertaining to rent which is outstanding from a tenant, who has vacated the pemises in the current year and where the contract, has expired and negotiation are underway for recovery of the balance. As represented to us, the management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the rent in these financial statements.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014

2 It is stated that company's subsidiary has communicated its intention to exit from the joint venture at dubai and is in the process of negotiating for recoverery as per the terms of the joint venture agreement. However, the Company has not created provision against the investment of Rs. 30.10 million and loan of Rs. 38.80 million.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014

Matter of Emphasis in the Auditors Report

3 A vendor has issued a termination notice as per the terms of the aggrement for sale and exchange of aircraft and has levied liquidation damages of Rs. 146.00 million and has adjusted the advance amounting to Rs. 66.10 million resulting in payable balance of Rs. 79.90 million in terms of the agreement for sale and exchange of aircraft and further forfieted advance amounting to Rs. 159.20 million paid by the company. Management has initiated legal proceeding against the vendor, for which the vendor has sought the mediation for the settlement of the claim.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014

Auditors Report 2014-15

1 It is stated that company's subsidiary has communicated its intention to exit from the joint venture at dubai and is in the process of negotiating for recoverery as per the terms of the joint venture agreement. However, company has not created provision against the investment of Rs. 30.10 million and Loan of Rs. 38.80 million.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014

2 A debtor balance of Rs. 40.50 million pertaining to rent which is outstanding from a tenant, who has vacated the pemises in the current year and where the contract, has expired and negotiation are underway for recovery of the balance. As represented to us, the management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the rent in these financial statements.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014

Note : 10

As per the provisions of AS 20, grants received against fixed assets were accounted as a deduction form the gross value of the related asset. However, as per Ind AS 20, grant received against fixed assets is required to be recognised in the profit and loss on a systematic basis over the useful life of the assets. Accordingly, net book value fixed assets has been increased with a corresponding increase in the deferred government grant. Further, depreciation expense and government grant income have also been recognised in respective years.

The above has no resulting impact on equity and net profit.

Note : 11

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Note : 12

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised to retained earnings through OCI. This has no resulting impact on equity.

Note : 13

IND AS 110 - Consolidated Financial Statements defines control and establishes control as the main basis for consolidating the entities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Accordingly, lalit suri trust has been consolidated. Under previous GAAP, this was not required to be consolidated.

Note : 14

Under previous GAAP, one entity controls another entity when it has the ownership of more than one-half of the voting power of the other entity or control of the composition of the board of directors so as to obtain economic benefits from its activities. Since the group held 50% of the share in Kujjal Builders Private Limited, the entity was being accounted for as a joint venture under the proportionate consolidation method.

Under IND AS, based on the control assessment carried out by the group, it has been assessed that Kujjal Builders Private Limited is a subsidiary and has been consolidated on a line by line basis.

Under IND AS, business combinations involving entities that are controlled by the same group are accounted for using the pooling of interests method where the financial information in the financial statements in respect of the prior periods is restated as if the business combination had occured from the begininng of the preceding period in the financial statements, irrespective of the actual date of the combination.

Note : 15

Under previous GAAP, Cavern was classified as jointly controlled entity and accounted for using the proportionate consolidation method. Under Ind AS, Cavern has been classified as a joint venture and accounted for using the equity method.

Note : 16

The Company has reclassified certain items of assets and liabilities to comply with the requirements of Ind AS. This has no resulting impact on equity and net profit.

Note : 17

Ind AS 12 requires classification of MAT credit as Deferred tax asset. Accordingly, the Company has reclassified MAT credit available for respective years to Deferred tax asset. This has no resulting impact on equity or net profit.

Notes to restated consolidated financial information (All amounts in rupees million)

Note 68 : Exceptional items	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**	**For the year ended 31 March 2015 (Proforma)**	**For the year ended 31 March 2014 (Proforma)**
Profit on sale of investment in subsidiary (Refer note (i))	-	-	-	-	(283.18)
Profit on termination of agreement for sale of aircraft (Refer note (ii))	-	-	-	(77.02)	-
	-	**-**	**-**	**(77.02)**	**(283.18)**

Note:(i) During the financial year 2013-14, the Company has sold its investment in the shares of Bharat Hotels (Thailand) Company Limited having a book value of Rs. 1,016.00 million resulting in profit of Rs. 277.41 million.

Note: (ii) The Company had entered into a contract with a vendor for purchase of Legacy 600 aircraft for Rs. 1,196.21 million (USD 26.50 million) for which it had paid an advance of Rs. 120.51 million (USD 2.65 million) equivalent to 10% of the above value in November 2008. Company negotiated and entered into an agreement with the vendor for purchase of a new generation aircraft, Legacy 650 and adjustment of the advance paid for the Legacy 600 and paid Rs. 49.05 million (equivalent to USD 1.10 million as per contract and other expenses). The Company was not able to remit the final installment for the purchase of Legacy 650 because the final approval from DGCA to the vendor was not received in a timely manner. The vendor terminated the contract immediately and levied liquidated damages after adjusting the advances paid for the aircrafts. The Management had initiated legal proceedings against the termination in earlier years post the arbitration award in favour of the Company. During the year ended 31 March 2015, the Company had recorded Rs. 77.02 million (USD 1.25 million) as profit on termination of agreement for sale of aircraft.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Ashish Gupta**
Partner
Membership No. 504662

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

Dr. Jyotsna Suri
Chairperson and Managing Director
DIN-00004603

Divya Suri Singh
Director
DIN-00004559

Urmila Khurana
Chief Financial Officer

Himanshu Pandey
Company Secretary

Place : New Delhi
Date : 22 June 2018

Annexure VI : Consolidated Restated Summary Statement of Material Adjustments and Regroupings

(i) Reconciliation of total equity as reported previously (referred to as 'Previous GAAP') and as per Ind AS

Rs in million

	Particulars	Notes	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014	01 April 2013
Total equity as per audited financial statements prepared under applicable GAAP			**9,620.54**	**8,879.29**	**9,958.86**	**10,433.26**	**11,292.71**	**10,822.97**
A	***Effect of change in accounting policy***							
	Finance lease income	1	`	-	183.58	177.29	170.99	164.53
	Proposed dividend including DDT thereon	2	-	-	68.59	45.74	44.46	44.16
	Fair valuation of financial instruments	3	-	-	(36.61)	(35.57)	(33.71)	(31.64)
	Ancillary cost of borrowing as interest expense on borrowings	4	-	-	(22.37)	(43.46)	(38.30)	(21.96)
	Lease equalisation reserve reversed	6	-	-	(1.30)	-	-	-
	First time consolidation of trust	13	-	-	15.60	81.51	42.63	(4.09)
B	***Effect of auditor's qualifications accounted for***							
	Adjustments for qualifications in auditors report for previous years	9	-	-	(24.74)	(75.23)	(76.02)	(77.96)
C	***Effect of other restatement adjustments***							
	Share of joint ventures accounted for using the equity method instead of proportionate consolidation	14 & 15	-	-	(7.98)	(14.68)	(11.59)	37.93
	Joint venture classified as a subsidiary as per Ind AS 110	14 & 15	-	-	(86.76)	181.74	347.97	393.02
	Prior period items adjusted in respective years	5	-	-	(3.17)	(17.34)	(4.01)	(2.66)
	Aircraft being classified as asset held for sale, reduced to lower of cost or fair value	7	-	-	-	-	-	(249.73)
	Udaipur Hotels, a wholly owned subsidiary merged with the group with effect from opening, recognised in financial year 2013 in previous GAAP	8	-	-	-	-	-	1,066.54
	Effect of taxes for earler years on all above adjustments	11	-	-	(623.15)	(623.79)	(659.39)	(612.83)
	Total adjustments		**-**	**-**	**(538.31)**	**(323.79)**	**(216.97)**	**705.31**
	Total equity as per Ind AS		**9,620.54**	**8,879.29**	**9,420.55**	**10,109.47**	**11,075.74**	**11,528.28**

Annexure VI : Consolidated Restated Summary Statement of Material Adjustments and

(ii) Reconciliation of net profit as reported previously (referred to as 'Previous GAAP') and the total comprehensive income as per Ind AS

Rs in million

	Particulars	Notes	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Profit after tax audited financial statements prepared under applicable GAAP		1, 3, 4, 6, 12, 13, 9, 15, 14, 5, 8, 7, & 11	**838.83**	**(472.33)**	**(404.42)**	**(569.97)**	**(151.00)**
A	***Effect of change in accounting policy***						
	Finance lease income	1	-	-	6.29	6.30	6.46
	Fair valuation of financial instruments	3	-	-	(1.05)	(1.86)	(2.07)
	Ancillary cost of borrowing as interest expense on borrowings	4	-	-	21.09	(5.16)	(16.34)
	Lease equalisation reserve reversed	6	-	-	(1.30)	-	-
	Remeasurements of the net defined benefit plans	12	-	-	(6.75)	7.19	(14.69)
	First time consolidation of trust	13	-	-	(65.91)	38.88	46.72
B	***Effect of auditor's qualifications accounted for***						
	Adjustments for qualifications in auditors report for previous years	9	-	-	95.28	-	-
C	***Effect of other restatement adjustments***						
	Share of joint ventures accounted for using the equity method instead of proportionate consolidation	15	-	-	6.70	(3.10)	(49.51)
	Joint venture classified as a subsidiary as per Ind AS 110	14	-	-	(315.24)	(166.23)	(45.05)
	Prior period items adjusted in respective years	5	-	-	14.17	(13.33)	(1.35)
	Udaipur Hotels, a wholly owned subsidiary merged with the group with effect from opening, recognised in financial year 2013 in previous GAAP	8		-	-	-	0.72
	Aircraft being classified as asset held for sale, reduced to lower of cost or fair value	7	-	-	-	-	249.73
	Transfer of Depreciation from Statement of Profit & Loss to Revaluation Reserves		-	-	-	-	(23.75)
	Effect of taxes for earler years on all above adjustments	11	-	-	3.31	33.09	(41.24)
	Total adjustments		**-**	**-**	**(243.39)**	**(104.20)**	**109.63**
	Total profit after tax as per Ind AS		**838.83**	**(472.33)**	**(647.81)**	**(674.17)**	**(41.37)**
	Other comprehensive income (net of tax)		(6.12)	(0.34)	4.63	(4.70)	9.61
	Total Comprehensive income for the year		**832.71**	**(472.67)**	**(643.18)**	**(678.87)**	**(31.76)**

c) Notes to adjustments made as per Ind AS:

Note : 1

AS 19 excluded lease agreements to use land from its scope. However, lease agreements to use land are within the scope of Ind AS 17. Accordingly, in accordance with principles set out in Ind AS 17, shops in World trade center and World trade tower given under lease have been determined to be a finance lease arrangement. Accordingly, finance income on such leases has been recognised and rent income which was earlier recognised under previous GAAP has been derecognised. Further, leasehold building which was earlier capitalised under previous GAAP has been decapitalised and recognised as finance lease receivable. Accordingly, depreciation on leasehold buildings charged under previous GAAP has also been reversed.

Note : 2

Under Indian GAAP, proposed dividends including dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared/paid. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid which happens after year end.

Note : 3

Interest free security deposits paid/received were carried at nominal cost under previous GAAP. On application of Ind AS 109, all such financial assets are now being measured at amortised cost using effective rate of interest. At the date of transition to Ind AS, difference between the amortised cost and Indian GAAP carrying amount these security deposits lacs has been recognised as prepaid rent. Correspondingly, interest income/expense on security deposits and amortisation of prepaid rent have also been accounted for.

Note : 4

Under previous GAAP, ancillary costs associated with raising of funds are amortised on a straight line basis over the period of borrowings. Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Also, under Ind AS borrowings are presented net of any ancillary costs associated with raising of debt, while under previous GAAP such ancillary costs were shown as prepayments.

Note : 5

Under Indian GAAP, Prior period items are shown separately on the face of statement of profit and loss in the year in which these are identified. However, Ind AS requires the recognition of such items in the period to which they relate. Accordingly, prior period items has now been adjusted in respective years to which they relate to.

Note : 6

As per the provisions of AS 19, lease rentals were accounted for on a straight line basis for certain premises obtained on lease having an escalation clause in the lease agreement. However, as per Ind AS 17, straight lining of lease rental is not required in case lese rent escalation reflects expected inflation cost. The Company has determined that escalation rates in the existing agreements of leased premises are broadly in line with the inflation rates. Hence, lease equalisation charge of Rs. 1.30 million recognised under previous GAAP in the FY 2015 -16, has now been reversed.

Note : 7

The Company had executed an agreement for the exchange of the existing Legacy 600 aircraft for the new generation Legacy 650 aircraft for a price of Rs. 952.90 million (equivalent to USD 18.50 million) which had written down value of Rs. 1,170.00 million as on 31 March 2012. As per Ind AS 105, the aircraft has been classified as asset held for sale in terms of the binding sale agreement entered into by the Company and recorded a loss of Rs. 217.10 million as on 1 April 2012. During the year ended 31 March 2013, the Company had charged depreciation of Rs. 80.50 million under previous GAAP which has been reversed in FY 2012-13 as the same has been classified as asset held for sale as on 1 April 2012. Further, during the year ended 31 March 2013, the agreement for exchange has been terminated by the customer and the Company was still in the process of identifying a new customer for sale of aircraft. However, the value of aircraft was reduced to Rs. 839.70 million based on the fair valuation of the aircraft and the Company further recorded a loss of Rs. 113.31 million to reduce the value of aircraft to Rs. 839.70 million. During the year ended 31 March 2014, the Company had sold the aircraft for Rs. 839.70 million and accordingly had recorded a loss of Rs. 171.60 million under previous GAAP, which was reversed under Ind AS.

Note : 8

Udaipur Hotels Limited, a wholly owned subsidiary of the Company has been amalgamated with the Company, in terms of the Scheme of Arrangement under section 391 to section 394 of the erstwhile Companies Act, 1956, approved by the Hon'ble High Court of Delhi on 19 August 2013, which became effective on 19 Septmenber 2013 and the appointed date being 1 April 2012. The Company has given the effect to the scheme during the year ended 31 March 2013. As per Appendix C of Ind AS 103, the amalgamation of Udaipur Hotels Limited with the Company falls under the purview of common control business combination. The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, the effect of bisuness combination has been given from the effective date of 1 April 2012.

Note : 9

Auditors Qualifications

a. Matters adjusted in restated financial statements

Auditors Report 2013-14

1 A debtor balance of Rs. 40.50 million pertaining to rent which is outstanding from a tenant, who has vacated the pemises in the current year and where the contract, has expired and negotiation are underway for recovery of the balance. As represented to us, the management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the rent in these financial statements.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014

2 It is stated that company's subsidiary has communicated its intention to exit from the joint venture at dubai and is in the process of negotiating for recoverery as per the terms of the joint venture agreement. However, the Company has not created provision against the investment of Rs. 30.10 million and loan of Rs. 38.80 million.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014

Matter of Emphasis in the Auditors Report

3 A vendor has issued a termination notice as per the terms of the aggrement for sale and exchange of aircraft and has levied liquidation damages of Rs. 146.00 million and has adjusted the advance amounting to Rs. 66.10 million resulting in payable balance of Rs. 79.90 million in terms of the aggrement for sale and exchange of aircraft and further forfieted advance amounting to Rs. 159.20 million paid by the company. Management has initiated legal proceeding against the vendor, for which the vendor has sought the mediation for the settlement of the claim.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014

Auditors Report 2014-15

1 It is stated that company's subsidiary has communicated its intention to exit from the joint venture at dubai and is in the process of negotiating for recoverery as per the terms of the joint venture agreement. However, company has not created provision against the investment of Rs. 30.10 million and Loan of Rs. 38.80 million.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014

2 A debtor balance of Rs. 40.50 million pertaining to rent which is outstanding from a tenant, who has vacated the pemises in the current year and where the contract, has expired and negotiation are underway for recovery of the balance. As represented to us, the management is of the opinion that the rent amount shall be recovered and accordingly believes that no provision is required to be made against the rent in these financial statements.

Restatement adjustment is made to the statement of financial information, as restated as at 1 April 2013 and for the year ended 31 March 2014

Note : 10

As per the provisions of AS 20, grants received against fixed assets were accounted as a deduction form the gross value of the related asset. However, as per Ind AS 20, grant received against fixed assets is required to be recognised in the profit and loss on a systematic basis over the useful life of the assets. Accordingly, net book value fixed assets has been increased with a corresponding increase in the deferred government grant. Further, depreciation expense and government grant income have also been recognised in respective years.

The above has no resulting impact on equity and net profit.

Note : 11

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Note : 12

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised to retained earnings through OCI. This has no resulting impact on equity.

Note : 13

IND AS 110 - Consolidated Financial Statements defines control and establishes control as the main basis for consolidating the entities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Accordingly, lalit suri trust has been consolidated. Under previous GAAP, this was not required to be consolidated.

Note : 14

Under previous GAAP, one entity controls another entity when it has the ownership of more than one-half of the voting power of the other entity or control of the composition of the board of directors so as to obtain economic benefits from its activities. Since the group held 50% of the share in Kujjal Builders Private Limited, the entity was being accounted for as a joint venture under the proportionate consolidation method.

Under IND AS, based on the control assessment carried out by the group, it has been assessed that Kujjal Builders Private Limited is a subsidiary and has been consolidated on a line by line basis.

Under IND AS, business combinations involving entities that are controlled by the same group are accounted for using the pooling of interests method where the financial information in the financial statements in respect of the prior periods is restated as if the business combination had occured from the begininng of the preceding period in the financial statements, irrespective of the actual date of the combination.

Note : 15

Under previous GAAP, Cavern was classified as jointly controlled entity and accounted for using the proportionate consolidation method. Under Ind AS, Cavern has been classified as a joint venture and accounted for using the equity method.

Annexure VII – Consolidated Capitalisation Statement as at 31March 2018

Particulars	Pre issue as at 31 March 2018	As adjusted for issue (Refer note 5 below)
Borrowings:		
Short-term borrowings	1,305.19	-
Current maturities of long-term borrowings(A)	469.28	-
Long-term borrowings (B)	12,346.31	-
Total borrowings (C)	**14,120.78**	**-**
Shareholders'funds (Net worth)		
Equity share capital	759.91	-
Other Equity as Restated		
Reserves and surplus		
Securities Premium Reserve	2,903.47	-
Retained Earnings(excluding revaluation reserve)	602.51	-
Capital Reserve	1,128.50	-
Revaluation reserve (Included in Retained Earnings as per financials)	3,693.26	-
General Reserve	828.93	-
Sub-Total	9,916.58	-
Less: Capital reserve and Revaluation reserve	(4,821.76)	-
Total equity (Net worth) (D)	**5,094.82**	**-**
Long-term borrowings/shareholders' fund (Net worth) ratio ((A+B)/D)	**2.52**	**-**
Total borrowings/shareholders' fund (Net worth) ratio (C/D)	**2.77**	**-**

Notes:

1. Short-term borrowings are debts, which are due for repayment within 12 months from period ended 31 March 2018.
2. Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long-term borrowings.
3. The amounts disclosed above are based on the Restated Consolidated Summary Financial Information.
4. Other equity excludes revaluation reserve of amounting Rs. 3,693.26 million which has been transferred to Retained earnings at the beginning of first period presented in the Restated Consolidated Summary Financial Information (i.e. 1 April 2013) and non-controlling interest.
5. The Company is proposing an initial public offering.

Annexure VII – Consolidated Capitalisation Statement as at 31March 2018

Particulars	Pre issue as at 31 March 2018	As adjusted for issue (Refer note 5 below)
Borrowings:		
Short-term borrowings	1,305.19	-
Current maturities of long-term borrowings(A)	469.28	-
Long-term borrowings (B)	12,346.31	-
Total borrowings (C)	**14,120.78**	**-**
Shareholders'funds (Net worth)		
Equity share capital	759.91	-
Other Equity as Restated		
Reserves and surplus		
Securities Premium Reserve	2,903.47	-
Retained Earnings(excluding revaluation reserve)	602.51	-
Capital Reserve	1,128.50	-
Revaluation reserve (Included in Retained Earnings as per financials)	3,693.26	-
General Reserve	828.93	-
Sub-Total	9,916.58	-
Less: Capital reserve and Revaluation reserve	(4,821.76)	-
Total equity (Net worth) (D)	**5,094.82**	**-**
Long-term borrowings/shareholders' fund (Net worth) ratio ((A+B)/D)	**2.52**	**-**
Total borrowings/shareholders' fund (Net worth) ratio (C/D)	**2.77**	**-**

Notes:

1. Short-term borrowings are debts, which are due for repayment within 12 months from period ended 31 March 2018.
2. Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long-term borrowings.
3. The amounts disclosed above are based on the Restated Consolidated Summary Financial Information.
4. Other equity excludes revaluation reserve of amounting Rs. 3,693.26 million which has been transferred to Retained earnings at the beginning of first period presented in the Restated Consolidated Summary Financial Information (i.e. 1 April 2013) and non-controlling interest.
5. The Company is proposing an initial public offering.

Annexure VIII

Restated Consolidated Statement of Accounting Ratios

(Amount in million unless otherwise stated)

Particulars	Financial year ended 31 March 2018	Financial year ended 31 March 2017	Financial year ended 31 March 2016	Financial year ended 31 March 2015	Financial year ended 31 March 2014
Earnings per Equity share					
Basic EPS (Rs.)	9.88	(2.11)	(4.38)	(6.68)	0.05
Diluted EPS (Rs.)	9.88	(2.11)	(4.38)	(6.68)	0.05
Return on net worth (%)	14.73%	-3.60%	-7.12%	-10.07%	0.06%
Net Asset Value per share (Rs.)	67.04	58.45	61.47	66.39	76.91
Weighted average number of equity shares	75,991,199	75,991,199	75,991,199	75,991,199	75,999,199
Net Profit/(Loss) after tax, as restated	750.42	(160.08)	(332.56)	(507.92)	3.70
Equity share capital	759.91	759.91	759.91	759.91	759.91
Other equity, as restated	4,334.91	3,682.07	3,911.18	4,284.85	5,084.87
Net worth, as restated	5,094.82	4,441.98	4,671.09	5,044.76	5,844.78

Notes:

1. The ratios on the basis of Restated financial information have been computed as below:

$$\text{Basic Earnings per share (Rs)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$$

$$\text{Diluted Earnings per share (Rs)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$$

$$\text{Return on net worth (\%)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Net worth at the end of the year / period}}$$

$$\text{Net Asset Value (Rs.)} = \frac{\text{Net worth, as restated at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / Period}}$$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.

3. "Net Worth" includes Equity share capital and Other equity and excludes revaluation reserve existing as on 1 April 2013 and capital reserve.

4. The above ratios have been computed on the basis of the Restated Consolidated Financial Information

FINANCIAL INDEBTEDNESS

Our Company, our Subsidiaries and LSECT have availed loans in the ordinary course of business for the purposes of establishment, development, maintenance and expansion of our hotels and meeting working capital requirements to meet growing business opportunities. For the Issue, our Company, our Subsidiaries and LSECT have obtained consents, wherever required under the relevant loan documentations for undertaking activities in relation to the Issue, including such as change in its capital structure, change in its shareholding pattern, reconstitution of the Board or change or amendment to the constitutional documents of our Company, among other things.

Set forth below is a brief summary of our financial indebtedness on a consolidated basis, as at May 31, 2018:

1. Indian Rupee Loans

(₹ in million)

Nature of Borrowing	Amount Sanctioned	Amount outstanding as at May 31, 2018
Secured Loans		
Long Term Borrowings	13.060.00	11,794.62
Short Term Borrowings – fund based	590.00	488.53
Unsecured Borrowings*		151.79
Interest accrued but not due		105.49
Total	**13,650.00**	**12,540.43**

**This includes unsecured loans from our Promoters, Dr. Jyotsna Suri and Deeksha Holding Limited as at May 31, 2018.*

2. Foreign Currency Loans

(₹ in million)

Nature of Borrowing	Amount Sanctioned	Amount outstanding as at May 31, 2018*
Term Loan		
ECB Loan	1,507.50	845.15
Secured Borrowings	250.00	247.05
Unsecured Borrowings	539.62	512.64
Total	**2,297.12**	**1,604.84**

**As at May 31, 2018, 1USD =* ₹67.45

3. Principal terms of our borrowings:

(a) ***Interest:*** In terms of the Indian rupee loans availed by us, the interest rate is typically the base rate or marginal cost of lending rate of a specified lender and spread per annum. With respect to foreign currency loans, the interest rate is typically the LIBOR specified by the lender as at a specific date and spread per annum. The spread varies between different loans for different banks.

(b) ***Tenor:*** The tenor of the term loans availed by our Company typically ranges from 10 to 13 years. Some of our short term borrowings, cash credit facilities and overdraft facilities are repayable on demand, or within a period of time ranging from three to 12 months.

(c) ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

i. create security by way of hypothecation of our present and future fixed assets including movable assets, fixed deposits, operating cash flows, receivables and create by way of security a *pari passu* or sole and exclusive charge by way of hypothecation of current assets of our Company, present and future;

ii. create equitable mortgage over some of our properties and hotels;

iii. provide corporate guarantees of our Company;

iv. execute demand promissory notes and/or stand by letters of credit for a specified amount in the form

v. approved by the relevant lender;

vi. provide indemnities; and

vii. provide non-disposal undertakings issued by some of our Promoters and/or members of our Promoter Group in relation to the Equity Shares held by them in our Company.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

(d) ***Pre-payment:*** Our Company may prepay part or full amount with notice and certain pre-payment charges as may be applicable in accordance with the terms and conditions agreed upon with a specific lender.

(e) ***Re-payment:*** The working capital facilities are typically repayable on demand. Some of our lenders typically have a right to modify or cancel the facilities without prior notice and require immediate repayment of all outstanding amounts.

(f) ***Events of Default:*** Borrowing arrangements entered into by us contain standard events of default, including:

i. change in capital/ownership structure of our Company without prior permission of the lender;

ii. any misrepresentations made by our Company;

iii. change in management or control, reduction in promoter shareholding below a prescribed limit;

iv. violation of any term of the relevant agreement or any other borrowing agreement or the obligations under the borrowing documents becoming unlawful;

v. undertaking any re-organization, liquidation, dissolution, or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;

vi. cross-default; and

vii. any material adverse effect or material adverse change in the condition, prospects and operations of our Company.

(g) ***Restrictive Covenants:*** Certain borrowing arrangements entered into by us contain restrictive covenants, including:

i. requirement of fulfilling certain financial covenants such as maintaining the debt to adjusted tangible net worth ratio above a certain specified limit;

ii. requirement of prior consent for entering into any scheme of merger, amalgamation, compromise or reconstruction;

iii. requirement of prior consent in case of any significant change in the equity, management and operating structure of our Company or in the event of a change in control;

iv. right of the lender to suspend, terminate or recall the existing credit facilities without any reason;

v. right to appoint nominee director upon the occurrence of an event of default;

vi. requirement of the prior approval of the lender before concluding any fresh borrowing arrangement, or creation of any further charge on the secured assets or providing any guarantees to other lenders;

vii. requirement of the prior approval of the lender before declaration of dividend or distribution of profits in an event of default;

viii. requirement of prior consent for prepayment of any other borrowings;

ix. requirement of prior consent for amending charter documents; and

x. requirement of utilization of funds only for the sanctioned purpose.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

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

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Standalone Financial Information and the Restated Consolidated Financial Information, including the respective schedules, annexures and notes thereto, and the related auditors' examination reports thereon, included in "Financial Statements" on page 261. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Information.

We transitioned to the Ind AS accounting principles with effect from April 1, 2016 with a transition date of April 1, 2015. Our Restated Standalone Financial Information and our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus have been prepared and presented in accordance with Ind AS. The financial statements as at and for the years ended March 31, 2015 and 2014 have been prepared on a pro forma basis in accordance with the accounting standards prescribed under Ind AS, in compliance with the SEBI Ind AS Transition Circular and the guidance note on reports in company prospectuses issued by the ICAI. Ind AS differs in certain significant respects from IFRS and other accounting principles and standards with which investors may be more familiar. See "Risk Factors—Significant differences exist between Ind AS used to prepare our Restated Financial Information and other accounting principles, such as Indian GAAP and IFRS, with which investors may be more familiar." on page 57.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Risk Factors" and "Business" on pages 20 and 172, respectively. Also see "Forward Looking Statements" on page 18.

The industry related information contained in this section is derived from the CRISIL Report prepared by CRISIL except for other publicly available information cited in this section. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither the Company, nor any other person connected with the Issue has independently verified the information in the CRISIL Report or other publicly available information cited in this section. In this regard, also see "Risk Factors— This Draft Red Herring Prospectus includes industry related information from an industry report, which we have commissioned from CRISIL." on page 53.

Overview

We are one of the leading privately-owned domestic hotel brands in India, according to the CRISIL Report, engaged in the business of operating and managing hotels, palaces and resorts, with a focus on the luxury segment. As at March 31, 2018, we operated 12 luxury hotels, palaces and resorts under *The LaLiT* brand and two mid-market segment hotels under *The LaLiT Traveller* brand across India's key business and leisure travel destinations, offering 2,261 rooms.

In addition, we hold the exclusive rights to provide management consultancy services in connection with the operation and management of a hotel in London, The LaLiT London, which offered 70 rooms as at March 31, 2018.

Our luxury hotels operating across India under *The LaLiT* brand are grouped into the following three categories:

- ***City hotels:*** The LaLiT New Delhi, The LaLiT Mumbai, The LaLiT Ashok Bangalore, The LaLiT Great Eastern Kolkata, The LaLiT Jaipur and The LaLiT Chandigarh.
- ***Palaces:*** The LaLiT Laxmi Vilas Palace Udaipur and The LaLiT Grand Palace Srinagar.
- ***Resorts:*** The LaLiT Golf & Spa Resort Goa, The LaLiT Resort & Spa Bekal (Kerala), The LaLiT Mangar and The LaLiT Temple View Khajuraho.

Going forward, we intend to develop three new hotels under *The LaLiT* brand in Ahmedabad, Mangalore and Dehradun which will, in aggregate, offer 290 rooms and 115 cottages, when completed. We also intend to develop 50 additional rooms at The LaLiT Laxmi Vilas Palace Udaipur.

We also operate two hotels in the mid-market segment under *The LaLiT Traveller* brand, which are The LaLiT Traveller Jaipur and The LaLiT Traveller Khajuraho. We intend to develop four new hotels under *The LaLiT Traveller* brand in Ahmedabad, Pune, Amritsar and Chitrakoot which will, in aggregate, offer 308 rooms, when completed.

Further, in the F&B segment, we operated 45 restaurants, bars and bakery outlets as at March 31, 2018 across our hotels in India. We have developed our own brands, such as *24/7*, *Baluchi*, *OKO*, *The LaLiT Boulangerie*, *Kitty Su* and *The LaLiT Food Truck Company*. As at March 31, 2018:

- 24/7, a multi-cuisine all-day diner serving buffets and a-la-carte meals, was present in five of our hotels;
- Baluchi, an award winning restaurant serving pan-Indian cuisine, was present in six of our hotels;
- OKO, also an award winning restaurant serving pan-Asian cuisine, was present at three of our hotels;
- The LaLiT Boulangerie, our in-house bakery and confectionary outlet, was present at three of our hotels; and
- Kitty Su, a night club, was present at three of our hotels.

The LaLiT Food Truck Company provides outdoor catering services. It also operates food trucks across four cities in India.

We intend to further expand the presence of our F&B brands and establish and operate additional outlets for Kitty Su, Baluchi and OKO at certain of our existing hotels where these F&B outlets are not present as well as at our proposed hotels. We also intend to operate additional food trucks through The LaLiT Food Truck Company at these locations.

As at March 31, 2018, we operated over 50 banquet and conference halls spread across our hotel properties in India, with total banqueting space of over 270,000 square feet, available for MICE events as well as weddings and other social events. We have also developed our own spa brand, *Rejuve,* which operates as a spa, salon and fitness center at several of our hotel properties.

In 2018, we received a number of awards such as "best lounge bar (nightlife)" award from Times Food & Nightlife Awards 2018 for Kitty Ko, a night club at The LaLiT Ashok Bangalore and the customers of Hotels.com rated The LaLiT Resort & Spa Bekal (Kerala) as "outstanding 5.0 out of 5.0". The LaLiT Great Eastern Kolkata received awards in 2018 for its chef, its bakery and its premium dining restaurant. Furthermore, we received the "best card based loyalty program" award at the Customer Loyalty Awards for our loyalty program and the "women at work leadership" award at the Employee Engagement Leadership Awards for The LaLiT Suri Hospitality Group. In 2017, we received a number of awards such as "certificate of excellence" from Trip Advisor for our hotels operating under *The LaLiT* brand in New Delhi, Jaipur, Khajuraho and Chandigarh, the "best luxury hill resort" award at the Outlook Traveller Awards 2017 for The LaLiT Grand Palace Srinagar and the "best beach property" award at the Outlook Traveller Awards - Boutique Hotel Awards 2017 for The LaLiT Resort & Spa Bekal (Kerala). In 2016, The LaLiT New Delhi received the "certificate of excellence" from Trip Advisor. In 2015, The LaLiT Temple View Khajuraho was listed among the "10 best luxury hotels in India" by the Tripoto community. Kitty Su at New Delhi was the only night club from India to feature in DJ Mag's top 100 clubs of the world for the years 2015, 2016 and 2017.

We have a global strategic alliance with Worldhotels for global sales, marketing and distribution of our hotels in New Delhi, Mumbai, Kolkata and Bengaluru. Worldhotels is a global brand bringing together 350 of the world's most unique independent hotels covering over 45 countries and six continents. *(Source: Website of Worldhotels, available on https://www.worldhotels.com/about-us, as at May 31, 2018.)*

We also operate a hospitality school in Faridabad, TLSHS, since 2015 which provides education and training to students intending to pursue a career in the hospitality industry. The development of TLSHS is part of our ongoing investment in the development of human resources and we hire from TLSHS to support our business operations.

Principal Factors affecting our Financial Condition and Results of Operations

Our results of operations are affected by a number of factors, the most significant of which are described below.

General economic and market conditions

The demand for our hotel rooms is closely linked to the performance of the Indian economy and the tourism industry in India. Economic growth drives business and leisure travel as well as conferences, banquets and events. Our revenues from F&B outlets and Banqueting Services are also dependent upon the number of non-resident customers visiting our F&B outlets, utilization of banquet space and rates for such services. Our business operations are generally sensitive to business and personal discretionary spending levels. In addition, the hospitality industry and the demand for hotel rooms is also affected by factors such as location, facilities and supporting infrastructure, service and price, travel advisories, fuel prices, worldwide health concerns, geo-political developments, natural disasters in the region and inflation. Increase in competition and local oversupply of hotel rooms, accommodation and venues for meetings and special events are also important factors.

According to the CRISIL Report, India's real gross domestic product ("**GDP**") grew at 7.10% during Fiscal 2017, on account of the impact of demonetization implemented by the GoI. India's GDP in nominal terms increased to ₹122.00 trillion during Fiscal 2017, from ₹87.00 trillion during Fiscal 2012 representing a CAGR of 6.90% during this period, which makes India one of the fastest growing economies in the world, having grown faster than China since 2015. With a gradual improvement in India's macroeconomic position over the last three years, there has been an improvement in the country's growth-inflation mix. More prudent fiscal and monetary policies have focused on raising the quality, and not just the rate, of growth. The GoI has adopted an inflation targeting framework that provides an institutional framework for inflation control, while modernizing central banking. India's fiscal policy has also managed to stay mildly growth-focused while overseeing a gradual reduction in fiscal deficit. GDP growth is estimated at 7.50% during Fiscal 2019, supported by consumption, public spending in infrastructure and synchronized global recovery.

Recent trends in the Indian hospitality sector

The hospitality business benefited from the Indian tourism sector's continued expansion due to a steady growth in the number of tourists. Increased inbound flights and flight capacities have also contributed to a favorable outlook for the tourism sector in India. Between Fiscals 2013 and 2018, domestic passenger traffic in India has increased at a CAGR of approximately 16.00%. CRISIL expects domestic passenger traffic to grow at a CAGR of approximately 12.00% to 14.00% between Fiscals 2019 and 2023. According to the CRISIL Report, the number of inbound tourists increased by approximately 15.60% and approximately 9.70% during 2017 and 2016, respectively, and consequently was among the major sources of growth in number of tourists. According to the CRISIL Report, foreign tourist arrivals increased at a CAGR of approximately 8.40% between 2005 and 2017 resulting in higher demand in India for hospitality services, following the GoI's simplification of the visa process and the availability of the e-tourist visa facility to citizens from 163 countries. During 2017, the United States, the United Kingdom and Canada together accounted for around 27.00% of total foreign tourist arrivals in India. With the increasing presence of online travel portals for all travel-related services, sales through internet bookings and bookings made through online third party marketing or room aggregating agents has continued to increase. The GoI has taken various initiatives to develop and promote tourism. Further, as a result of economic growth, increasing disposable income, low air fares and higher air connectivity, the CRISIL Report expects domestic air travel to increase. The increase in demand for commercial space in India has led to the emergence of new business districts and an increased inflow of foreign companies, which have contributed to increased consumer traffic in the hospitality segment.

According to the CRISIL Report, the demand for hotels in the luxury segment increased at a CAGR of approximately 8.00% between Fiscals 2014 and 2018. During this period, the supply of hotel rooms increased at a CAGR of approximately 6.00% and as a result, Occupancy Rates rose only marginally to approximately 64.00% during Fiscal 2018 from approximately 59.00% during Fiscal 2014. Additional room supply and a decrease in demand between Fiscals 2016 and 2014 resulted in negative growth in ARR between Fiscals 2017 and 2012. The CRISIL Report expects the luxury hotel industry's market size to grow at a CAGR of around 10.50% to 11.50% to reach ₹470.00-490.00 billion by Fiscal 2022 owing to improved demand and moderate additions in room supply and higher ARRs. The CRISIL Report expects ARR to grow to ₹8,200 by Fiscal 2022 as a result of a larger increase in demand compared with a lower increase in supply across both business and leisure destinations. Supply is expected to increase at a CAGR of approximately 5.00% resulting in Occupancy Rates increasing to approximately 68.00%

by Fiscal 2022. Consequently, TRevPAR for hotels in the luxury segment are expected to increase by approximately 5.50-6.00% to ₹12,150 by Fiscal 2022.

According to the CRISIL Report, the mid-market hotel segment constituted approximately 50.00–55.00% of the total room supply across starred hotels in India as at the end of Fiscal 2018 and is expected to grow at a CAGR of approximately 5.00–6.00% by Fiscal 2022. According to the CRISIL Report, the mid-market hotel industry is estimated to have grown at a CAGR of approximately 16.00% over the past four years, due to rapid expansion in the segment by domestic and international players. The market share of the mid-market hotel industry in the overall hotel industry has increased from approximately 35.00% during Fiscal 2014 to approximately 38.00% during Fiscal 2018.

Operating expenses

Operating hotel properties involves significant levels of fixed costs which do not vary significantly with high or low Occupancy Rates. These expenses include employee costs, rent, insurance and utilities. When demand for our hotels decreases, the resulting decline in our revenues can adversely impact our net cash flow and EBITDA margins due to the high operating leverage. This can have pronounced effects during periods of economic contraction or slow economic growth. Similarly, in conditions of economic upturns, when the demand for hotel rooms increases, due to high operating leverage, our net cash flow and EBITDA margins increase disproportionately to an increase in our revenue from operations. We endeavor to operate in environments in which we are able to maintain a low cost to revenue ratio. Our aggregate operating expenses, expressed as a percentage of our total revenue from operations, were 71.86%, 71.21% and 73.89% during Fiscals 2018, 2017 and 2016, respectively, compared to an industry average* operating expense, expressed as a percentage of total operating income, of 82.00% during Fiscal 2016, according to the CRISIL Report. A significant portion of our operating expenses is fixed or are not proportional to our revenues. Therefore, the ratio of our operating expenses tends to increase as our revenue decreases and tends to decrease as our revenue increases.

The largest component of our operating expenses is salaries and related expenses, which accounted for 25.02% of our operating expenses during Fiscal 2018. Our average staff per room ratio was 1.69, 1.68 and 1.66 during Fiscals 2018, 2017 and 2016, respectively. Attracting competent, highly qualified employees is important to the success of our business as our employees have extensive contact with customers of our hotels, F&B outlets and spas. We offer competitive compensation packages and provide ongoing training to develop our employees.

Our cost of operating rooms is also affected by changes in the costs of energy and provisions, among other factors. We have experienced increases in energy costs, resulting from increases in the unit cost of electricity in many of our hotels' locations as well as a general increase in costs of fuel such as diesel. In relation to our F&B outlets and Banqueting Services, several food ingredients used in the preparations are commodities and therefore subject to price fluctuations as a result of seasonality, weather, demand and other factors. These are particularly sensitive to inflationary pressures. However, we have historically been able to pass increased costs of raw materials to our customers. Our hotels have to be renovated periodically to maintain their competitiveness and to keep up with changing trends and consumer demands. Such renovation may involve significant development and maintenance costs. It may not always be possible to anticipate such costs and our older hotels and palaces may involve relatively higher maintenance costs.

** Industry average was calculated (and included in the CRISIL Report) by CRISIL using aggregated financials of 19 listed participants in the hospitality industry for the relevant period.*

Our operational performance

We use a variety of financial and operational performance indicators such as ARR, Occupancy Rate, RevPAR, TRevPAR, average expense per room, average staff per room ratio, EBITDA and EBITDA margin to measure and analyze our operational performance. Set forth below are details of our performance across certain key parameters, for the periods indicated.

Particulars	Fiscal				
	2018	2017	2016	2015	2014
Number of available rooms	2,261	2,206	2,207	2,207	2,046
Number of hotels	14	13	13	13	12
ARR (₹)	6,388	6,306	6,320	6,613	7,346
Average Occupancy Rate (%)	62.0	55.0	51.0	45.0	38.0
Average RevPAR (₹)	3,974	3,494	3,200	2,973	2,813
Average TRevPAR (₹)	9,143	8,256	7,679	6,949	6,461
Average expense per room (₹ million)	2.35	2.13	2.01	1.86	1.77
Average staff per room ratio	1.69	1.68	1.66	1.57	1.69
EBITDA (₹ million)	2,242.05	1,954.94	1,777.96	1,227.53	781.54
EBITDA margin (%)	29.71	29.42	28.66	23.04	17.78

Our revenue increased to ₹7,545.25 million during Fiscal 2018 from ₹4,394.43 million during Fiscal 2014, representing a CAGR of 14.47% and our EBITDA increased to ₹2,242.05 million during Fiscal 2018 from ₹781.54 million during Fiscal 2014, representing a CAGR of 30.13%.

RevPAR is a useful indicator in measuring performance over comparable periods as it correlates two key drivers of hotel operations:

- *ARR*, which measures the average room price attained by a hotel or group of hotels; ARR trends provide useful information relating to pricing policies and the nature of the customer base for a hotel or group of hotels; and
- *Occupancy Rate*, which measures the utilization of our hotels' available capacity; our management uses Occupancy Rate to gauge demand at a specific hotel or group of hotels during a given period. Occupancy Rate levels also help us determine achievable ARR levels as the demand for hotel rooms increases or decreases.

RevPAR changes that are driven predominately by occupancy have different implications for overall revenue levels and hotel operating profit than changes driven predominately by ARR. For example, increases in occupancy at a hotel would lead to increases in revenues from room and apartment, as well as incremental operating costs (including, but not limited to, housekeeping services, utilities and room amenity costs). RevPAR increases due to higher ARR, however, would generally not result in additional operating costs, with the exception of those charged or incurred as a percentage of revenue, such as credit card fees. As a result, changes in RevPAR driven by increases or decreases in ARR generally have a more pronounced effect on operating profitability than changes in RevPAR driven by Occupancy Rates.

RevPAR and Average RevPAR do not include other non-room revenues, such as revenues earned from F&B Services, Banqueting Services or Other Services (such as telecommunication and internet services, laundry services, business center services, spa services, limousine services and service charge on rooms and services). As a result, RevPAR has certain limitations as a tool for comparing our operating performance across hotels. Average TRevPAR provides an indication of room revenues, F&B Services, Banqueting Services or Other Services across all our hotels when compared over periods with Average RevPAR at our hotels.

Average staff per room ratio determines an optimal level of balance between our employees and hotel room capacity, which influences employee benefits cost, a significant expense item.

For the definitions of the various financial and operational performance indicators we use to measure and analyze our operational performance and further details in relation to the use of non-Ind AS financial measures in this Draft Red Herring Prospectus, see "*Presentation of Financial, Industry and Market Data—Non-Ind AS financial measures*" on page 14.

Diversified sources of revenue

Operating hotel properties involves significant levels of fixed costs which do not vary significantly with Occupancy Rates. Consequently, we have focused on enhancing revenue contribution from areas such as F&B Services, Banqueting Services and Other Services and optimal utilization of available resources. Our revenues from rooms, F&B Services, Banqueting Services and Other Services constituted 43.46%, 23.04%, 20.30% and 11.01%, respectively, of our total income during Fiscal 2018. We believe that such diversification provides us with consistent revenue growth and mitigates the risks related to exposure to any specific segment, particularly revenues from room and apartment which are susceptible to a decrease in Occupancy Rates and slower growth in ARR during adverse market conditions or an economic slowdown. This assists us in our efforts to maintain or increase our TRevPAR and provides us with consistent profitable growth, despite high overhead costs experienced in the hospitality business. Our average TRevPAR increased by 41.50% to ₹9,143 during Fiscal 2018 from ₹6,461 during Fiscal 2014, compared with the growth in our average RevPAR, which increased by 41.26% to ₹3,974 from ₹2,813 during this period. Our EBITDA margins also increased during this period to 29.71% from 17.78%.

Management contracts

As at the date of this Draft Red Herring Prospectus, we hold the rights to provide management consultancy services in connection with the operation and management of a hotel in London, The LaLiT London, under a management consultancy services agreement and licensing agreement with St. Olave's Limited, one of our Group Companies and a member of our Promoter Group. The remainder of our hotel operations are located in India and do not involve a management contract. Management fees are generally calculated as a percentage of the managed hotel's revenue. Most management contracts also include incentive compensation based on the managed hotel's operating profits. Going forward, we may selectively enter into such contracts in circumstances where it is economically and strategically prudent to do so and to further expand our brand in key geographies where we are not present. Since management agreements require lower upfront financial investment compared to development of new hotels on owned, leased or licensed land, we believe this strategy will enable us to reduce our capital expenditure, distribute fixed costs, further diversify our sources of revenue, efficiently utilize capital for achieving future growth and add more hotels in a shorter period of time, all of which may assist in achieving an increase in our TRevPAR and EBITDA margins. Additionally, we believe that operating hotels for third parties will increase our experience in, and knowledge of, new markets and enhance our ability to negotiate better terms with vendors. Conversely, we may not be able to negotiate these hotel management contracts on terms favorable to us and these contracts may include certain onerous conditions such as non-compete provisions that may limit our ability to operate new hotels within the scope and time specified without the prior consent of the other party.

Pricing

We manage demand, volumes and prices for rooms and other facilities at our hotels based on market conditions and certain other factors which include, but are not limited to: (i) demand forecast; (ii) prevailing market conditions and inflation; (iii) our operational performance during the relevant period across our hotel properties as well as other sources of revenue; (iv) location; (v) competition and actual demand in the micro markets in which we operate; (vi) volume, loyalty and partner support; and (vii) ratings and social media reviews. Our demand management and dynamic pricing enables us to manage our room inventory, respond to changing customer preferences and attract customers across different categories at various price points, particularly during adverse market conditions, which is reflected in our operational performance indicators such as Occupancy Rates, ARR, RevPAR and TRevPAR.

We have focused on diversifying our customer outreach. Our direct sales team approach prospective corporate customers and MICE customers. We market bundled travel packages directly to tour operators, aggregators and consortia, travel agents and charter operators for their customers. We also market our rooms to conference organizers, wedding planners, conference delegates as well as organizers of sports and other events such as music concerts and live performances. We allocate a certain number of available rooms to our corporate clients and groups at discounted prices, which are based on a variety of factors including the size of the group and the planned length of stay. Our corporate customers and travel trade customers accounted for 17.66% and 13.94%, respectively, of our total revenues from room and apartment during Fiscal 2018. For further details in relation to the breakdown of our total room revenue across different categories of customers, see "*Our Business—Customers*" on page 189.

We are also dependent on customers who make direct reservations with us. For these customers, our in-house revenue management analysts set daily prices for the rooms at all the hotels we operate and manage, primarily on the basis of a historical analysis of demand for each hotel, current booking demand, room type demand, length of stay and customer mix. A product offering development team also creates packages, including packages, which typically combine multiple services so customers may increase their average expenditure at our hotels, F&B outlets and spas. These packages are priced seasonally to increase sales during low demand seasons and to take advantage of increased demand during peak seasons.

Increased competition in the hospitality industry

The hospitality industry in India is subject to intense competition from other international, regional and local hotels, restaurants, clubs and spas. The success of our hotels will largely depend on our ability to compete in areas such as quality of accommodation and service, price, brand recognition, facilities and supporting infrastructure, location, ambience and the type and quality of F&B facilities and other amenities. Our competitors include hotels, restaurants, clubs and spas operating under Indian and international brands, many of whom may have greater brand recognition, more financial and other capital resources, have been in business longer, or are better established in the markets than us. Such competitors often compete with us for customers, property and facility locations and other service staff. The level of competition in the hotel business is affected by various factors, including changes in local, regional and global economic conditions, changes in demography, the supply and demand for hospitality properties and changes in customer behavior and preferences. We may also need to evolve our product offerings in order to compete with popular new hospitality services, operation formats, concepts or trends that emerge from time to time.

Most of our current operations are in locations where we face competition from existing hotels and we will also have to compete with any new or upcoming hotel properties in the location. We expect to face similar competition in the cities where we are expanding, or have intentions of expanding to. Further, according to the CRISIL Report, for the key business and leisure travel destinations in which we operate (i.e., New Delhi, Mumbai, Bengaluru, Kolkata, Jaipur and Goa), room supply will continue to increase at a CAGR of approximately 6.00% between Fiscal 2018 and Fiscal 2022. Notwithstanding this, CRISIL anticipates that an increase in demand in these markets will meet or exceed the increase in room inventory as well as competition from other hospitality providers.

Further, competition in the hotel industry impacts our advertising and marketing expenses and pricing strategies. We utilize online travel agents and intermediaries, such as online aggregators, to generate bookings for our hotels. We compete with other hotel chains to negotiate terms with such online travel agents and intermediaries and our relative pricing and ranking on online platforms impacts our bookings from these online travel agents and intermediaries. Our ability to capture an increased share of the expected growth in tourism and the hospitality industry, and respond to the consequent competition in the hospitality industry, will be critical to our results of operations in the future.

Terrorist attacks and other significant events

India has experienced terrorist attacks in certain states over the past several years and there have been certain military confrontations between India and some of its neighboring countries. These hostilities and tensions could lead to political or economic instability in India and adversely affect our business. We are also affected by worldwide health concerns, political instability, natural disasters and increases in oil prices which may result in a reduction in travel globally and across India. While we have sought to maintain the highest standards of security for our customers and employees at all of our locations, any perceived threats to the health or safety of travelers in India could affect our business.

One of our hotel properties, The LaLiT Grand Palace Srinagar is located in the state of Jammu and Kashmir which has experienced ongoing political unrest, terrorism and violence. Although The LaLiT Grand Palace Srinagar commands high room rates due to its topography, the current state of affairs has resulted in a significant decline in bookings at this hotel. As a result, the Occupancy Rate for our rooms at The LaLiT Grand Palace Srinagar had decreased to 14.40% during Fiscal 2018 from 37.04% during Fiscal 2014. The declining Occupancy Rate and the high fixed costs of operating the property have impacted our profitability. The revenue, EBITDA, RevPAR and TRevPAR we derive from this hotel declined by 53.89%, 86.73%, 68.94% and 53.89%, respectively, to ₹173.04 million, ₹26.88 million, ₹1,965 and ₹4,196, respectively, during Fiscal 2018 from ₹375.29 million, ₹202.50 million, ₹6,326 and ₹9,099, respectively, during Fiscal 2014, which resulted in a decline of 6.25% in The LaLiT Grand Palace Srinagar's contribution to our total income during this period. The LaLiT Grand Palace Srinagar's contribution to our total income during Fiscal 2018 was 2.29%. We face ongoing challenges in maintaining a high level of security at The LaLiT Grand Palace Srinagar for our customers and employees, both from terrorism and other threats.

When significant events occur which are likely to affect our Occupancy Rates or ARR, we attempt to mitigate these adverse effects by further promoting product offerings and/or targeting customer segments which are relatively unaffected by these events. In addition, we offer special packages in order to stimulate demand at the hotels, resorts and spas that we operate. Such packages typically combine the cost of accommodation with meals, transportation or spa treatments and normally run for a limited period.

Seasonality

The hospitality industry in India is subject to seasonal variations. According to the CRISIL Report, the period between October and March is preferred for business and leisure travel within India. However, there is a decline in Occupancy Rates in leisure destinations between May and September while Occupancy Rates exhibit relative improvement in December on account of holidays as per the CRISIL Report. On the other hand, business destinations maintain relatively constant Occupancy Rates between April to September, but show a relative decline in Occupancy Rates in December, as it is coincides with the international holiday period.

Furthermore, our revenue from weddings and banquets may be affected as a result of the periods which are considered auspicious Hindu marriage dates. This seasonality may result in quarterly fluctuations in revenue, EBITDA and EBITDA margins, if not offset by the revenues we earn from other properties that are relatively unaffected by seasonality or other business segments. Further, the timing of opening of new hotels and the timing of any hotel acquisitions or dispositions may result in certain variations in revenues from quarter to quarter.

The periods during which our hotels experience higher revenues vary from property to property, depending principally upon location and the customers we serve. While certain of our hotel properties receive a large number of business travelers and business travel is less sensitive to seasonal variations than tourists, certain of our other hotel properties are located in holiday or leisure destinations, which are sensitive to seasonal variations and such properties may experience low Occupancy Rates during certain times of a year. For example, our hotel at Jaipur and our resorts at Bekal (Kerala) and Goa experience higher revenues during the winter season. As a result, our revenues are generally higher during the second half of each Fiscal as compared to the first half of each Fiscal.

Further, according to the CRISIL Report, the hospitality industry is cyclical in nature. During positive cycles, the industry witnesses periods of sustained growth and high ARRs and Occupancy Rates, which trend continues until the economy undergoes a downturn or there is excess supply. Usually, Occupancy Rates begin to decline when a recession sets in, which is followed by a decline in ARRs. In the recovery phase, Occupancy Rates start increasing followed by an increase in ARRs. We have experienced such cycles in past periods. The combination of changes in economic conditions and in the supply of hotel rooms, including periods of excess supply, can result in significant volatility in performance.

Our levels of indebtedness

As at March 31, 2018, our outstanding borrowings aggregated to ₹14,120.78 million, including secured loans of ₹13,324.12 million (including foreign currency loans of ₹1,052.91 million), unsecured loans of ₹646.18 million (including foreign currency loans of ₹494.34 million) and finance lease obligations of ₹150.48 million. Expressed as a percentage of our total revenue, our finance cost during Fiscals 2018, 2017 and 2016, was 18.26%, 21.84% and 24.13%, respectively. High finance cost affects our profitability and our financial performance. Our high levels of indebtedness have in the past had, and could in the future have, several consequences, including but not limited to the following:

- we may be more vulnerable to a downturn in business in India and other factors which may adversely affect our operations;
- our ability to pursue our growth plans, and our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, may be limited;
- we may be at a competitive disadvantage as compared to our competitors, to the extent that our competitors are not as highly leveraged;
- a portion of our cash flow will be used towards paying interest expenses and the repayment of our

existing debt, which will reduce the availability of cash to fund working capital needs, capital expenditure and other requirements;
- our ability to obtain additional financing in the future on reasonable terms may be restricted; and
- fluctuations and increases in prevailing interest rates may affect the cost of our borrowings with respect to existing floating rate obligations, and new loans; as at March 31, 2018, a substantial portion of our total outstanding borrowings carried variable interest rates.

Fluctuations in foreign exchange rates

During Fiscal 2018, we earned approximately 21.19% of our revenue in foreign currency. Changes in the values of foreign currencies (including but not limited to the U.S. dollar, the GBP and the Euro) with respect to the Indian Rupee may cause fluctuations in our operating results expressed in Indian rupees, and a possible depreciation of certain currencies with respect to the Indian rupee may have an unfavorable impact on such results. Appreciation of the Indian rupee against various foreign currencies in which we earn revenues could also affect our financial performance since we may not always be able to increase our tariffs quoted in foreign currencies to compensate for appreciation in Indian rupee. In the usual course of business, we may cover foreign exchange risks using standard market instruments but cannot predict the impact any fluctuations in currency rates will have on our operating results. In addition, we have certain foreign currency denominated borrowings, comprising external commercial borrowing and foreign currency loans availed in U.S. dollar, and as such, we are exposed to fluctuations in exchange rates between Indian rupees and the U.S. dollar. As at March 31, 2018, the total outstanding value of such foreign currency denominated borrowings was ₹1,547.25 million.

Tax benefits and our ability to continue to utilize carried forward losses

Section 35AD of the Income Tax Act currently provides accelerated depreciation benefit to hotel operators in India for building and operating a hotel in India under a category which is 2-star or above. Our hotels in Bekal, Jaipur and Chandigarh have availed, and may in the future continue to be eligible for, this benefit which we believe, enables us to reduce our current tax outflow, and which would have a corresponding increase in our deferred tax liability in the year of completion of our hotel projects. The availability of this tax benefit is subject to the policies of the GoI, among other things, and there can be no assurances as to the amount of tax benefits that we will receive in the future, if any.

Further, we had accumulated deferred tax credits of ₹5,565.16 million as at March 31, 2018 primarily as a result of losses incurred by our Subsidiaries. We have recognized tax credits of ₹1,548.23 million as deferred tax asset ("**DTA**") at applicable tax rates in our financial statements as at and for the year ended March 31, 2018 at the applicable statutory tax rates. We recognized DTAs during Fiscal 2018 primarily due to the improved financial performance of our Subsidiaries during Fiscal 2018, which our provided the required certainty to our management that these assets will be realized in future years. Our ability to continue to utilize carried forward tax losses to offset future taxable profits of the Subsidiaries in which such losses arose will be subject to any changes to the Indian tax laws in the future.

Important Note on Transition from Indian GAAP to Ind AS and its Impact on the Preparation and Presentation of the Restated Financial Information

Overall Principle

The restated consolidated financial statements of our Company as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 have been compiled from the statutory audited consolidated financial statements of our Company as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014. The financial statements for the years ended March 31, 2015 and 2014 were prepared in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("**Indian GAAP**"). Our Company has elected to present all periods in accordance with the Indian accounting standards ("**Ind AS**") converged with International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 (the "**IAS Rules**").

Basis of consolidation

Our Restated Financial Information has been prepared in accordance with Ind AS.

Our Restated Financial Information has been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- property, plant and equipment ("**PPE**") and intangible assets have been carried at deemed cost (which includes revalued amount of land and building at certain locations) on the date of transition using the optional exemption allowed under Ind AS 101.

Our "restated consolidated summary statement of assets and liabilities" as at March 31, 2018, 2017, 2016, 2015 and 2014, the "restated consolidated summary statement of profits and losses" and the "restated consolidated summary statement of cash flows" for Fiscals 2018, 2017, 2016, 2015 and 2014 have been prepared by our management on the basis of our audited consolidated financial statements for Fiscals 2018, 2017, 2016, 2015 and 2014, and have been prepared specifically for this Issue.

Pro forma Financial Information under Ind AS

The pro forma financial information as at and for the years ended March 31, 2015 and 2014 is prepared in accordance with requirements of the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (the "**SEBI Ind AS Transition Circular**"). As envisaged by the SEBI Ind AS Transition Circular, we have followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on us on the Ind AS transition date (i.e., April 1, 2015) while preparing the pro forma financial information for the years ended March 31, 2015 and 2014. Accordingly, suitable restatement adjustments in the accounting heads have been made in the pro forma financial information for these periods. This pro forma Ind AS financial information has been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended March 31, 2015 and 2014.

The Restated Financial Information is presented in Indian Rupees and all values are rounded to the nearest ₹ million, except when otherwise indicated.

Exemptions and exceptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. We have applied certain exemptions, details of which are available below and in the notes to our Restated Consolidated Financial Information included in "*Financial Statements*" beginning on page 261.

Deemed Cost

We have elected to measure all of our PPE and intangible assets at their previous GAAP carrying values as per Ind AS 101 which permits a first time adopter to elect to continue with the carrying value for all of our PPE as at the date of transition to Ind AS, measured as per the previous GAAP.

Composite Leases

We have applied a fair value on land and building components of leased property at Bengaluru as at March 31, 2015 to assess the classification as finance or operating for both land and building elements.

Investment in subsidiaries and jointly controlled entities

We have opted to measure our investment in subsidiary and jointly controlled entities at deemed cost, i.e., previous GAAP carrying amount.

Long-term foreign currency monetary items

For exchange differences, arising on translation / settlement of long-term foreign currency, monetary items acquired before April 1, 2016, pertaining to the acquisition of a depreciable asset, are adjusted to the cost of the asset.

Business Combinations

We have not applied Ind AS 103 (Business Combinations) to acquisition of subsidiaries, which are considered under Ind AS that occurred before April 1, 2015. Use of this exemption means that Indian GAAP carrying amount of assets and liabilities, that are required to be recognized under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with the respective Ind AS.

Estimates

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. We made estimates for the following item in accordance with Ind AS at the date of transition as these were not required under previous GAAP: impairment of financial assets based on expected credit loss model.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that existed as at the date of transition to Ind AS.

Reconciliations between Indian GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The tables below set forth the reconciliations from Indian GAAP to Ind AS.

Reconciliation of Equity as at March 31, 2016 and April 1, 2015	**As at March 31, 2016 (end of the last period presented under Indian GAAP)**	**As at April 1, 2015 (Date of Transition to Ind AS)**
	(₹ *million*)	(₹ *million*)
Equity as reported under Indian GAAP	**9,958.86**	**10,433.26**
Ind AS: Adjustments Increase (decrease):		
First time consolidation of LSECT	15.60	81.51
Share of Joint Ventures accounted for using equity method instead of proportionate consolidation	(7.98)	(14.68)
Joint ventures classified as a subsidiary as per Ind AS 110	(86.76)	181.74
Finance lease income and its related impact	183.58	177.29
Proposed dividend including dividend distribution tax thereon	68.59	45.74
Fair valuation of financial instruments - interest free security deposits paid/received	(36.61)	(35.57)
Ancillary cost of borrowing as interest expense on borrowings	(22.37)	(43.46)
Prior period items adjusted in respective years	(3.17)	(17.34)
Lease equalization reserve reversed	(1.30)	-
Deferred tax adjustments	(623.15)	(623.79)
Aircraft being classified as asset held for sale, reduced to lower of cost or fair value	-	-
Udaipur Hotels, a wholly owned subsidiary, merged with the Company with effect from April 1, 2012	-	-
Re-measurements of the net defined benefit plans - Actuarial Gain or Loss	-	-
Adjustments for qualifications in auditors report for previous years	(24.74)	(75.23)
Exchange fluctuation on advance given for aircraft	-	-
Equity as reported under Ind AS	**9,420.55**	**10,109.47**

Reconciliation of Profit during Fiscal 2016	**Profit before Tax during Fiscal 2016**
	(₹ *million*)
Net profit/(loss) as per audited financial statements	**(404.42)**

Effect of change in accounting policy	
Finance lease income	6.29
Fair valuation of financial instruments	(1.05)
Ancillary cost of borrowing as interest expense on borrowings	21.09
Lease equalization reserve reversed	(1.30)
Re-measurements of the net defined benefit plans	(6.75)
First time consolidation of trust	(65.91)
Effect of auditor's qualifications accounted for	
Adjustments for qualifications in auditors report for previous years	95.28
Effect of other restatement adjustments	
Share of joint ventures accounted for using the equity method instead of proportionate consolidation	6.70
Joint venture classified as a subsidiary as per Ind AS 110	(315.24)
Foreign currency translation reserve for Thailand property	-
Prior period items adjusted in respective years	14.17
Udaipur Hotels, a wholly owned subsidiary merged with the group with effect from April 1, 2012	-
Aircraft being classified as asset held for sale, reduced to lower of cost or fair value	-
Transfer of Depreciation from Statement of Profit & Loss to Revaluation Reserves	-
Effect of taxes on all above adjustments	3.31
Total adjustments	**(243.39)**
Total profit after tax as per Ind AS	**(647.81)**
Other comprehensive income (net of tax)	4.63
Restated profit for the years / period	**(643.18)**

Significant Accounting Policies

Property, plant and equipment

Recognition and initial measurement

Under the Indian GAAP, PPE were carried in the balance sheet at their cost of purchase except for land and building at certain locations which were carried at revalued amount. Using the deemed cost exemption available as per Ind AS 101, we have elected to carry forward the carrying value of PPE under Indian GAAP as at March 31, 2015 as book value of such assets under Ind AS as at the transition date, i.e., April 1, 2015.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, we depreciate them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent measurement (depreciation and useful lives)

Prior to April 1, 2014, depreciation on tangible fixed assets, except leasehold improvements, has been provided on the straight-line method as per the rates prescribed under Schedule XIV to the Companies Act, 1956 or using the rates arrived at based on the useful lives estimated by the management, whichever is higher. Leasehold improvements were depreciated over the term of the respective leases or useful life, whichever is lower.

For the purpose of the pro forma financial information as at and for the financial years ended March 31, 2015 and 2014, we have rolled back the depreciation based on the estimated useful life of respective years. Since the change in the estimated useful life is considered as a change in estimate, accordingly, there is no impact of this roll back.

Depreciation is charged on the revalued assets over the remaining useful life of such assets and the additional depreciation on account of revaluation is adjusted against revaluation reserve.

Depreciation on PPE is provided on the straight-line method using the rates arrived on the basis of the useful life which coincides with the useful life prescribed under Schedule II of the Companies Act, 2013. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Leasehold buildings are amortized on a straight line basis over the unexpired period of lease or useful life, whichever is lower.

Non-reinforced cement concrete structures for conference halls are depreciated over the period of eight years or their estimated useful life, whichever is lower.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of PPE and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Indian Government. We have concluded that we are the principal in all of our revenue arrangements since we are the primary obligor in all the revenue arrangements as we have pricing latitude and are also exposed to inventory and credit risks.

We apply the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below:

Revenue from hotel operations

Revenue from hotel operations comprise sale of rooms and apartments, F&B, liquor and wine, banquet rentals and other services relating to hotel operations including telecommunication, laundry, business center and fitness center. Revenue is recognized as and when the services are rendered and is disclosed net of allowances.

Aircraft charter

Revenue from hiring of the aircraft is recognized as and when services are rendered.

Rent

Income from rent is recognized over the period of the contract on straight line basis. Initial direct cost is expensed off when incurred.

Maintenance charges

Amounts collectible as maintenance charges are recognized over the period of the contract, on an accrual basis. Corresponding costs are recorded as incurred.

Membership program

Membership revenue is recognized pro rata over the period of the membership term. Joining fee is recorded as income on sale of membership card.

Tuition and application fees

Tuition and application fees received by LSECT is recognized on accrual basis.

Loyalty points program

We operate certain loyalty points programs, which we brand as LaLiT Connect, LaLiT Plus and LaLiT Engage, respectively. These programs allow customers to accumulate points when they stay in our hotels. The points can be redeemed for free stay, subject to a minimum number of points being obtained. The fair value of the points issued is deferred and recognized as revenue when the points are redeemed.

Sale of goods (trading goods)

Revenue is recognized when all significant risks and rewards of ownership of the goods have passed to the buyer.

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate ("**EIR**"). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, we estimate the expected cash flows by considering all the contractual terms of the financial instrument (e.g., prepayment, extension, call and similar options) but do not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Interest income on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Commission income

Income is recognized when right to receive payment is established by the terms of the contract.

Consultancy/management fee

Consultancy/management fee is recognized on accrual basis when right to receive payment is established by the terms of the contract.

Dividend income

Dividend income is recognized at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Borrowing costs

Borrowing cost includes interest expense as per EIR.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets except investment in subsidiaries, joint ventures and associates are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that we commit to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in the following categories:

- debt instruments at amortized cost; and
- equity instruments at fair value through profit or loss ("**FVTPL**").

Debt instruments at amortized cost

A "debt instrument" is measured at the amortized cost if both the following conditions are met:

a) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
b) contractual terms of the asset give rise on specified 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 amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade, security deposits and other receivables.

Equity investments

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, we may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. We make such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If we decide to classify an equity instrument as fair value through other comprehensive income ("**FVTOCI**"), then all fair value changes on the instrument, excluding dividends, are recognized under other comprehensive income ("**OCI**"). There is no recycling of the amounts from OCI to the statement of profit and loss ("**P&L**"), even on sale of investment. However, we may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) was primarily derecognized (i.e., removed from our consolidated balance sheet) when:

- the rights to receive cash flows from the asset have expired; or
- we have transferred our rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
  - (a) we have transferred substantially all the risks and rewards of the asset, or
  - (b) we have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When we have transferred our rights to receive cash flows from an asset or have entered into a pass-through arrangement, we evaluate if and to what extent we have retained the risks and rewards of ownership. When we have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, we continue to recognize the transferred asset to the extent of our continuing involvement. In that case, we also recognize an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that we could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, we apply the 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 amortized cost, e.g., loans, debt securities, deposits, trade receivables and bank balance;
(b) lease receivables under Ind AS 17;
(c) trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18; and
(d) financial guarantee contracts which are not measured as at FVTPL.

We follow "simplified approach" for recognition of impairment loss allowance on:

- trade receivables; and
- all lease receivables resulting from transactions within the scope of Ind AS 17.

The application of simplified approach does not require us to track changes in credit risk. Rather, we recognize impairment loss allowance based on lifetime ECLs at each reporting date, right from our initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, we determine whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to us in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument; and
- cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, we use a provision matrix to determine impairment loss allowance on portfolio of our trade receivables. The provision matrix is based on our historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. On that basis, we estimate the following provision matrix at the reporting date, except to the individual cases where recoverability is certain:

	Less than or equal to 365 days	More than 365 days
Default rate	0%	100%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for financial instruments requires the financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, we do not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, we combine financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Our financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to us. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts we issue are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Reclassification of financial assets

We determine classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. Our senior management determines change in the business model as a result of external or internal changes which are significant to our operations. Such changes are evident to external parties. A change in the business model occurs when we either begin or cease to perform an activity that is significant to our operations. If we reclassify financial assets, we apply the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. We do not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in P&L.
FVTPL	Amortized cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognized in OCI. No change in EIR due to reclassification.
FVTOCI	Amortized cost	Fair value at reclassification date becomes its new amortized cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortized cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Provisions

Provisions are recognized when we have 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. When we expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the P&L, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Leases

The determination of 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 if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, we have determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where we are the lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to us is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss. Contingent rentals are recognized as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that we will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase consistent with expected general inflation to compensate for the lessor's expected inflationary cost.

Where we are the lessor

Leases in which we do not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from us to the lessee. Amounts due from lessees under finance leases are recorded as receivables at our net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Income Taxes

Income tax expenses consist of: (i) current income tax expense arising from income from operations; and (ii) deferred tax liability arising from temporary differences between taxable income and accounting income.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where we operate and generate taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. We periodically evaluate positions we have taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and create provisions, where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

DTAs, including MAT credit, are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. DTAs are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of DTAs (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the DTA to be utilized. Unrecognized DTAs are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the DTA to be recovered.

DTAs and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 41 to the Restated Consolidated Financial Information in "*Financial Statements*" on page 261. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

For further details, see "*Financial Statements—Significant Accounting Policies*" on page 400.

Restatement Adjustments

The following table illustrates the impact of changes as a result of restatement on the summary of restated profit and loss account:

Particulars	Fiscal				
	2018 (₹ *million*)	**2017** (₹ *million*)	**2016** (₹ *million*)	**2015** (₹ *million*)	**2014** (₹ *million*)
Net profit/(loss) as per audited financial statements	**838.83**	**(472.33)**	**(404.42)**	**(569.97)**	**(151.00)**
Effect of change in accounting policy					
Finance lease income	-	-	6.29	6.30	6.46
Fair valuation of financial instruments	-	-	(1.05)	(1.86)	(2.07)
Ancillary cost of borrowing as interest expense on borrowings	-	-	21.09	(5.16)	(16.34)
Lease equalization reserve reversed	-	-	(1.30)	-	-
Re-measurements of the net defined benefit plans	-	-	(6.75)	7.19	(14.69)
First time consolidation of trust	-	-	(65.91)	38.88	46.72
Effect of auditor's qualifications accounted for					
Adjustments for qualifications in auditors report for previous years	-	-	95.28	-	-
Effect of other restatement adjustments					
Share of joint ventures accounted for using the equity method instead of proportionate consolidation	-	-	6.70	(3.10)	(49.51)
Joint venture classified as a subsidiary as per Ind AS 110	-	(308.82)	(315.24)	(166.23)	(45.05)
Foreign currency translation reserve for Thailand	-	-	-	-	-
Prior period items adjusted in respective years	-	-	14.17	(13.33)	(1.35)
Udaipur Hotels, a wholly owned subsidiary merged with the group with effect from 1 April 2012	-	-	-	-	0.72
Aircraft being classified as asset held for sale, reduced to lower of cost or fair value	-	-	-	-	249.73
Transfer of Depreciation from Statement of Profit & Loss to Revaluation Reserves	-	-	-	-	(23.75)
Effect of taxes on all above adjustments	-	-	3.31	33.09	(41.24)
Total adjustments	-	-	**(243.39)**	**(104.20)**	**109.63**
Total profit after tax as per Ind AS	**838.83**	**(472.33)**	**(648.10)**	**(674.18)**	**(41.37)**
Other comprehensive income (net of tax)	(6.12)	(0.34)	4.92	(4.70)	9.61
Restated profit for the years / period	**832.71**	**(472.67)**	**(643.18)**	**(678.87)**	**(31.76)**

Significant Adjustments relating to prior years

1. Adjustments as a result of de-recognition of proportionately consolidated joint ventures

Certain adjustment arose as a result of de-recognition of proportionately consolidated joint ventures for Fiscals 2016, 2015 and 2014. Significant adjustments of ₹308.54 million and ₹169.33 million were recorded for Fiscals 2016 and 2015, respectively, as a result of adoption of new accounting standards in India "Ind AS", according to which proportionate consolidation for joint ventures was prohibited. Joint Ventures were accounted as per the equity method in accordance with Ind AS.

2. Adjustment as a result of qualifications in auditors report for previous years

An adjustment has arisen as a result of qualifications in auditors report for previous years during Fiscal 2016. An adjustment of ₹99.63 million was recorded during Fiscal 2016.

3. Adjustments as a result of aircraft being classified as asset held for sale, reduced to lower of cost or fair value

Certain adjustment arose as a result of aircraft being classified as asset held for sale, reduced to lower of cost or fair value for Fiscals 2014 and 2013. An adjustment of ₹249.73 million was recorded for Fiscal 2014 as a result of recording aircrafts at their expected net realisable value in accordance with the accounting principles prescribed for asset held for sale under Ind AS.

4. Adjustments as a result of first time consolidation of trust

Certain adjustments arose as a result of first time consolidation of LSECT for Fiscals 2016, 2015 and 2014. Adjustments of ₹(65.91) million, ₹38.88 million and ₹46.72 million were recorded for Fiscals 2016, 2015 and 2014, respectively, as entities controlled by the Company are also consolidated under the Ind AS accounting principles while such entities were not required to be consolidated under Indian GAAP.

5. Tax impact on adjustment as a result of change in accounting policy

Certain adjustments arose from taxes incurred as a result of a change in accounting policy for Fiscals 2016, 2015 and 2014.

Summary of Results of Operations

Set forth below is certain select financial information based on our Restated Consolidated Financial Information during Fiscals 2018, 2017 and 2016, the components of which are also expressed as a percentage of total income, for the periods indicated.

	Fiscal					
	2018		**2017**		**2016**	
	Amount (₹ million)	*% of total income (%)*	*Amount (₹ million)*	*% of total income (%)*	*Amount (₹ million)*	*% of total income (%)*
Revenue						
Revenue from operations	**7,379.85**	**97.81**	**6,537.90**	**98.40**	**5,988.29**	**96.54**
Sale of services and products (including excise duty)						
- Room and apartment	3,279.32	43.46	2,813.03	42.34	2,584.96	41.67
- Food and beverage [1]	3,269.87	43.34	2,824.85	42.52	2,618.71	42.22
- Other services [2]	485.37	6.43	551.53	8.30	477.80	7.70
Other operating revenues [3]	345.29	4.58	348.49	5.25	306.82	4.95
Other income	**165.40**	**2.19**	**106.32**	**1.60**	**214.70**	**3.46**
Total income	**7,545.25**	**100.00**	**6,644.22**	**100.00**	**6,202.99**	**100.00**
Expenses						
Cost of food and beverages consumed	924.24	12.25	807.57	12.15	753.40	12.15
Employee benefits expense	1,327.13	17.59	1,197.59	18.02	1,081.73	17.44
Other expenses	3,051.83	40.45	2,684.12	40.40	2,589.90	41.75
Total expenses	**5,303.20**	**70.29**	**4,689.28**	**70.58**	**4,425.03**	**71.34**
Earnings before interest, tax, depreciation and amortization	**2,242.05**	**29.71**	**1,954.94**	**29.42**	**1,777.96**	**28.66**
Finance income	64.18	0.85	61.25	0.92	57.21	0.92
Finance costs	1,377.95	18.26	1,451.38	21.84	1,496.85	24.13
Depreciation and amortization expense	847.66	11.23	851.07	12.80	890.02	14.35
Profit before exceptional items, share of net profits of investments accounted for using Equity method	**80.62**	**1.07**	**(286.26)**	**(4.31)**	**(551.70)**	**(8.89)**
Exceptional items	-	0.00	-	0.00	-	0.00
Profit before tax	**80.62**	**1.07**	**(286.26)**	**(4.31)**	**(551.70)**	**(8.89)**
Tax expense						
Current tax	87.08	1.15	127.05	1.91	98.79	1.59
Deferred tax charge/(credit)	(826.71)	(10.96)	184.97	2.78	120.42	1.94
MAT Credit	(18.58)	(0.25)	(125.95)	(1.90)	(122.81)	(1.98)
Total Tax Expense	**(758.21)**	**(10.05)**	**186.07**	**2.80**	**96.40**	**1.55**
Other Comprehensive Income	**(6.12)**	**0.08**	**(0.34)**	**(0.01)**	**4.92**	**0.08**
Restated Profit/(Loss) for the year	**832.71**	**11.04**	**(472.67)**	**(7.11)**	**(643.18)**	**(10.37)**

[1] *Food and beverage revenue represents revenues from F&B outlets (including revenues from the sale of food and beverages as well as the sale of liquor and wine at our F&B outlets) and revenues from Banqueting Services (including revenues from our banqueting and catering services, rent*

earned from leasing of banqueting space and related equipment as well as the sale of food and beverages as well as the sale of liquor and wine as part of our banqueting and catering services).
[2] *Revenues from Other Services include revenues from telecommunication and internet services, laundry services, business center services, spa services, limousine services and service charge on rooms, F&B Services and certain other services.*
[3] *Other operating revenues represents membership program revenue, traded goods, rent and maintenance income, consultancy and management fees, revenue from aircraft charter operations, and training and education. Aircraft charter operations represent services rendered to customers who hire aircraft for travel. Training and education represents income arising out of training and education activities carried out by us.*

Principal Components of Income Statement

Revenue represents income from our provision of services in the ordinary course of our businesses. Our total income comprises revenue from operations and other income. Our revenue from operations includes sales of services and products (including excise duty), and other operating revenues.

Revenue from operations

For management purposes, we are organized into business units based on our services rendered and products sold.

Our leadership team monitors the operating results of our business units separately for making decisions in relation to performance assessment. We use a variety of financial and operational performance indicators such as ARR, Occupancy Rate, RevPAR, TRevPAR, average expense per room, average staff per room ratio, EBITDA and EBITDA margin to measure and analyze our operational performance. See "—*Principal Factors affecting our Financial Condition and Results of Operations—Our operational performance*" on page 523 for further details.

Our revenue from sales of services and products (including excise duty) comprises of revenues earned from the sales of rooms and apartments, the sales of food and beverage and revenue from Other Services.

Changes in our revenues from sales of services and products (including excise duty) are primarily due to changes in ARR, Occupancy Rates and/or available room inventories of our hotels.

Room and apartment

Room and apartment revenue includes revenue from the sales of rooms and apartments. Revenue from room and apartment were ₹3,279.32 million, ₹2,813.03 million and ₹2,584.96 million, which represented 43.46%, 42.31% and 41.68%, respectively, of our total income during those periods.

Food and beverage

Food and beverage revenue includes revenue from the sales of food, liquor, wine, banquets and equipment rentals, which is then split into revenues from F&B outlets and revenues from Banqueting Services.

The table below sets forth a breakdown of our food and beverage revenue, for the periods indicated.

Food and beverage	**Fiscal**					
	2018		**2017**		**2016**	
	Amount (₹ million)	*% of total income (%)*	*Amount (₹ million)*	*% of total income (%)*	*Amount (₹ million)*	*% of total income (%)*
F&B outlets	1,738.12	23.04	1,592.51	23.95	1,526.28	24.61
Banqueting Services	1,531.75	20.30	1,232.34	18.54	1,092.42	17.61
Total food and beverage revenue	**3,269.87**	**43.34**	**2,824.85**	**42.52**	**2,618.71**	**42.22**

Other services

Revenue from other services includes revenues from other services including telecommunication and internet services, laundry services, business center services, spa services, limousine services and service charge on rooms, F&B Services and certain other services. Revenue from other services represented 6.43%, 8.30% and 7.70%, respectively, of our total income during Fiscals 2018, 2017 and 2016.

Other operating revenues

Our other operating revenues comprises of membership program revenue, traded goods, rent and maintenance income, consultancy and management fees, aircraft charter operations, and training and education. Aircraft charter operations represent services rendered to customers who hire aircraft for travel. Training and education represents income and expenses arising out of training and education activities carried out by us. The table below sets forth financial information concerning our other operating revenues.

Other operating revenues	Fiscal					
	2018		2017		2016	
	Amount (₹ million)	*% of total income (%)*	*Amount (₹ million)*	*% of total income (%)*	*Amount (₹ million)*	*% of total income (%)*
Membership program revenue*	88.75	1.18	82.58	1.24	84.10	1.36
Traded goods	9.99	0.13	9.51	0.14	9.66	0.16
Rent and maintenance income	181.96	2.41	171.46	2.58	142.98	2.31
Consultancy and management fees**	8.26	0.11	16.49	0.26	18.70	0.29
Aircraft charter operations	48.92	0.65	61.49	0.92	44.73	0.72
Training and education	7.41	0.10	6.96	0.10	6.65	0.11
Total other operating revenues	**345.29**	**4.50**	**348.49**	**5.25**	**306.82**	**4.95**

** Membership revenue relates to the membership fee earned from our loyalty program and is recognized pro rata over the period of the membership term. Joining fee is recorded as income on sale of membership card.*
*** Consultancy/management fee relates primarily to the fees of GBP 15,000 per month earned by us from management consultancy services in relation to our hotel in London and is recognized on accrual basis when right to receive payment is established by the terms of the contract.*

Other income

Our other income primarily consists of income from interest earned on excess provisions and credit balances written back, net gain on disposal of PPE, exchange difference (net), amortization of deferred lease rentals and government grant income. Revenue from other income represented 2.19%, 1.66% and 3.45%, respectively, of our total income during Fiscals 2018, 2017 and 2016.

Expenses

Expenses primarily comprise of cost of food and beverages consumed, employee benefits expense and other expenses.

Cost of food and beverages consumed

Cost of food and beverages consumed consists of consumption of food and beverages (including liquor and wine) and represented 12.25%, 12.15% and 12.15%, respectively, of our total income during Fiscals 2018, 2017 and 2016. Our cost of food and beverages consumed, as a percentage of food and beverage revenues, was 28.04%, 28.21% and 28.38% during Fiscals 2018, 2017 and 2016, respectively.

Employee benefits expense

Employee benefits expense consists of salaries, wages and allowances, contribution to provident and other funds, gratuity expense, leave compensation expenses, staff welfare expenses and staff recruitment and training and represented 17.59%, 18.02% and 17.44%, respectively, of our total income during Fiscals 2018, 2017 and 2016.

Other expenses

Other expenses represented 40.45%, 40.40% and 41.75%, respectively, of our total income during Fiscals 2018, 2017 and 2016.

The key components of our other expenses include expenses incurred towards power and fuel, expenses related to consumption of stores, cutlery, crockery, linen, provisions and others, lease rent, expenses towards repair and maintenance of buildings and plant and machinery, traveling and conveyance expenses, banquet and decoration expenses, security and cleaning expenses, rates and taxes, advertisement and business promotion expenses, commissions to agents other than sole selling agent and payment of professional fees to advisers.

Other components of our other expenses include aircraft fuel, membership program expenses, repair and maintenance of aircraft and others, royalty and marketing fees, membership and subscriptions, legal charges, advances written off, freight and cartage, exchange differences, loss on sale or discard of property, plant and equipment, donations, bad debts written off, provision for doubtful advances and debts, directors fees and commission, bank charges, payment to auditors, newspaper expenses and miscellaneous expenses.

Fiscal 2018 Compared to Fiscal 2017

Income

Total income

Our total income increased by 13.49% to ₹7,545.25 million during Fiscal 2018 from ₹6,644.22 million during Fiscal 2017 primarily as a result of an increase in our revenue from our operations.

Revenue from operations

Our total revenue from operations increased by 12.88% to ₹7,379.85 million during Fiscal 2018 from ₹6,537.90 million during Fiscal 2017, which was due to an increase in our revenues from room and apartment by 16.58% to ₹3,279.32 million during Fiscal 2018 from ₹2,813.03 million during Fiscal 2017 and an increase in our revenue from food and beverages by 15.75% to ₹3,269.87 million during Fiscal 2018 from ₹2,824.85 million during Fiscal 2017.

The increase in our revenues from room and apartment was primarily a result of an increase in our Average Occupancy Rate to 62.00% during Fiscal 2018 from 55.00% during Fiscal 2017. This increase was primarily due to an increase in Occupancy Rates for our hotels in Delhi, Mumbai, Bengaluru, Goa, Chandigarh, Bekal, Khajuraho and Kolkata, which was partially offset by a decrease in Occupancy Rates for our hotel in Srinagar.

The increase in our revenue from food and beverages was primarily due to an increase in revenue generated from F&B outlets as well as Banqueting Services.

The table below sets forth a breakdown of our revenue from food and beverages, for the periods indicated.

Food and beverage revenue	**Fiscal 2018**		**Fiscal 2017**	
	Amount (₹ million)	*% of total income (%)*	*Amount (₹ million)*	*% of total income (%)*
F&B outlets	1,738.12	23.04	1,592.51	23.97
Banqueting Services	1,531.75	20.30	1,232.34	18.55
Total food and beverage revenue	**3,269.87**	**43.34**	**2,824.85**	**42.52**

Revenue from our Other Services decreased by 12.00% to ₹485.37 million during Fiscal 2018 from ₹551.53 million as our Company had discontinued the practice of levying a service charge on revenues from room and apartment during Fiscal 2018.

Other operating revenues

Our other operating revenues decreased by 0.91% to ₹345.29 million during Fiscal 2018 from ₹348.49 million during Fiscal 2017, primarily due to a decrease in revenues we earned from our aircraft charter operations, consultancy and management fees and training and education which was partially offset by an increase in membership program revenue, rent and maintenance income and traded goods.

The table below sets forth our other operating revenues for Fiscals 2018 and 2017.

Other operating revenues	Fiscal 2018		Fiscal 2017	
	Amount (₹ million)	*% of total income (%)*	*Amount (₹ million)*	*% of total income (%)*
Membership program revenue	88.75	1.18	82.58	1.24
Traded goods	9.99	0.13	9.51	0.14
Rent and maintenance income	181.96	2.41	171.46	2.58
Consultancy and management fees	8.26	0.11	16.49	0.25
Aircraft charter operations	48.92	0.65	61.49	0.93
Training and education	7.41	0.10	6.96	0.10
Total other operating revenues	**345.29**	**4.50**	**348.49**	**5.25**

Other income

Our income from sources beside our operations increased by 55.57% to ₹165.40 million during Fiscal 2018 from ₹106.32 million during Fiscal 2017, primarily due to an increase in the donations received by the LSECT and the write back of excess provisions.

Finance income

Our finance income increased by 4.80% to ₹64.18 million during Fiscal 2018 from ₹61.25 million during Fiscal 2017, primarily because of an increase in the interest on the deposits for our Bengaluru property as well as an unwinding of discount on security deposits.

Expenses

Total expenses

Our total expenses increased by 13.09% to ₹5,303.20 million during Fiscal 2018 from ₹4,689.28 million during Fiscal 2017, primarily as a result of an increase in the cost of food and beverages consumed, employee benefits expenses and our other expenses. This increase was commensurate with the growth in our business.

Cost of food and beverages consumed

The cost of food and beverages consumed increased by 15.07% to ₹916.95 million during Fiscal 2018 from ₹796.85 million during Fiscal 2017. This increase is consistent with an increase in our revenues from sale of food and beverages at our F&B outlets and as part of our Banqueting Services and the expansion in our Banqueting Services at our Bengaluru hotel. Our cost of food and beverages consumed, as a percentage of food and beverage revenues, was 28.07% and 28.40% during Fiscals 2018 and 2017, respectively.

Employee benefits expenses

Our employee benefits expenses increased by 10.82% to ₹1,327.13 million during Fiscal 2018 from ₹1,197.59 million during Fiscal 2017, primarily as a result of an increase in our employees, and consequently, the compensation paid to our employees. Our employees increased to 3,830 employees as at March 31, 2018 from 3,697 employees as at March 31, 2017 primarily due to the opening of our new hotel in Mangar and reflecting the expansion of our operations. During Fiscals 2018 and 2017, our average staff per room ratio for our hotels was 1.69 and 1.68, respectively.

The increase in our employee benefits expense was relatively lower as compared with an increase in our business, and as a result, our employee benefits expense, as a percentage of total income, decreased to 17.59% during Fiscal 2018 from 18.01% during Fiscal 2017.

Other expenses

Our expenses increased by 13.70% to ₹3,051.83 million during Fiscal 2018 from ₹2,684.12 million during Fiscal 2017 primarily due to:

(i) an increase in banquet and decoration expenses by 31.85% to ₹174.85 million during Fiscal 2018 from ₹132.61 million during Fiscal 2017 and an increase in consumption of stores, cutlery, crockery, linen, provisions and others by 11.48% to ₹261.68 million during Fiscal 2018 from ₹234.72 million during Fiscal 2017. This increase was primarily due to an increase in our revenues from room and apartment and the growth of our F&B outlets and Banqueting Services businesses and on account of replenishments;

(ii) an increase in lease rent by 25.13% to ₹224.04 million during Fiscal 2018 from ₹179.05 million during Fiscal 2017. This increase was primarily due to an increase in lease rent expense for our Bengaluru hotel as a result of a proportionate increase in our revenue;

(iii) an increase in the sub-contracting expenses by 19.51% to ₹243.34 million during Fiscal 2018 from ₹203.62 million during Fiscal 2017 as a result of an increase in security and cleaning expenses due to an increase in Occupancy Rates at our hotels in Mumbai, Bengaluru, Chandigarh, Bekal and Kolkata;

(iv) an increase in traveling and conveyance expenses by 19.48% to ₹192.10 million during Fiscal 2018 from ₹160.78 million during Fiscal 2017. This increase was primarily due to an increase in an increase in Occupancy Rates at our hotels in Mumbai, Bengaluru, Chandigarh, Bekal and Kolkata;

(v) an increase in repairs and maintenance expenses by 13.43% to ₹378.61 million during Fiscal 2018 from ₹333.79 million during Fiscal 2017 and an increase in power and fuel expenses by 11.40% to ₹822.37 million during Fiscal 2018 from ₹738.22 million during Fiscal 2017. This increase is consistent with the growth of our business during this period, due in part to an increase in the cost of electricity at certain locations and consistent with the growth in our revenue,

which were partially offset by a decrease in provision for doubtful debts by 50.10% to ₹11.01 million during Fiscal 2018 from ₹22.07 million during Fiscal 2017 and a decrease in membership and programme expenses by 20.20% to ₹4.82 million during Fiscal 2018 from ₹6.04 million during Fiscal 2017.

Earnings before interest, tax, depreciation and amortization

As a result of the foregoing, our EBITDA increased by 14.69% to ₹2,242.05 million during Fiscal 2018 from ₹1,954.94 million during Fiscal 2017, which as a percentage of total income, increased to 29.71% during Fiscal 2018 from 29.42% during Fiscal 2017. The increase is primarily due to an increase in revenues from room and apartment, F&B outlets and Banqueting Services as a result of an increase in our Average Occupancy Rate across a majority of our hotels.

Finance costs

Our finance costs decreased by 5.06% to ₹1,377.95 million during Fiscal 2018 from ₹1,451.38 million during Fiscal 2017 primarily as a result of a decrease in rates of interest charged on term loans from banks.

Depreciation and amortization expenses

Depreciation and amortization expenses decreased by 0.40% to ₹847.66 million during Fiscal 2018 from ₹851.07 million during Fiscal 2017 due to a marginal decrease in the assets that qualified for depreciation during this period.

Profit (loss) before tax

As a result of the foregoing, our profit before tax was ₹80.62 million during Fiscal 2018 compared to a loss before tax of ₹(286.26) million during Fiscal 2017.

Taxation

Our total tax expense decreased to ₹(758.21) million during Fiscal 2018 from ₹186.07 million during Fiscal 2017. The decrease in income tax expense was a result of an increase in deferred tax credit to ₹826.71 million during Fiscal 2018 from a deferred tax charge of ₹184.97 million during Fiscal 2017 since it had become probable, on a review, that future taxable profits will allow these DTAs recognized by our management during Fiscal 2018 to be recovered. We have recognized DTAs during Fiscal 2018 on accumulated deferred tax credits primarily due to the improved financial performance of our Subsidiaries during this period, which provided the required certainty to our management that these assets will be realized in future years.

Profit (loss) for the year

As a result of the foregoing, we recorded a profit for the year of ₹838.83 million during Fiscal 2018 compared to a loss of ₹(472.33) million during Fiscal 2017.

Fiscal 2017 Compared to Fiscal 2016

Income

Total income

Our total income increased by 7.11% to ₹6,644.22 million during Fiscal 2017 from ₹6,202.99 million during Fiscal 2016 primarily as a result of an increase in our revenue from our operations.

Revenue from operations

Our total revenue from operations increased by 9.18% to ₹6,537.90 million during Fiscal 2017 from ₹5,988.29 million during Fiscal 2016, which was due to an increase in our revenues from room and apartment by 8.82% to ₹2,813.03 million during Fiscal 2017 from ₹2,584.96 million during Fiscal 2016 and an increase in our revenue from food and beverages by 7.87% to ₹2,824.85 million during Fiscal 2017 from ₹2,618.71 million during Fiscal 2016.

The increase in our revenues from room and apartment was primarily a result of an increase in our Average Occupancy Rate to 55.00% during Fiscal 2017 from 51.00% during Fiscal 2016. This increase was primarily due to an increase in Occupancy Rates for our hotels in Delhi, Mumbai, Goa, Chandigarh and Kolkata, which was partially offset by a decrease in Occupancy Rates for our hotels in Srinagar and Khajuraho.

The increase in our revenue from food and beverages was primarily due to an increase in revenue generated from Banqueting Services and partly due to revenue from our F&B outlets.

The table below sets forth a breakdown of our revenue from food and beverages, for the periods indicated.

Food and beverage revenue	**Fiscal 2017**		**Fiscal 2016**	
	Amount (₹ million)	*% of total income (%)*	*Amount (₹ million)*	*% of total income (%)*
F&B outlets	1,592.51	23.97	1,526.28	24.61
Banqueting Services	1,232.34	18.55	1,092.42	17.61
Total food and beverage revenue	**2,824.85**	**42.52**	**2,618.71**	**42.22**

Revenue from our Other Services increased by 15.43% to ₹551.53 million during Fiscal 2017 from ₹477.80 million during Fiscal 2016 consistent with the growth in our business during this period.

Other operating revenues

Our other operating revenues increased by 13.58% to ₹348.49 million during Fiscal 2017 from ₹306.82 million during Fiscal 2016, primarily due to an increase in rent and maintenance income and revenues we earned from our aircraft charter operations, which was partially offset by a decrease in revenues we earned from consultancy and management fees during this period.

The table below sets forth our other operating revenues for Fiscals 2017 and 2016.

Other operating revenues	**Fiscal 2017**		**Fiscal 2016**	
	Amount (₹ million)	*% of total income (%)*	*Amount (₹ million)*	*% of total income (%)*
Membership program revenue	82.58	1.24	84.10	1.36
Traded goods	9.51	0.14	9.66	0.16
Rent and maintenance income	171.46	2.58	142.98	2.31
Consultancy and management fees	16.49	0.25	18.70	0.30
Aircraft charter operations	61.49	0.93	44.73	0.72
Training and education	6.96	0.10	6.65	0.11
Total other operating revenues	**348.49**	**5.25**	**306.82**	**4.95**

Other income

Our income from sources beside our operations decreased by 50.48% to ₹106.32 million during Fiscal 2017 from ₹214.70 million during Fiscal 2016, primarily as a result of profit we derived from the sale of land and structure in Pune of ₹125.38 million and foreign currency exchange gains amounting of ₹3.82 million during Fiscal 2016.

Finance income

Our finance income increased by 7.05% to ₹61.25 million during Fiscal 2017 from ₹57.21 million during Fiscal 2016, primarily as a result of an increase of ₹1.90 million in interest payments in relation to a loan we provided to a joint venture of a subsidiary company.

Expenses

Total expenses

Our total expenses increased by 5.97% to ₹4,689.28 million during Fiscal 2017 from ₹4,425.03 million during Fiscal 2016, primarily as a result of an increase in the cost of food and beverages consumed and employee benefits expenses.

Cost of food and beverages consumed

The cost of food and beverages consumed increased by 7.20% to ₹796.85 million during Fiscal 2017 from ₹743.32 million during Fiscal 2016. This increase is consistent with an increase in our revenues from sale of food and beverages. Our cost of food and beverages consumed, as a percentage of food and beverage revenues, was 28.21% and 28.38% during Fiscals 2017 and 2016, respectively.

Employee benefits expenses

Our employee benefits expenses increased by 10.71% to ₹1,197.59 million during Fiscal 2017 from ₹1,081.73 million during Fiscal 2016, primarily as a result of an annual increment in compensation paid to our employees. Our employees increased to 3,697 employees as at March 31, 2017 from 3,672 employees as at March 31, 2016 reflecting the expansion of our operations. During Fiscals 2017 and 2016, our average staff per room ratio for our hotels was 1.68 and 1.66, respectively.

The increase in our employee benefits expense was proportionate to an increase in our business, and as a result, our employee benefits expense, as a percentage of total income, increased to 18.01% during Fiscal 2017 from 17.44% during Fiscal 2016.

Other expenses

Our expenses increased by 3.64% to ₹2,684.12 million during Fiscal 2017 from ₹2,589.90 million during Fiscal 2016 primarily due to:

(i) an increase in consumption of stores, cutlery, crockery, linen, provisions and others by 18.32% to ₹234.72 million during Fiscal 2017 from ₹198.38 million during Fiscal 2016. This increase was primarily due to an increase in our revenues from room and apartment and the growth of our F&B outlets and Banqueting Services businesses and on account of replenishments;

(ii) an increase in power and fuel expenses by 4.28% to ₹738.22 million during Fiscal 2017 from ₹707.94 million during Fiscal 2016. This increase is consistent with the growth of our business and an increase in the cost of electricity at certain locations;

(iii) an increase in sub-contracting expenses by 8.92% to ₹203.62 million during Fiscal 2017 from ₹186.94 million during Fiscal 2016. This increase is consistent with the growth of our business and an increase in the minimum wages at certain locations;

(iv) an increase in provision for doubtful debts by 205.68% to ₹22.07 million during Fiscal 2017 from ₹7.22 million during Fiscal 2016 primarily due to provision against old debt for our aircraft charter operations; and

(v) an increase in provision for doubtful advances to ₹16.67 million during Fiscal 2017 from ₹0.00 million during Fiscal 2016 primarily against advances given to a supplier,

which were partially offset by:

(i) a decrease in membership program expenses by 83.95% to ₹6.04 million during Fiscal 2017 from ₹37.63 million during Fiscal 2016 primarily because management of this program was outsourced until Fiscal 2016 and from Fiscal 2017 the operations of the membership program were managed internally by us; and

(ii) a decrease in foreign exchange expense by 100.00% to ₹0.00 million during Fiscal 2017 from ₹21.09 million during Fiscal 2016, primarily as a result of the closing exchange rate of the Indian Rupee appreciating against the U.S. dollar to ₹64.84 to US$1.00 as at March 31, 2017 from ₹66.33 to US$1.00 as at March 31, 2016. This appreciation of the Indian Rupee resulted in unrealized and realized foreign exchange gains of ₹4.88 million (classified under other income) during Fiscal 2017 as compared to unrealized and realized foreign exchange loss of ₹21.09 million during Fiscal 2016 on our U.S. dollar denominated debt.

Earnings before interest, tax, depreciation and amortization

As a result of the foregoing, our EBITDA increased by 9.95% to ₹1,954.94 million during Fiscal 2017 from ₹1,777.96 million during Fiscal 2016, which as a percentage of total income, increased to 29.42% during Fiscal 2017 from 28.66% during Fiscal 2016.

Finance costs

Our finance costs decreased by 3.04% to ₹1,451.38 million during Fiscal 2017 from ₹1,496.85 million during Fiscal 2016 primarily as a result of a decrease in rates of interest charged on term loans from banks, which were partially offset by an increase in borrowings to ₹14,096.76 million as at March 31, 2017 from ₹13,022.42 million as at March 31, 2016.

Depreciation and amortization expenses

Depreciation and amortization expenses decreased by 4.38% to ₹851.07 million during Fiscal 2017 from ₹890.02 million during Fiscal 2016 due to a marginal decrease in the assets that qualified for depreciation during this period.

Profit (loss) before tax

As a result of the foregoing, our loss before tax decreased to ₹(286.26) million during Fiscal 2017 from ₹(551.70) million during Fiscal 2016.

Taxation

Our total tax expense increased by 93.02% to ₹186.07 million during Fiscal 2017 from ₹96.40 million during Fiscal 2016. The increase in income tax expense during Fiscal 2017 was a result of higher taxable profits generated by our Company during Fiscal 2017. While we do not generate profits on a consolidated basis, however, our Company and certain subsidiaries generated profits and higher taxable profits during Fiscal 2017 compared to Fiscal 2016, resulting in higher tax expense during this period.

Profit (loss) for the year

As a result of the foregoing, our loss for the year decreased to ₹(472.33) million during Fiscal 2017 from ₹(648.10) million during Fiscal 2016.

Financial Condition, Liquidity and Capital Resources

We broadly define liquidity as our ability to generate sufficient funds mainly from internal sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and loans and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.

We have been historically financing our capital requirements primarily through funds generated from our operations, financing from banks and other financial institutions in the form of term loans and securitization of receivables. Our primary capital requirements have been towards the purchase of land and development of our properties in addition to maintenance and renovation of our hotel properties and other related equipment. We believe that we will have sufficient resources from our operations and net proceeds of this Issue in order to meet our capital requirements for at least the next 12 months. In the event we enter into strategic investments or acquisitions, we may need to obtain financing from banks, financial institutions and other lenders.

Cash flows

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

Particulars	Fiscals		
	2018 *(₹ million)*	**2017** *(₹ million)*	**2016** *(₹ million)*
Net cash generated from / used in operating activities	2,182.93	2,006.05	1,532.95
Net cash generated from / used in investing activities	(1,064.09)	(718.68)	(244.44)
Net cash generated from / used in financing activities	(1,497.84)	(800.19)	(1,790.25)
Net increase / (decrease) in cash and cash equivalents	**(379.00)**	**487.18**	**(501.74)**
Cash and cash equivalents at the beginning of the period	587.88	100.70	602.44
Cash and cash equivalents at the end of the period	**208.88**	**587.88**	**100.70**

Cash flows from operating activities

Fiscal 2018

Net cash flow from operating activities during Fiscal 2018 was ₹2,182.93 million, while profit before tax was ₹80.62 million. The difference was attributable to interest expense of ₹1,374.09 million, depreciation and amortization expenses of ₹847.66 million, provision for doubtful debts of ₹11.01 million, provision for doubtful advances of ₹3.81 million, bad debts written off of ₹1.97 million and loss on sale of property, plant and equipment (net) of ₹0.89 million. These were partially offset by interest income of ₹60.69 million, excess provision/credit balances written back of ₹46.72 million, government grant income of ₹15.90 million, unrealized foreign exchange gain of ₹5.32 million, amortization of deferred lease rent of ₹3.72 million and unwinding of discount on security deposits ₹3.49 million. Further there were also working capital adjustments for increase in trade payable of ₹301.06 million, increase in other financial liabilities, other liabilities and provisions of ₹25.40 million and decrease in inventories of ₹9.03 million. These were offset by an increase in trade receivables of ₹163.92 million and a decrease in loans, other financial and other assets of ₹13.59 million resulting in cash generated from operations of ₹2,352.83 million. There was also income tax paid (net of refunds) of ₹169.90 million.

Fiscal 2017

Net cash flow from operating activities during Fiscal 2017 was ₹2,006.05 million, while loss before tax was ₹286.26 million. The difference was attributable to interest expense of ₹1,451.38 million, depreciation and amortization expenses of ₹851.07 million, provision for doubtful advances of ₹22.07 million, provision for doubtful debts of ₹16.67 million, amortization of deferred lease rent of ₹7.73 million, net loss on sale of PPE of ₹1.88 million, advances written off of ₹1.02 million and bad debts written off of ₹0.05 million. These were partially offset by interest income of ₹53.89 million, excess provision/credit balances written back of ₹42.52 million, unrealized foreign exchange gain of ₹23.04 million, government grant income of ₹17.01 million and unwinding of discount on security deposits ₹2.48 million. Further there were also working capital adjustments for increase in trade payable of ₹178.05 million, decrease in loans, other financial and other assets of ₹75.50 million, an increase in other financial liabilities, other liabilities and provisions of ₹19.15 million and a decrease in inventories of ₹4.62 million. These were offset by an increase in trade receivable of ₹73.29 million. This resulted in cash generated from operations of ₹2,130.73 million. There was also income tax paid (net of refunds) of ₹124.68 million.

Fiscal 2016

Net cash flow from operating activities during Fiscal 2016 was ₹1,532.95 million, while loss before tax was ₹551.70 million. The difference was attributable to interest expense of ₹1,475.76 million, depreciation and amortization expenses of ₹890.02 million, amortization of deferred lease rent of ₹9.18 million, provision for doubtful advances of ₹7.22 million and bad debts written off of ₹0.94 million. These were partially offset by net profit on sale of PPE of ₹119.12 million, interest income of ₹55.00 million, excess provision/credit balances written back of ₹26.29 million, government grant income of ₹17.01 million, unrealized foreign exchange gain of ₹13.68 million and unwinding of discount on security deposits of ₹2.21 million. Further there were also working capital adjustments for increase in other financial liabilities, other liabilities and provisions of ₹139.28 million and decrease in loans, other financial and other assets of ₹3.98 million. These were offset by increase in trade receivables of ₹50.85 million, increase in inventories of ₹23.88 million and decrease in trade payable of ₹9.00 million. There was also income tax paid (net of refunds) ₹124.69 million.

Cash flows from investing activities

Fiscal 2018

Net cash flow used in investing activities during Fiscal 2018 was ₹1,064.09 million, which reflected the purchase of PPE of ₹1,153.34 million. These were partially offset by interest received of ₹60.57 million, proceeds from bank deposits of ₹27.26 million and proceeds from sale of PPE of ₹2.42 million.

Fiscal 2017

Net cash flow used in investing activities during Fiscal 2017 was ₹718.68 million, which reflected the purchase of PPE of ₹657.71 million and investment in bank deposits of ₹130.78 million. These were partially offset by interest received and finance lease income of ₹58.23 million and proceeds from sale of PPE of ₹11.58 million.

Fiscal 2016

Net cash used in investing activities during Fiscal 2016 was ₹244.44 million, which reflected the purchase of PPE of ₹858.76 million. This was partially offset by proceeds from sale of PPE of ₹572.78 million, interest received and finance lease income of ₹38.38 million and proceeds from bank deposits of ₹3.16 million.

Cash flows from financing activities

Fiscal 2018

Net cash used in financing activities during Fiscal 2018 was ₹1,497.84 million, which reflected repayment of long-term borrowings ₹735.49 million, interest paid of ₹1,316.31 million, proceeds from short-term borrowings of ₹560.64 million, dividend paid of ₹75.99 million and deferred payment liabilities of ₹4.80 million and tax on dividend paid of ₹15.47. These were offset by proceeds from long-term borrowings of ₹1,210.86 million.

Fiscal 2017

Net cash used in financing activities during Fiscal 2017 was ₹800.19 million, which reflected repayment of long-term borrowings ₹3,261.50 million, interest paid of ₹1,579.53 million, dividend paid of ₹56.99 million and tax on dividend paid of ₹11.60 million. These were offset by proceeds from long-term borrowings of ₹4,081.74 million, net proceeds (after repayment) from short-term borrowings of ₹21.52 million and deferred payment liabilities of ₹6.17 million.

Fiscal 2016

Net cash used in financing activities during Fiscal 2016 was ₹1,790.25 million, which reflected repayment of long-term borrowings of ₹4,441.40 million, interest paid of ₹1,541.49 million, dividend paid of ₹38.00 million and tax on dividends paid of ₹7.74 million. These amounts were offset by proceeds from long-term borrowings of ₹3,583.59 million, net proceeds (after repayment) from short-term borrowings of ₹648.42 million and deferred payment liabilities of ₹6.37 million.

Financial Indebtedness

As at March 31, 2018, our outstanding borrowings aggregated to ₹14,120.78 million, including secured loans of ₹13,324.12 million (including foreign currency loans of ₹1,052.91 million), unsecured loans of ₹646.18 million (including foreign currency loans of ₹494.34 million) and finance lease obligations of ₹150.48 million. As at that date, the current maturities of our long-term loans were ₹469.28 million. Our term loans and foreign currency loans from banks and financial institutions are secured by charges and mortgages over our assets.

The table below sets forth a summary of our aggregate outstanding borrowings on a consolidated basis as at March 31, 2018.

Category of borrowing	**Outstanding amount as at March 31, 2018** ***(₹ million)***
Secured	
- Long-term	12,152.55
- Short-term (including current maturities of long term borrowings)	1,171.57
Unsecured (including short-term and long-term)	**646.18**
Finance Lease Obligations in respect of our Chandigarh hotel	150.48
Total	**14,120.78**

See "*Financial Indebtedness*" on page 517 for a description of the material terms of our indebtedness. Also see the note 19 to our Restated Consolidated Financial Information with respect to Fiscal 2018 included in "*Financial Statements*" on page 261.

Also see "*Risk Factors—We have a significant amount of debt, which exposes us to liquidity, refinancing and interest rate risks. Our indebtedness may impair our ability to obtain financing and subject us to the risk of fluctuating interest rates, and our cash flows may be insufficient to meet required payments.*" and "*Risk Factors—Restrictive covenants under our financing agreements may limit our strategic decisions and operations. We have breached certain of these restrictive covenants in the past.*" on pages 22 and 22, respectively.

Credit Ratings

Set forth below is certain information with respect to our credit ratings in respect of our outstanding indebtedness.

Rating Agency	Credit Rating	Period in respect of which rating was provided	Instrument and Limit/Rating Amount	Rationale
CARE	"CARE BBB-"	During the nine month period ended December 31, 2017 and Fiscal 2017.	Long-term bank debt facilities aggregating to ₹10,940.40 million.	"CARE BBB-" indicates moderate degree of safety regarding timely servicing of financial obligations.
CARE	"CARE A3"	During the nine month period ended December 31, 2017 and Fiscal 2017.	Short-term bank debt facilities aggregating to ₹550.00 million.	"CARE A3" indicates moderate degree of safety regarding timely payment of financial obligations.

Contractual Obligations and Commercial Commitments

As at March 31, 2018, our estimated amount of contracts remaining to be executed on capital account and not provided for was ₹786.99 million, which are likely to impact our liquidity and cash flows for less than a year.

The table below sets forth a summary of the maturity profile of our contractual obligations as at March 31, 2018.

Description of contract	Payments due by period				
	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
	(₹ million)	(₹ million)	(₹ million)	(₹ million)	(₹ million)
Trade payables	**862.55**	862.55	-	-	-
Security deposit received	**513.03**	21.68	0.21	1.79	489.35
Finance lease obligation in respect of our hotel at Chandigarh	**1,685.39**	18.75	18.75	56.25	1,591.64
Other financial liabilities*	**351.04**	351.04	-	-	-
Borrowings	**22,558.48**	3,100.69	2,126.59	6,944.51	10,386.69

* *Other current financial liabilities include:*

- *payables on purchase of fixed assets;*
- *unpaid dividend;*
- *employee related liabilities;*
- *retention payable;*
- *outstanding dues of creditors;*
- *lease rent payable; and*
- *other payables.*

Contingent Liabilities

As at March 31, 2018, our contingent liabilities, as indicated in our Restated Consolidated Financial Information, were as follows:

Particulars	Amount disputed/ involved (₹ million)
Income tax matters	
- Our Company	
Assessment Years 1988-89 to 2009-10, which include certain disallowances of expenses claimed by the Company and certain other additions made by the assessing officers in respective years	86.37
Assessment Year 2010-2011	180.00
Assessment Years 2011-12 to 2014-15	17.89
Assessment Year 2015-16	12.06
- Jyoti Limited	
Assessment Years 2005-06 to 2014-15, which include certain disallowances of expenses claimed by the Company and certain other additions made by the assessing officers in respective years	191.87
Other matters	
- Our Company	
Interest on delayed payments of lease management fees for one of the properties obtained on lease	5.23
Cumulative interest demand by the NDMC towards alleged delays in payments of the initial license fees	118.45
Demand by customs authorities against import of aircraft	96.80
Demand of service tax amounts	35.68
Show-cause notice towards stamp duty upon transfer of the Laxmi Palace Vilas Hotel, the erstwhile unit of Indian Tourism Development Corporation. The Company has filed a writ petition with the Hon'ble High Court of Jodhpur	90.92
Demand of urban development tax by the Municipal Council of Udaipur for the period between Fiscals 2008 and 2017	19.05
Enhanced eligibility limits for payment of bonus to employees with effect from Fiscal 2015	19.52
Claim received from a contractor not accepted by the Company	170.00
Other Claims not acknowledged debts	18.84
Notice from the Brahut Bangalore Mahangara Palike for its property situated at Kumara Krupa Road, Bengaluru for additional property tax along with 2.00% interest charges	99.45
- AZIL	
Demand of service tax and VAT	3.44
Duty payable if export commitment not met	84.60
- Kujjal Builders	
Duty payable if export commitment not met	67.89
Demand notice on account of delay in commencement of operations from Estate Office	142.50
Other claims by customers not acknowledged debts	5.00
Demand notice for recovery of property tax pertaining to period from 2005-06 to 2017-18 from the Chandigarh Municipal Corporation	5.91
Demand notice from music copy license company towards annual license fee for music provided to the hotel	0.76
Guarantees	
- Kujjal Builders	
Customs department for export obligation	86.22
Service Tax Department	0.05
Total	**1,558.50**

Our pending litigations above pertain to proceedings pending with various judicial and regulatory authorities. We have reviewed all our pending litigations and proceedings and have adequately made provisions where required, as well as disclosed our contingent liabilities, where applicable, in our financial statements. For further details, see note 53 of our Restated Consolidated Financial Information in "*Financial Statements*" and "*Outstanding Litigation and Material Developments*" beginning on pages 261 and 559, respectively.

Capital Expenditure

During Fiscal 2018, we incurred a capital expenditure of ₹1,154.34 million, primarily towards our proposed hotel at Ahmedabad and development of LSECT. During Fiscal 2017, we incurred a capital expenditure of ₹657.71 million, primarily towards capitalization of our new hotel at Mangar. During Fiscal 2016, we incurred a capital expenditure of ₹858.76 million, primarily towards opening of our night club Kitty Su at our Mumbai hotel, the opening of a new banquet facility at our Bengaluru hotel and our new hotel at Mangar.

During Fiscals 2019 and 2020, we expect to incur planned capital expenditure towards the construction of new hotels under *The LaLiT* and *The LaLiT Traveller* brands in Ahmedabad, Mangalore, Dehradun, Pune, Amritsar, Udaipur and Chitrakoot.

Investments

Our total investments were ₹0.36 million as at March 31, 2018 in equity instruments issued by Green Infra Wind Power Generation Limited.

Deposits

As at March 31, 2018, we had security deposits, including at our Bengaluru hotel, of ₹73.98 million and margin money deposits, which comprised of deposits with banks for term loans, of ₹186.27 million.

Off-balance Sheet Arrangements

Except as disclosed above or in our Restated Financial Information included in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors. We do not enter into derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties, including our Promoters and Group Companies. These transactions typically related to, among others, borrowing from, and the provision of loans and advances to, certain Directors and key management personnel and the sale and purchase of goods and services and certain other real property transactions with enterprises owned or significantly influenced by key management personnel or their relatives.

As at March 31, 2018, we had made payments to related parties aggregating ₹360.67 million and received payments from related parties aggregating ₹288.03 million. For further information relating to our related party transactions, see "*Related Party Transactions*" and "*Financial Statements*" on pages 259 and 261, respectively.

Also see "*Risk Factors—We have entered into, and will continue to enter into, related party transactions.*" on page 35.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodities risk. We are exposed to commodity risk, interest rate risk and credit risk in the normal course of our business.

Risk management procedures

The objective of market risk management is to avoid excessive exposure of our income and equity to loss. We generally manage our market risk through effective procurement processes.

Interest rate risk

We are exposed to market risk with respect to changes in interest rates related to our borrowings. As at March 31, 2018, a significant portion of our borrowings bear interest at variable rates where the interest payments are tied to certain benchmark rates set by RBI. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which adversely affects our results of operations.

Also see "*Risk Factors—We have a significant amount of debt, which exposes us to liquidity, refinancing and interest rate risks. Our indebtedness may impair our ability to obtain financing and subject us to the risk of fluctuating interest rates, and our cash flows may be insufficient to meet required payments.*" and "*Financial Indebtedness*" on pages 22 and 517, respectively.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract. We are exposed to credit risk from our operating activities from trade receivables from our corporate customers. We typically have credit terms typically ranging from 30 to 60 days with our corporate customers.

As at March 31, 2018, 2017 and 2016, our trade receivables were ₹643.86 million, ₹492.61 million and ₹436.02 million, respectively.

Inflation risk

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in our employee benefit payments or other expenses as a result of increase in inflation in India, which we are unable to pass on to our customers, whether entirely or in part, may adversely affect our business and financial condition.

Commodity risk

We are exposed to market risk with respect to the prices of materials used in construction of our hotels and resorts. These commodities primarily are steel and cement. The costs of these materials are subject to fluctuation based on commodity prices. The cost of materials sourced from outside manufacturers may also fluctuate based on their availability from suppliers. In the normal course of business, we purchase these materials either on a purchase order basis or pursuant to supply agreements. We currently do not have any hedging mechanism in place in respect of any of the materials we purchase.

Foreign currency exchange rate risk

During Fiscals 2018, 2017 and 2016, we earned 21.19%, 17.06% and 16.85% of our total revenue in foreign currency. Thus, changes in currency exchange rates could materially influence our results of operations. We report our financial results in Indian rupees, while portions of our total income and expenses may be denominated, generated or incurred in various foreign currencies (including but not limited to the U.S. dollar, the GBP and the Euro). To the extent that our income and expenditures are not denominated in Indian rupees, exchange rate fluctuations could affect the amount of income and expenditure we record. In accordance with an exemption allowed under Ind AS 101, we capitalize any exchange differences arising on long-term foreign currency monetary items. This hedges, in part, any impact on our profit before tax.

In addition, we have certain foreign currency denominated borrowings, comprising external commercial borrowing and foreign currency loans availed in U.S. dollar, and as such, we are exposed to fluctuations in exchange rates between Indian Rupees and the U.S. dollar. As at March 31, 2018, the total value of such foreign currency denominated borrowings was ₹1,547.25 million.

Also see "*Risk Factors—We are susceptible to currency exchange rate fluctuations.*" on page 40.

Other Qualitative Factors

Known trends or uncertainties

The hospitality industry is cyclical and generally follows, on a lagged basis, the general economy. There is a history of increases and decreases in demand for hotel rooms, in occupancy levels and in room rates realized by owners of hotels through economic cycles. Variability of results through some of the cycles in the past has been more severe due to changes in the supply of hotel rooms in given markets or in given categories of hotels. The combination of changes in economic conditions and in the supply of hotel rooms can result in significant volatility in results for owners and managers of hotel properties. The costs of running a hotel tend to be more fixed than variable. Because of this, in an environment of increasing or declining revenues, the rate of increase or decline in profit margins will be higher than the rate of increase or decline in revenues.

In addition, our business has been affected in the past, and we expect that it will continue to be affected, by the trends identified above in "—*Principal Factors affecting our Financial Condition and Results of Operations*" and the uncertainties described in "*Risk Factors*" on pages 521 and 20, respectively.

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our results of operations.

Future relationship between costs and income

Other than as described in "*Risk Factors*" and "*—Principal Factors affecting our Financial Condition and Results of Operations*" beginning on pages 20 and 521, respectively, to our knowledge there are no future relationship between costs and income that have or had or are expected to materially and adversely affect our financial condition and results of operations.

New services or business segment

Except as disclosed in "*Our Business*" on page 172, we do not have any new services or business segments.

Competitive conditions

We expect competition in hospitality sector from existing and potential competitors to intensify. For further details, please refer to the discussion of our competitive conditions in "*Risk Factors*" beginning on page 20.

Seasonality and cyclicality of business

The hospitality industry is seasonal in nature. The periods during which our properties experience higher revenues vary from property to property, depending principally upon location and the customer base served. Our revenues are generally higher during the second half of each Fiscal as compared to first half of the Fiscal. However, business travel is generally more consistent throughout the year, and we will continue to aim to attract business travelers. This seasonality can be expected to cause quarterly fluctuations in revenue, profit margins and net earnings. Further, the timing of opening of newly constructed or franchised hotels and the timing of any hotel acquisitions or dispositions may cause a variation of revenue and earnings from quarter to quarter. Furthermore, our revenue from weddings and banquets may be affected as a result of the periods which are considered auspicious Hindu marriage dates.

The hospitality industry is cyclical and demand generally follows, on a lagged basis, key macroeconomic indicators. There is a history of increases and decreases in demand for hotel rooms, in occupancy levels and in room rates realized by owners of hotels through economic cycles. The combination of changes in economic conditions and in the supply of hotel rooms can result in significant volatility in results for owners and managers of hotel properties. The costs of running a hotel tend to be more fixed than variable. This leads to high operating leverage in the hotel business. In an environment of changing revenues the rate of change in profit margins may be higher than the rate of change in revenues.

Recent Accounting Pronouncements

Other than as described in this section and "*Risk Factors*" beginning on pages 520 and 20, respectively, as at the date of this Draft Red Herring Prospectus, there were no recent accounting pronouncements which could materially affect our financial condition or results of operations.

Significant developments after March 31, 2018 that may affect our future results of operations

To our knowledge and belief, no circumstances other than those disclosed in this Draft Red Herring Prospectus have arisen since the date of the last financial statements included in the Draft Red Herring Prospectus which materially affect, or are likely to affect, the trading and profitability of the Company or the value of our assets or our ability to pay material liabilities within the next 12 months. In particular, please see *"Risk Factors—The license and rental payments for the land on which The LaLiT New Delhi is situated is subject to ongoing disputes with the New Delhi Municipal Council. Further we have recently received a show-cause notice from the New Delhi Municipal Council in relation to certain construction at the LaliT New Delhi." on page* 25.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no (i) outstanding criminal proceedings, (ii) outstanding actions taken by statutory or regulatory authorities, (iii) outstanding direct and indirect tax claims and (iv) material litigation, in each case, involving our Company, our Promoters, our Group Companies, our Directors, our Subsidiaries, LSECT and our Joint Venture.

Our Board has considered and adopted the following policy on materiality in respect of outstanding litigation to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to resolutions of our Board dated June 22, 2018:

a. All outstanding (i) criminal proceedings; (ii) direct and indirect tax proceedings; and (iii) actions by statutory/regulatory authorities, involving our Company or our Directors, Promoters, Group Companies, Subsidiaries, LSECT and Joint Venture shall be deemed to be material;

b. Notices received by our Company or our Directors, Promoters, Group Companies, Subsidiaries, LSECT and Joint Venture from third parties shall not be evaluated for materiality until our Company and/or our Directors, Promoters, Group Companies, Subsidiaries, LSECT and Joint Venture are impleaded as defendants in proceedings before any judicial forum; however, (i) pending notices issued by statutory/regulatory authorities, (ii) pending notices by tax authorities, and (iii) pending notices threatening criminal action, received by our Company or our Directors, Promoters, Group Companies, Subsidiaries, LSECT and Joint Venture, shall be considered material;

c. Civil litigation involving our Company or our corporate Promoter, Deeksha Holding Limited, our Group Companies, our Subsidiaries, LSECT and our Joint Venture before any judicial forum having a monetary impact exceeding the lower of ₹ 50.00 million or 1.00% of the restated consolidated total income of our Company for the financial year ended March 31, 2018, shall be considered material; and

d. Civil litigation involving our individual Promoters, Dr. Jyotsna Suri and Mr. Ramesh Suri, and our Directors before any judicial forum having a monetary impact exceeding ₹ 10.00 million, shall be considered material.

However, in relation to civil litigation where the monetary liability is not quantifiable, such civil litigation shall be considered material in the event that the outcome of such litigation would have a material adverse effect on the position of our Company.

Further, pursuant to resolutions of our Board dated June 22, 2018, our Board has considered and adopted a policy on materiality for the purpose of disclosure of material creditors in this Draft Red Herring Prospectus according to which all small scale undertakings and other creditors to our Company to whom the amount due by our Company exceeds ₹ 43.25 million, i.e. 5% of the total trade payables of our Company as at March 31, 2018, on a consolidated basis in accordance with the Restated Consolidated Financial Information disclosed in this Draft Red Herring Prospectus, shall be considered material.

I. *Litigation involving our Company*

Outstanding criminal proceedings against our Company

1. The Central Bureau of Investigation (the "**CBI**") registered a first information report ("**FIR**") on August 13, 2014 against certain persons, including our Company, through its authorized signatory, and the former Secretary of the Department of Disinvestment, Ministry of Finance, Government of India (the "**Secretary DoD**"), in relation to the sale of The LaLiT Laxmi Vilas Palace Udaipur by the Government of India to our Company. It has been alleged that our Company entered into a criminal conspiracy with the Secretary DoD and certain financial advisors to enable our Company to buy The LaLiT Laxmi Vilas Palace Udaipur at a nominal price of ₹ 75.20 million causing a wrongful loss of approximately ₹ 1.43 billion to the Government of India. The CBI stated that our Company, the Secretary DoD and the financial advisors had committed the offence of

cheating under Sections 120B and 420 of the Indian Penal Code, 1860 (the "**IPC**") and abuse of official position and criminal misconduct under Section 13 of the Prevention of Corruption Act, 1988. Pursuant to the FIR, the CBI directed our Company to provide relevant information in relation to the acquisition and also directed certain officials and former officials of our Company to appear before the CBI for examination. Our Company responded to the CBI and provided the relevant information and documents and arranged for the appearance of its officials before the CBI. Our Company has not received any further communication from the CBI in this regard since our Company's last response on May 6, 2015.

2. Novex Communications Private Limited ("**Novex**") filed a criminal complaint on February 11, 2014 in the Court of the Metropolitan Magistrate, Andheri, Mumbai under Section 200 of the Code of Criminal Procedure, 1973 (the "**CrPC**"), Sections 63 and 69 of the Copyright Act, 1957 and Sections 418 and 120B of the IPC, against our Company and certain of our Directors (including certain former directors), Mr. Lalit Bhasin, Mr. Ramesh Suri, Mr. Abhaykumar Navalmal Firodia, Mr. Hanuwant Singh, Mr. Chakor Lalchand Doshi, Mr. Dharam Vir Batra and Mr. Vinod Kishanchand Khanna, Mr. Hemant Khattar, one of our Key Management Personnel and Mr. Sudhendu M. Pandit, the then General Manager of The LaLiT Mumbai (collectively, the "**Company Representatives**") alleging copyright infringement by our Company for playing music on December 31, 2013 at a new year's eve party at The LaLiT Mumbai without obtaining the required public performance license from Novex. The Additional Chief Metropolitan Magistrate, in its order dated October 7, 2014 issued process against the Company Representatives for breach of the provisions of the Copyright Act, 1957. The matter is currently pending.

3. Mr. Sandeep Gaikwad, a field officer of Novex filed an application under Section 156(3) of the CrPC before the Additional Chief Metropolitan Magistrate, Mumbai against our Company and Mr. Amit Samson, the then General Manager of The LaLiT Mumbai in relation to copyright infringement by The LaLiT Mumbai by playing songs without obtaining prior permission from Novex, the copyright owner of such songs. The Additional Chief Metropolitan Magistrate, in its order dated March 22, 2016, directed that the complaint by Mr. Gaikwad be sent for investigation in accordance with Section 156(3) of the CrPC and accordingly, an FIR be registered and pursuant to investigations, a report be submitted. Mr. Gaikwad registered an FIR on April 19, 2016 at the Sahar Police Station, Mumbai against our Company and Mr. Samson. The investigation is currently pending.

4. Mr. Nithin. T., a former activity supervisor at The LaLiT Resort & Spa Bekal (Kerala) (the "**Complainant**") registered an FIR on December 24, 2015 at the Bekal Police Station, Kasaragod under Sections 341 and 323, read with Section 34 of the IPC against three security personnel of The LaLiT Resort and Spa Bekal alleging that the Complainant and his colleague, Mr. Hareeswaram, had been manhandled by the security staff of The LaLiT Resort & Spa Bekal (Kerala) on December 22, 2015 when the Complainant refused to sign a letter for his transfer to Delhi. Our Company denied the allegations pursuant to its letter dated December 24, 2015 to the Station House Officer, Bekal Police Station. Subsequently, a charge sheet was submitted to the Judicial First Class Magistrate Court II, Hosdurg, Kasargod, Kerala on February 27, 2016. The matter is currently pending.

5. The Enforcement Officer of the Jammu and Kashmir Lakes and Waterways Development Authority (the "**LWDA**") filed a complaint on July 25, 2009 against Mr. Amit Samson, the then General Manager of The LaLiT Grand Palace Srinagar pursuant to which an FIR was registered by the station house officer on July 25, 2009 at the Nishat Park Police Station, Srinagar under Sections 188 and 341 of the Ranbir Penal Code, 1989. According to the FIR, the management of The LaLiT Grand Palace Srinagar allowed construction material to be dumped illegally inside the premises of The LaLiT Grand Palace Srinagar without obtaining any permission from the relevant governmental authority. Further, the security officials of The LaLiT Grand Palace Srinagar obstructed the officials of the LWDA from inspecting the dumping site by locking the gates. The investigation in this matter is ongoing.

Outstanding criminal proceedings by our Company

1. Mr. Vivek Shukla, the General Manager of The LaLiT New Delhi registered an FIR on November 25, 2011 at the Barakhamba Police Station against Mr. Jaideep Ghosh (the "**Accused**") under Sections 452, 323, 341, 500 and 506 of the IPC for criminal trespass, defamation and causing hurt, and under Section 66 of the Information

Technology Act, 2000. The Accused had published defamatory blog posts about Kitty Su at The LaLiT New Delhi, on a website and had also entered the premises of Kitty Su and physically assaulted a representative of our Company. The matter is currently pending.

2. Our Company filed a complaint on March 26, 2010 under Section 138 of the Negotiable Instruments Act, 1881 before the Court of Judicial Magistrate at Canacona (the "**Judicial Magistrate**") against Mr. Varun Malhotra who stayed at The LaLiT Golf and Spa Resort Goa (then known as Intercontinental the Lalit Goa Resort), and failed to make the payments amounting to ₹ 0.63 million in relation to his bookings. Mr. Varun Malhotra had issued a post-dated cheque for ₹ 0.19 million towards part payment of dues, which was dishonoured by the bank as the account had been closed. Our Company sent a legal notice to Mr. Varun Malhotra demanding the amount of ₹ 0.19 million with interest failing which criminal proceedings would be initiated. Accordingly, due to non-payment, our Company filed this complaint. Since Mr. Varun Malhotra failed to appear, the Judicial Magistrate issued a bailable warrant against him. The matter is currently pending.

3. Our Company filed three complaints under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881 against Takshila Retail Private Limited ("**TRPL**") and its directors before the Additional Chief Judicial Magistrate, Patiala House, New Delhi in relation to dishonouring of cheques issued by TRPL for use of the space given at The LaLiT New Delhi for running a shop. TRPL failed to pay the license fees for several months and pursuant to a termination and settlement agreement executed between our Company and TRPL, TRPL agreed to pay the pending amount of ₹ 48.72 million in accordance with the payment schedule. For such purpose, TRPL provided post-dated cheques to our Company of which three cheques of ₹ 2.00 million each were dishonoured on account of insufficient funds in the account. The matters are currently pending.

4. Our Company filed a complaint under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881 against RDG Interior Decoration Exterior Architecture Private Limited ("**RDG**") and its director before the Additional Chief Metropolitan Magistrate (South East District), Saket Courts, New Delhi (now transferred to the Additional Chief Metropolitan Magistrate, Patiala House) in relation to dishonour of a cheque issued by RDG. Our Company executed a works contract with RDG for the interiors of The LaLiT Mangar. Under the contract, the work was to be executed within six months for a consideration amount of ₹ 65.25 million and an amount of ₹ 10.71 million was paid to RDG. Such mobilization amount was given by our Company against a corporate guarantee by RDG in the form of post-dated cheques. Our Company was forced to terminate the work contract due to non-performance by RDG and a demand for a refund of the unused mobilization funds of ₹ 7.95 million was made by our Company. RDG issued a cheque of ₹ 5.00 million as part payment of the dues which was dishonoured due to insufficient funds in the drawer's account. In its order dated May 23, 2016, the Additional Chief Metropolitan Magistrate, Patiala House granted bail to the director of RDG. The matter is currently pending.

5. Mr. Amit Samson, the then General Manager of The LaLiT Mumbai, registered an FIR on November 30, 2014 at the Sahar Police Station, Mumbai against Mr. Deepak Beri, director of Shimmers Entertainment ("**Shimmers**") under Sections 420, 465 and 467 of the IPC. Our Company entered into a contract with Shimmers on December 7, 2013 for the sale of tickets and supply of alcohol for a new year's eve party held at The LaLiT Mumbai on December 31, 2013 (the "**Event**") pursuant to which Shimmers paid ₹ 3.60 million as a guarantee and ₹ 0.50 million as security deposit. During the Event, there was a shortage of alcohol, which was then supplied by the hotel on a chargeable basis. The employees of The LaLiT Mumbai also noticed a discrepancy in the tickets printed for the Event. As a result of the actions of Shimmers, our Company suffered a loss of approximately ₹ 2.21 million. Subsequently, on January 2, 2014, a bill for ₹ 1.97 million was sent to Shimmers for payment of outstanding amounts. Our Company also presented the cheque of ₹ 0.50 million for clearance but the cheque was dishonoured. Accordingly, Mr. Amit Samson filed the FIR. Mr. Deepak Beri was granted bail pursuant to an order dated December 9, 2014 by the Additional Sessions Judge, Sessions Court, Mumbai. A charge sheet was also filed against Mr. Deepak Beri by the investigation officer under Section 173 of the CrPC on October 3, 2016 before the Additional Chief Metropolitan Magistrate, Mumbai. The matter is currently pending.

6. Mr. Bhaskaran, the General Manager of The LaLiT Ashok Bangalore, registered an FIR on June 4, 2018, before the Police Station at High Grounds, Bengaluru against two employees of our Company, Mr. Kiran Nagaraj and

Mr. Kranthi Kumar and two relatives of Mr. Kiran Nagaraj, under Sections 408, 420, 120B and 34 of the IPC, alleging misappropriation by them of funds aggregating to ₹ 3.05 million received from customers under the Lalit loyalty programme. The investigation is currently pending.

Outstanding actions by statutory/regulatory authorities involving our Company

1. Under the terms of the license deed executed between our Company and the NDMC on April 22, 1982 (the "**NDMC License**") in relation to use of the land where The LaLiT New Delhi is located, our Company was liable to pay license fees amounting to ₹ 14.50 million per annum to the NDMC, subject to upward revision in intervals of 33 years. The NDMC raised a provisional bill of ₹ 1.99 billion dated December 1, 2016 against our Company comprising of an increase in the licensee fee to ₹ 44.00 million per month and arrears of the license fee, as well as subsequent provisional bills. Consequently, our Company filed a writ petition before the High Court of Delhi at New Delhi (the "**Delhi High Court**") against such bills, which was disposed of pursuant to an order dated January 18, 2017 quashing the provisional bills and instructing the NDMC to raise final bills. However, the NDMC again raised a provisional bill on February 1, 2017 without any correction. Subsequently, our Company filed another writ petition before the Delhi High Court on July 12, 2017 in response to which, the NDMC made a representation before the Delhi High Court to withdraw the provisional bill. The NDMC also represented that under the New Delhi Municipal Council Act, 1994, as amended, the NDMC is entitled to demand license fee *de hors* the NDMC License. Based on such representation, our Company filed a third writ petition before the Delhi High Court, which, while disposing the writ petition in its order dated August 23, 2017, instructed NDMC to raise the final bill within four weeks of such order. Our Company has not yet received the final bill from the NDMC.

2. The Executive Engineer, E-BR Department, NDMC issued a notice dated June 14, 2018 under Section 247 of the New Delhi Municipal Corporation Act, 1994 (the "**NDMC Act**") to our Company pursuant to an inspection conducted by the NDMC at The LaLiT New Delhi and directed our Company to show cause as to why a demolition order should not be issued in relation to certain alleged deviations/unauthorized constructions at The LaLiT New Delhi. Our Company responded on June 15, 2018 requesting NDMC to grant six months to verify the alleged deviations and unauthorized constructions. Subsequently, our Company sent a preliminary response on June 21, 2018 asserting that, *inter alia*, major parts of the alleged deviations were temporary structures at the terrace, ground and underground levels for various utilities, certain deviations described in the show cause notice were permitted under the applicable building bylaws, and where permissions from the NDMC were required, such permissions had been obtained.

3. The NDMC issued a notice on March 21, 2013 directing our Company to deposit ₹ 119.21 million as municipal dues and that non-payment of such amount would result in breach of the terms of the NDMC License. Our Company objected to such a demand in its reply dated April 8, 2013 and stated that all payments under the NDMC License had been made on time and that no amount was outstanding or payable to the NDMC as municipal dues. Our Company also requested the NDMC to provide the basis for calculation of such municipal dues. Our Company has not received any further communication from the NDMC in this regard.

4. The NDMC issued demand notices to our Company for payment of interest on the license fee payable under the NDMC License for the period between 1982 and 1988. In its responses to the notices, our Company refuted the demand on the ground that no events had arisen under the terms of the NDMC License for the NDMC to demand such interest payment. Our Company stated that a moratorium had been granted to our Company on payment of the annual license fee until 1988 and accordingly, interest on the license fee for such period could not be levied, and that since the instalments for the deferred payment of such license fee were being paid on time, no interest could be chargeable on such deferred payments. Our Company has not received any further communication from the NDMC in this regard.

5. Writ petitions were filed before the High Court of Rajasthan in relation to our Company's title over The LaLiT Laxmi Vilas Palace Udaipur, including (i) a petition filed by the Union of India against a number of respondents, including the State of Rajasthan, the Estate Officer-cum-Sub Divisional Officer, Girwa (the "**Girwa Estate Officer**") and our Company, and (ii) a petition filed by the State of Rajasthan, the Girwa Estate Officer and others against certain respondents, including our Company and the Union of India. Our Company

acquired title to The LaLiT Laxmi Vilas Palace Udaipur from the India Tourism Development Corporation Limited ("**ITDC**") pursuant to a share purchase agreement dated February 26, 2002 in furtherance of the disinvestment/re-structuring of ITDC. The Estate Officer Girwa had passed an order on February 11, 2003 (the "**February Order**") stating that The LaLiT Laxmi Vilas Palace Udaipur was a "public property" and ordered possession of the property and payment of penalty. Pursuant to an appeal filed by our Company, the District Judge, Udaipur (the "**District Judge**") by its judgment dated October 15, 2003, set aside the February Order. The State of Rajasthan filed a writ petition to set aside the judgment of the District Judge and reinstate the February Order. The Union of India, on the other hand, in its writ petition, asserted that our Company was the rightful title holder to the property and that the issue of the status of the property had already been dealt with in a previous judgment of the High Court of Rajasthan dated August 1, 1994 where it was recognized that the property belonged to the "personal property" inventory of the ex-Maharana. The matters are currently pending.

6. Our Company filed a writ petition before the High Court of Rajasthan against the State of Rajasthan and the Municipal Corporation of Udaipur (the "**Udaipur Municipality**") in relation to the permission for addition/alteration to The LaLiT Laxmi Vilas Palace Udaipur. Our Company had received the necessary permission for such additional construction pursuant to payment of the environment cost and a no-objection from the pollution control board. However, construction was stopped and consequently, not completed within the prescribed time period since our Company had received a letter from the Udaipur Municipality dated June 13, 2012 informing us that any construction work at The LaLiT Laxmi Vilas Palace Udaipur would be in contempt of the order dated October 12, 2011 of the High Court of Rajasthan in a separate writ petition against the State of Rajasthan that directed government officials, including the Udaipur Municipality to ensure that no construction activities are undertaken in the area around Swaroop Sagar and Udai Sagar. Subsequently, our Company received a letter dated September 30, 2014 from the Udaipur Municipality stating that the permission to carry out construction had been automatically cancelled since the proposed construction had not been completed within the prescribed time. Consequently, our Company filed this writ petition for quashing the order dated September 30, 2014 and requesting for an extension of two years to complete construction. The matter is currently pending.

7. The Municipal Council, Udaipur (the "**Udaipur Council**") filed an appeal before the Division Bench of the High Court of Rajasthan against an order dated February 4, 2011 by the Single Bench of the High Court of Rajasthan (the "**2011 Order**") passed in a writ petition filed by our Company. The 2011 Order held that since the Controlled Construction Region Building Regulations, 2000 had not yet been notified, no environment fee was payable in relation to permission for construction in "No Construction Zones". Pursuant to an application filed with the Udaipur Council for addition/alteration to The LaLiT Laxmi Vilas Palace Udaipur (then, The Grand Laxmi Vilas Palace, Udaipur), our Company was granted permission on October 16, 2006 subject to payment of an environment fee of ₹ 9.39 million. Our Company objected to such a demand for environment fee and subsequently, filed a writ petition before the High Court of Rajasthan to quash the demand. Accordingly, the 2011 Order was issued in our favor and the Udaipur Council filed this appeal. Our Company filed a reply to the appeal on August 9, 2011. The matter is currently pending.

8. Our Company filed three writ petitions before the High Court of Rajasthan against the State of Rajasthan (through the Secretary, Finance Group IV, the Secretary, Local Self Department and the Udaipur Council) (the "**Respondents**") in relation to imposition of urban development tax on The LaLiT Laxmi Vilas Palace Udaipur. The State Government of Rajasthan (the "**State Government**") had introduced the urban development tax pursuant to the Rajasthan Municipal (Urban Development Tax) Rules, 2007 (the "**UDT Rules**") notified on August 29, 2007 (the "**UDT Notifications**"). On January 22, 2009, the Udaipur Council issued a demand notice directing our Company to deposit ₹ 48.85 million as urban development tax, including a penalty of ₹ 5.45 million for the periods 2007-2008, 2008-2009 and 2009-2010. Our Company submitted various representations to the Udaipur Council in relation to the above notice. Pursuant to a further notice by the Udaipur Council on February 11, 2010, our Company made certain payment under protest to Udaipur Council on March 26, 2010 followed by another representation dated March 29, 2010. The Udaipur Council rejected the payment and representation on April 23, 2010 along with a direction that if the amount of tax demanded was not deposited, recovery would be made by attaching the property. The Udaipur Council issued a further notice dated November 24, 2010 directing our Company to deposit ₹ 2.80 million. Accordingly, our Company filed the first writ petition on January 28, 2011 against the notice of demand of the Udaipur Council challenging the basis of

calculation of the urban development tax and also filed a stay application to restrain the Respondents from taking coercive steps during the pendency of the petition. The High Court of Rajasthan, through its order dated February 14, 2011, granted an interim stay in our favor subject to our Company depositing ₹ 0.50 million within one month. Thereafter, our Company deposited such amount after adjusting the amounts previously deposited with the Udaipur Council. During the pendency of our first writ petition before the High Court of Rajasthan, the Udaipur Council issued further demand notices on August 17, 2011, February 21, 2012, May 23, 2012 and August 13, 2012 directing our Company to pay ₹ 10.26 million as urban development tax for the years 2007-2008 to 2012-2013. On November 27, 2012, our Company filed the second writ petition before the High Court of Rajasthan to set aside such demands raised by the Udaipur Council and to declare, *inter alia*, that The LaLiT Laxmi Vilas Palace Udaipur being a heritage hotel should not be subject to urban development tax. Our Company also filed a stay application to restrain the Respondents from taking coercive steps during the pendency of the petition. The High Court of Rajasthan granted an interim stay pursuant to its order dated December 20, 2012 subject to our Company depositing ₹ 0.50 million within one month of the order. During the pendency of the two writ petitions, the Udaipur Council issued further demand notices dated January 8, 2015 and January 21, 2015 for the years 2007-2008 to 2014-2015 for ₹ 16.89 million as urban development tax to be paid within 15 days to avoid attachment of the property. On February 3, 2015, our Company filed the third writ petition before the High Court of Rajasthan against the Respondents to quash such demands and a stay application to restrain the Respondents from taking coercive steps during the pendency of the petition. The High Court of Rajasthan granted an interim stay pursuant to its order dated February 11, 2015, subject to our Company depositing ₹ 0.50 million within one month of the order. The three petitions involving an aggregate claim of ₹ 16.89 million as urban development tax are currently pending.

9. Our Company filed a writ petition before the High Court of Rajasthan against the State of Rajasthan (through the Secretary, Department of Revenue), the Inspector General (Registration and Stamps), Ajmer, and others for quashing of the proceedings initiated by the Collector (Stamps), Udaipur in relation to registration of two share purchase agreements dated February 26, 2002 in favor of our Company; one between the President of India, our Company and Udaipur Hotels Private Limited and the other between Indian Hotels Company Limited, our Company and Udaipur Hotels Private Limited (collectively, the "**Share Purchase Agreements**") and payment of relevant stamp duty. Our Company had entered into the Share Purchase Agreements to consummate the transfer of the management in Laxmi Vilas Palace by way of transfer of voting shares of Udaipur Hotels Private Limited pursuant to disinvestment by the Government of India. The General Manager of The LaLiT Laxmi Vilas Palace Udaipur received a notice dated December 23, 2002 issued by the Collector (Stamps), Udaipur under the erstwhile Rajasthan Stamp Rules, 1955, as amended (subsequently repealed and replaced by the Rajasthan Stamp Rules, 2004, as amended) and the Registration Act, 1908, as amended for registration of the Share Purchase Agreements and payment of relevant stamp duty (which would have amounted to approximately ₹ 90.82 million). In the above writ petition, our Company has challenged the notice of the Collector (Stamps), Udaipur and rejected the requirement for registration of the Share Purchase Agreements and payment of stamp duty, *inter alia*, on the grounds that registration was not required since the delivery of shares in a joint stock company did not need to be registered and that stamp duty had been paid on the consideration amount for transfer of shares in compliance with the Indian Stamp Act, 1899, as amended. Pursuant to an order dated March 27, 2009, the High Court of Rajasthan granted an interim stay in our Company's favor restraining the Collector (Stamps), Udaipur from passing a final order. The matter is currently pending.

10. The Sub Registrar, Udaipur issued a notice dated November 20, 2014 directing our Company to pay stamp duty, registration and other charges in an amount aggregating to ₹ 2,405,316 in relation to the scheme of amalgamation involving the merger of Udaipur Hotels Limited into our Company. Our Company disputed such claim. The Collector of Stamps, Udaipur subsequently issued another notice dated January 1, 2016 requesting our Company to provide relevant documents, which were provided by our Company. Subsequently, the Collector Stamps, Udaipur, passed an order dated July 31, 2017 (the "**Stamp Duty Order**") dismissing the claim of the Sub Registrar, Udaipur against our Company. The Office of the Inspector General, Registration and Stamp Department, Rajasthan issued a notice dated November 10, 2017 to the Deputy Registrar, Udaipur proposing filing of a revision petition before the Rajasthan Tax Board, Ajmer against the Stamp Duty Order. Such revision petition was filed by the Deputy Registrar, Udaipur and subsequently, the Rajasthan Tax Board, Ajmer issued a notice dated February 23, 2018 to our Company directing attendance at a hearing on March 12, 2018. The matter is currently pending.

11. The Additional Superintendent of Police, Anti-Corruption Bureau, Special Unit, Udaipur (the "**Anti-Corruption Bureau**") issued a notice to the Chief Manager of The LaLiT Laxmi Vilas Palace Udaipur on September 23, 2014 directing our Company to provide information and documents in relation to construction undertaken at The LaLiT Laxmi Vilas Palace Udaipur, including approvals received for such construction and any pending cases on construction or ownership of The LaLiT Laxmi Vilas Palace Udaipur. Our Company responded on September 26, 2014 with the relevant details and documents. Our Company has not received any further communication from the Anti-Corruption Bureau in this regard.

12. Our Company filed a writ petition on September 7, 2017 before the Delhi High Court against the Union of India and the Director, Legal Metrology, Department of Consumer Affairs, Government of India ("**LM Director"**) to quash the circulars issued by the LM Director on August 4, 2016, October 24, 2016, December 2, 2016 and March 22, 2017 (the "**LM Circulars**") to take action against hotels that sell pre-packaged commodities at a price above the maximum retail price ("**MRP**"). Pursuant to the LM Circulars, our Company received notices for its various hotels from the Directorate of Legal Metrology of the relevant states. In our reply dated May 23, 2017, our Company stated that the Legal Metrology Act, 2009, as amended and the rules framed thereunder did not apply to the hospitality sector. Our Company also made a formal representation on June 10, 2017 to the Legal Metrology Division of the Government of India, *inter alia*, stating that unlike shops and outlets, the primary business of a hotel was not to sell packaged commodities but to provide hospitality services. Pursuant to an interim order passed by the Delhi High Court on September 12, 2017 (the "**MRP Interim Order**"), the LM Director has been directed to refrain from taking any coercive action against our Company until the next date of hearing. The matter is currently pending.

13. Our Company and our Promoter, Dr. Jyotsna Suri, filed a writ petition against the Secretary, Department of Consumer Affairs and the Department of Legal Metrology, Jammu & Kashmir Government, before the High Court of Jammu and Kashmir at Srinagar challenging the seizure memo issued by the Legal Metrology Officer on October 13, 2015 and notice issued by the Special Mobile Magistrate, Srinagar on February 22, 2016 in relation to the allegation that our Company had committed offences under Sections 18, 36 and 49 of the Legal Metrology Act, 2009 by selling packaged mineral water bottles beyond the MRP. Our Company stated that the Legal Metrology (Package Commodities) Rules, 2011, as amended (the "**Package Rules**"), read with the Jammu & Kashmir Standards of Weights and Measures (Enforcement) Act, 1997 did not apply to hotels and restaurants as the sale between our Company and our customers is a service and does not make our Company a retail dealer or a wholesale dealer. Pursuant to an order dated March 22, 2016, the High Court of Jammu and Kashmir granted a stay on the proceedings until the next date of hearing. Pursuant to the judgment of the Supreme Court of India dated December 12, 2017 (in Federation of Hotel and Restaurant Associations of India v. Union of India and Others) (the "**MRP Judgment**") allowing hotels and restaurants to sell mineral water above the MRP, our Company and our Promoter filed a petition dated December 22, 2017 before the High Court of Jammu and Kashmir at Srinagar seeking disposal of the pending writ petition in accordance with the terms of the MRP Judgment. The matter is currently pending.

14. The Department of Legal Metrology, Jaipur ("**LM Department**") issued a notice to our Company on May 17, 2017 stating that The LaLiT Laxmi Vilas Palace Udaipur had been selling bottled water at a price higher than the MRP for such water bottles and that the liquor peg measure used at The LaLiT Laxmi Vilas Palace Udaipur had not been attested. In our reply dated May 23, 2017, our Company clarified that the provisions of the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011 had not been violated since these laws applied to retail dealers and wholesale dealers and not to hotels that are primarily engaged in providing services to guests and not in selling commodities. Our Company also clarified that the liquor peg measure had been attested by the relevant department and provided a copy of the attestation for reference. Subsequently, pursuant to the MRP Interim Order, our Company, in its letters dated September 13, 2017 and September 22, 2017, requested the LM Department to keep the notice dated May 17, 2017 in abeyance till further directions from the High Court of Delhi on the matter. Our Company also sent a letter on February 14, 2018 to the Department of Legal Metrology, Udaipur requesting that the notice dated May 17, 2017 be withdrawn in light of the MRP Judgment. Our Company has not received any further information from the Department of Legal Metrology, Udaipur in this regard.

15. Our Company filed a writ petition before the High Court of Karnataka against the Commissioner, Bruhat Bengaluru Mahanagara Palike ("**BBMP**") for refusing to renew our Company's license for erecting temporary structures on the vacant land at The LaLiT Ashok Bangalore and to restrain BBMP from removing the temporary structures. BBMP had issued an order against our Company on April 21, 2016 alleging unauthorized permanent construction at The LaLiT Ashok Bangalore in violation of the rules and bye-laws under the Karnataka Municipal Corporations Act, 1976 (the "**KMC Act**"). Our Company had appealed against such orders. Pursuant to receipt of a license under the KMC Act on May 17, 2016 for erecting temporary structures on the vacant land for organizing events and payment of a license fee, our Company withdrew its appeal. However, as a result of refusal to grant a renewal of this license, our Company has filed this writ petition against the BBMP. The High Court of Karnataka, while admitting this writ petition on November 14, 2016 (the "**BBMP Interim Order**") instructed BBMP to refrain from interfering in the day-to-day business of our Company and from removing the temporary structures. Subsequently, BBMP, in its letter dated November 22, 2016, rejected the request made by our Company for renewal of the license. Our Company filed an amendment to its writ petition to include a request for relief against the order dated November 22, 2016 on the grounds that the order was in violation of the BBMP Interim Order. BBMP filed its statement of objections requesting for quashing of the writ petition on the grounds, *inter alia*, that the structures were allegedly permanent in nature. The matter is currently pending.

16. Our Company filed a writ petition on October 13, 2017 before the High Court of Karnataka against a show-cause notice dated September 21, 2017 (the "**BBMP Notice**") received from the Commissioner of BBMP based on an inspection by the Senior Health Inspector of the BBMP (the "**BBMP Inspector**") at The LaLiT Ashok Bangalore. The BBMP Notice directed our Company to show cause as to why the trade license issued to The LaLiT Ashok Bangalore should not be cancelled since our Company had failed to obtain the required trade licenses for some of the restaurants (including a cafeteria), banquets halls and shops at The LaLiT Ashok Bangalore. Under the BBMP Notice, our Company was also directed to pay a trade license fee and penalty amount aggregating to ₹ 1.08 million. In the writ petition, our Company stated that a multiple trade license had been obtained from the BBMP for The LaLiT Ashok Bangalore, which included the various premises listed in the BBMP Notice and that no individual trade license was required for the cafeteria since it served only the employees of the hotel. Our Company also stated that pursuant to the BBMP Interim Order and a subsequent order dated December 14, 2016, the High Court of Karnataka had restrained BBMP from interfering in the day-to-day business of our Company and that the BBMP Notice was in violation of such orders. In addition, our Company also requested for interim relief in the form of a stay on the BBMP Notice. Subsequently, our Company sent a response to the BBMP on October 20, 2017 reiterating the grounds set out in its writ petition. The matter is currently pending.

17. Mr. Ram Swaroop Mishra, the Accounts Manager of The LaLiT Temple View Khajuraho filed a writ petition before the High Court of Madhya Pradesh against the Board of Revenue, Gwalior, Madhya Pradesh (the "**Board of Revenue**"), the Additional Commissioner, Sagar Division, the Additional Collector, District Chhatarpur (the "**Additional Collector**") and the Sub Divisional Officer, Rajnagar (the "**SDO**" and collectively, the "**State Respondents**") challenging the orders passed by the State Respondents for levying diversion tax, premium and ground rent under the Madhya Pradesh Land Revenue Code, 1959 on The LaLiT Temple View Khajuraho. The SDO issued a notice demanding diversion tax for the period when the building of our hotel was owned by the ITDC and our Company objected to payment of such taxes. Subsequently, our Company received further orders demanding diversion tax, premium and the ground rent from the year 1975-76 calculated on the basis of retrospective application of rates prevalent in the year 2001. The appeals filed by our Company against such orders, including an appeal before the Additional Collector, were dismissed. Our Company also filed a revision petition and a review petition, each before the Board of Revenue, which were also dismissed by orders dated December 31, 2005 and October 29, 2009, respectively. Therefore, Mr. Mishra filed this writ petition seeking to quash the orders passed by the State Respondents for land diversion tax. The matter is currently pending.

18. Our Company filed an appeal and an application for stay on June 2, 2016 before the Commissioner of State Excise, Maharashtra against an order dated May 24, 2016 (the "**May Order**") passed by the Collector Suburb, Mumbai (the "**Collector**"). The May Order stated that our Company failed to procure the one day license required to sell and serve foreign liquor in its banquet hall at The LaLiT Mumbai and was liable to pay an

aggregate amount of ₹ 0.78 million and that our existing license was liable to be suspended under the provisions of the Bombay Prohibition Act, 1949, the Bombay Foreign Liquor Rules, 1953 and the Maharashtra Foreign Liquor (Sale on Cash, Register of sales etc.) Rules, 1969. Our Company stated that the banquet hall was covered by a license already procured by our Company and a separate license was not needed. Accordingly, our Company requested for a stay on the order by the Collector. Pursuant to its order dated June 8, 2016, the Commissioner of State Excise, Maharashtra granted a stay on the May Order in favor of our Company till the decision of the appeal. The matter is currently pending.

19. The Commissioner of Customs (Preventive), New Delhi (the "**Customs Commissioner**") passed an order dated November 20, 2009 (the "**November Order**") impounding an aircraft imported by our Company on the allegation that it was being used for private purposes in violation of a non-scheduled operating permit obtained from the Directorate General of Civil Aviation, Government of India. The Customs Commissioner imposed a redemption fine of ₹ 70.00 million and ordered the invocation of a bank guarantee given by our Company to recover the redemption fine besides confirming the customs duty of ₹ 66.72 million payable by our Company. Further, a penalty of ₹ 30.00 million was imposed on our Company and separate penalties were imposed on our Chairperson and Managing Director and our Chief Financial Officer (the then Senior Vice President, Finance and Systems). Our Company filed an appeal and a stay application against the November Order before the Customs, Excise and Service Tax Appellate Tribunal, New Delhi (the "**CESTAT**"). The CESTAT allowed the stay application pursuant to its order dated March 28, 2011 stating that the pre-deposit requirement could be waived as the bank guarantee covered the entire duty amount. In its final order dated June 14, 2017, the CESTAT set aside the November Order and remanded the matter for determining whether the Customs Commissioner had the jurisdiction to pass the November Order. The matter is currently pending.

20. The Directorate of Enforcement, Ministry of Finance, Government of India (the "**ED**") issued summons dated August 17, 2017 and February 20, 2017 to Mr. Madhav Sikka, the then Chief Financial Officer of our Company and Mr. Arvind Sachdev, the then Advisor - Corporate Affairs of our Company, respectively, in relation to the sale of the Embraer EMP-135BJ Corporate Jet (the "**Corporate Jet**") by our Company to Stormbird Holding Pte. Ltd ("**Stormbird**"). Our Company had purchased the Corporate Jet in financial year 2008-2009 and pursuant to an agreement for sale dated March 14, 2014, our Company sold the Corporate Jet on an "as is where is" basis to Stormbird. Mr. Arvind Sachdev filed a reply dated February 28, 2017 furnishing the required information and documents and seeking an exemption from personal appearance on account of illness. Mr. Madhav Sikka appeared before the ED on September 8, 2017 and filed his reply. Mr. Sikka subsequently sent a letter to the ED on behalf of our Company on September 21, 2017 stating that our Company had no further records in relation to export of the Corporate Jet. Our Company has not received any further communication from the ED in this regard.

21. The ED issued orders dated May 26, 2010 and August 25, 2010 under Section 37 of the FEMA, read with Section 133(6) of the Income Tax Act directing our Company to provide certain information and documents in relation to our Company. Our Company filed its replies along with the required information and documents on June 28, 2010, July 7, 2010, July 8, 2010, September 13, 2010 and January 8, 2011. Subsequently, the ED issued summons on January 13, 2011 and January 10, 2013 to the Managing Director of our Company to appear before the ED along with certain documents. Our Company responded to the information requests on February 9, 2011, January 23, 2013 and September 5, 2013. Our Company has not received any further communication from the ED in this regard.

22. The ED issued notices, including a show cause notice dated April 28, 2010 to our Company directing our Company to furnish information in relation to a poker tournament organized at the Hotel Intercontinental, The Grand Goa Resort, Goa (now The LaLiT Golf and Spa Resort Goa) from February 26, 2007 to March 5, 2007. In its response dated May 17, 2010, our Company stated that the poker tournament was organized by a third party, Asian Poker Classic, and our Company was not involved in its organization except to the extent of providing the infrastructure for the tournament. Our Company provided the ED with the contact information for the organizer of the poker tournament and furnished the relevant correspondence with the organizer, including invoices raised in relation to the poker tournament. Subsequently, the ED issued another notice dated August 23, 2010 directing our Company to furnish further information and documents, including the agreement executed with the organizer. Our Company responded to the ED on September 8, 2010 with the required

information. On August 12, 2013, summons was issued to the General Manager of the Hotel Intercontinental, The Grand Goa Resort, Goa, Mr. Satya Roy Chaudhary, directing him to appear before the ED on September 4, 2013. Mr. Satya recorded his statement before the ED on September 4, 2013 and thereafter, on October 3, 2013, submitted further documents as requested by the ED at the personal appearance. Our Company has not received any further communication from the ED in this regard.

23. The Under Secretary, Department of Home, Goa (the "**Home Department**") issued notices dated March 11, 2014, April 8, 2014, May 12, 2014, July 24, 2014, May 18, 2015 and November 16, 2015 to our Company for payment of an annual renewal fees (i.e. annual room fees) of ₹5.32 million for the years 2006 to 2011 in accordance with Section 13A of the Goa, Daman and Diu Public Gambling Act, 1976 for the slot machines installed at The LaLiT Golf & Spa Resort Goa. Our Company filed its replies on July 28, 2014, June 9, 2015 and January 18, 2016 stating that such demand was not warranted since our Company had already paid the annual recurring fee for the license period from June 8, 2006 to June 7, 2011. Our Company has not received any further communication from the Home Department in this regard.

24. The Regional Director, Jammu and Kashmir State Pollution Control Board (the "**J&K PCB**") issued notices dated August 30, 2017, January 19, 2018 and April 17, 2018 to our Company in relation to the sewage treatment plan installed at The LaLiT Grand Palace Srinagar. Based on samples collected from the sewage treatment plant, it was found that the levels of phosphate, biochemical oxygen demand and total suspended solid were above the prescribed norms. Our Company was directed to rectify the functioning of the sewage treatment plant and submit a compliance report within 15 days of the date of the respective notice. In its responses dated September 5, 2017, January 29, 2018 and April 24, 2018, our Company stated that remedial measures would be taken to ensure proper functioning of the sewage treatment plan. Our Company has not received any further communication from the J&K PCB in this regard.

25. The Inspecting Officer (New Delhi District), Cess Collector of the Labour Department, New Delhi (the "**Cess Officer**") issued a notice to Mr. Vivek Shukla, the General Manager of The LaLiT New Delhi on May 30, 2014 in relation to failure to furnish information in Form – 1 within 30 days of commencement of building and other construction work or payment of cess as required under Rule 6(1) of the Building and Other Construction Worker Welfare Cess Rules, 1998 (the "**Cess Rules**"). Our Company responded on June 9, 2014 and made a payment of ₹ 92,029 towards labor cess for work done until May 2014 for construction of a sewage treatment plant. The Office of the Deputy Labour Commissioner (New Delhi District) passed an assessment order on October 1, 2014 directing our Company to pay ₹ 509,960 as cess on the basis of a self-declaration by The LaLiT New Delhi under the Building and Other Construction Worker Welfare Cess Act, 1996 (the "**Cess Act**") in relation to the renovation work undertaken at the hotel. Our Company deposited the cess amount on October 14, 2014. The Cess Officer issued another notice dated March 19, 2015 to The LaLiT New Delhi for failure to furnish returns and pay cess under the Cess Act and Cess Rules. Our Company responded to the notice on April 8, 2015 and November 10, 2017 requesting the Cess Officer to depute a representative to verify the relevant information and documents since submission of the information and documents was subject to such verification. The matter is currently pending.

26. The Office of the Sub-Divisional Magistrate, Chanakya Puri, New Delhi and the Office of the Collector of Stamps, Chanakya Puri, New Delhi issued notices dated January 12, 2017 and November 10, 2017, respectively, directing our Company and a sub-licensee of four shops at the World Trade Centre to show cause for non-payment of the requisite stamp duty in relation to a sub-license agreement dated February 4, 1994 executed by our Company with the sub-licensee. Our Company, in its responses dated January 27, 2017, November 21, 2017 and December 7, 2017 clarified that the requisite stamp duty had been paid on the sub-license agreement and requested that the notices be withdrawn. Subsequently, the Office of the Collector of Stamps, Chanakya Puri, New Delhi issued another show cause notice dated December 8, 2017 to our Company in relation to non-payment of the requisite stamp duty on the NDMC License. Our Company responded to the show cause notice on December 20, 2017 and January 30, 2018 refuting the claim for payment of stamp duty. Our Company also filed an application with the Office of the Collector of Stamps, Chanakya Puri, New Delhi on June 8, 2018 to implead NDMC as a necessary and proper party in the matter. The matter is currently pending.

27. The Office of the Deputy Labour Commissioner, Government of National Capital Territory of Delhi issued a notice dated December 29, 2017 to The LaLiT New Delhi in relation to violation of alleging that four of the contractors engaged by the hotel had not applied for their respective licenses under the Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "**CLRA**"). The LaLit New Delhi was directed to issue notice in the prescribed form to each of the contractors requesting them to apply for their licenses.

28. The Employees' Provident Fund Organisation, Regional Office, Madhya Pradesh issued a notice dated May 7, 2018 to The LaLiT Temple View Khajuraho for failure to make contributions under the Employee Deposit Linked Insurance Scheme, 1976, as amended further to an order dated July 24, 2014 passed by the Employees' Provident Fund Organisation, Regional Office, Madhya Pradesh, which withdrew relaxation granted to The LaLiT Temple View Khajuraho with effect from May 1, 2008. The matter is currently pending.

29. The Office of the Deputy Chief Labour Commissioner (Central), Jabalpur issued a notice to Dr, Jyotsna Suri and the General Manager of The LaLiT Temple View Khajuraho on November 23, 2017 alleging certain non-compliances by The LaLiT Temple View Khajuraho with the Payment of Gratuity Act, 1972, as amended, pursuant to inspection report issued on March 24, 2017. Our Company responded to the notice on January 31, 2018 and provided the relevant documents and confirmations. Our Company has not received any further communication in this regard.

30. The Regional Labour Commissioner, Jaipur issued notices to The LaLiT Jaipur on November 28, 2017 alleging certain non-compliances by The LaLiT Jaipur with the Payment of Gratuity Act, 1972, as amended and the Equal Remuneration Act, 1976, as amended and the rules thereunder. The Deputy Chief Labour Commissioner (Central), Ajmer also sent a show cause notice dated May 18, 2018 directing The LaLiT Jaipur to rectify the irregularities and submit a compliance report. Our Company responded to such notices on May 22, 2018 providing the relevant documents and confirmations. Our Company has not received any further communication in this regard.

31. The Municipal Corporation of Greater Mumbai issued a notice dated November 23, 2017 to the Executive Engineer of the Slum Rehabilitation Authority in relation to an unauthorized temporary shed constructed at The LaLiT Mumbai. Pursuant to an inspection by the Slum Rehabilitation Authority, in its notice dated January 18, 2018, the Slum Rehabilitation Authority directed our Company and our architect to demolish the shed within 15 days, failing which necessary action may be taken under the Maharashtra Regional and Town Planning Act, 1966. Our Company also received a letter from the architect on January 23, 2018 recommending demolition of the shed and any other illegal structures. Our Company responded to the Slum Rehabilitation Authority on February 5, 2018 requesting for time to obtain the required permission for the temporary structure or to otherwise remove such structure.

32. The Regional Labour Commissioner (Central), Ajmer issued a notice dated October 16, 2017 to the Lalit Hospitality Group and The LaLiT Laxmi Vilas Palace Udaipur in relation to non-submission of certain records under the Payment of Gratuity Act, 1972, as amended as required to be furnished with compliance report previously submitted on March 22, 2017. The LaLiT Laxmi Vilas Palace Udaipur responded on October 25, 2017 re-submitting the requested documents and requesting that the matter be closed. Our Company has not received any further communication from the Regional Labour Commissioner (Central), Ajmer in this regard.

33. The Senior Environmental Engineer, Rajasthan State Pollution Control Board issued a show cause notice dated November 15, 2017 to The LaLiT Jaipur in relation to certain violations of the Air Act and the Water Act, particularly failure by The LaLiT Jaipur to obtain a no-objection certificate from the Central Ground Water Authority. The LaLiT Jaipur was directed to submit a copy of such no-objection certificate to the Rajasthan State Pollution Control Board by December 31, 2017 for abstraction of ground water, failing which, The LaLiT Jaipur would be required to shut down and appropriate authorities would be directed to stop supplying water and electricity to The LaLiT Jaipur. The LaLiT Jaipur informed the Rajasthan State Pollution Control Board that the no-objection certificate had already been applied for on May 30, 2017 and was awaited from the Central Ground Water Authority. The LaLiT Jaipur is yet to receive the no-objection certificate.

34. The State Designated Officer and Joint Director (Consumer Health), Office of the Commissioner of Food Safety, Jaipur issued notices dated June 29, 2017 and May 23, 2018 to The LaLiT Jaipur in relation to certain

non-compliances observed during inspections by food safety officers, including misbranding of food items. Our Company is yet to respond to such notices. Our Company also received summons dated May 17, 2018 from the Court of Decisive Officer and Additional District Magistrate, Jaipur in relation to complaints under Section 26 of the Food Safety and Standards Act, 2006 by the Chief Medical and Health Officer, Jaipur for such non-compliances. The matters are currently pending.

35. The Municipal Corporation, Jaipur issued notices dated November 14, 2017, January 19, 2018 and April 9, 2018 to The LaLiT Jaipur in relation to failure to process, treat and dispose of biodegradable waste in compliance with the Solid Waste Management Rules, 2016. Our Company is yet to respond to such notices.

36. The Registrar of Companies issued a show cause notice dated May 31, 2018 to our Company alleging non-compliance with Rules 4 and 5 of the Companies (Restriction on Number of Layers) Rules, 2017 by having more than two layers of subsidiaries. Our Company filed its reply on June 18, 2018 requesting for withdrawal of the notice since our Company did not have more than two layers of subsidiaries. Our Company has not received any further communication from the Registrar of Companies in this regard.

37. The Registrar of Companies issued orders dated June 21, 2013 and July 11, 2013 under Section 234(1) and Section 234(3A) of the Companies Act, 1956 directing our Company to furnish certain information, including information in relation to the qualifications made by our Company's auditors in its balance sheet dated March 31, 2011. Our Company filed its reply on July 24, 2013 furnishing the required information and documents. Our Company has not received any further communication from the Registrar of Companies in this regard.

Outstanding tax proceedings

Nature of Proceedings		Number of Proceedings	Amount involved (in ₹ million)
Direct Tax			
(i)	Income tax cases	19	296.32
(ii)	Income tax notices	5	Nil
Sub-total (A)		24	296.32
Indirect Tax			
(i)	Service tax cases	4	35.68
(ii)	Service tax notices	17	26.35
(iii)	VAT cases	6	11.33
(iv)	Works contract tax case	1	2.94
(v)	Subsidy case	1	1.66
(vi)	Property tax cases	1	1.06
(vii)	Property tax notice	1	99.45
(viii)	Central excise tax cases	2	2.19
(ix)	Luxury tax notice	1	Nil
(x)	Customs case	1	Nil
Sub-total (B)		35	180.66
TOTAL (A+B)		59	476.98

Outstanding civil litigation against our Company

1. Mr. Amba Lal Nayak and Mr. Rajendra Kumar Rajdan (the "**Petitioners**") filed a writ petition before the High Court of Rajasthan questioning our Company's title over The LaLiT Laxmi Vilas Palace Udaipur on various grounds, including that the property was "public property" and was wrongly classified as "private property" of the ex-Maharana who in turn sold it to the Central Government. The matter is currently pending along with the writ petitions filed by the State of Rajasthan and the Union of India before the High Court of Rajasthan on the same subject matter. For further details, see "- *Litigation involving our Company – Outstanding actions by statutory / regulatory authorities involving our Company*" on page 562.

2. A writ petition was filed by Mr. Vini Jai Singhani ("**Vini Jai**") before the High Court of Rajasthan against the JDA and others, including our Company contesting the allotment of land made to our Company for construction of The LaLiT Jaipur and requesting for cancellation of such allotment. Vini Jai claimed that his father had applied for approval of a tourism project under the erstwhile Rajasthan Tourism Project Appraisal Rules, 1999. Pursuant to inspections and approval of the suitability report, the proposed project had been approved and Vini Jai's father was asked to apply to the Ministry of Urban Development, Government of Rajasthan (the "**MoUD**") for allotment of land. Vini Jai also claimed that despite repeated reminders from the MoUD, the JDA did not take action for allotment of the land. According to the writ petition, our Company applied for a hotel project without taking the approval of the Department of Tourism and Culture, Jaipur and that the same land which Vini Jai's father had applied for, was allegedly allotted to our Company illegally, without allowing for competitive bidding. The matter is currently pending.

3. Mr. Shailesh Singh filed an application under Sections 14 and 15, read with Section 18(1) of the National Green Tribunal Act, 2010 before the National Green Tribunal, Principal Bench, New Delhi (the "**NGT**") against various hotels, including The LaLiT New Delhi, alleging that hotels were drawing excessive underground water and discharging waste water effluent in open drains and in the ground water, thus polluting the air and ground water. Our Company filed a counter affidavit denying the allegations and *inter alia* stating that our unit had an internal water supply system in place and that our Company maintained the effluent parameters set out in the consent issued by the Delhi Pollution Control Committee ("**DPCC**"). The petitioner filed a rejoinder to our counter-affidavit refuting our claims. The matter is currently pending.

4. Mr. Pradeep Goel (the "**Plaintiff**") filed a civil suit against our Company and Karvy Computershare Private Limited ("**Karvy**"), the registrar and transfer agent to our Company, before the Senior Civil Judge, Patiala House, New Delhi on March 21, 2016 claiming corporate benefits as declared by our Company to its shareholders since 2000. The Plaintiff claimed that in January 2000, 600 Equity Shares of our Company that were held by Hindustan Holding Limited ("**HHL**") were transferred to the Plaintiff as consideration for salary owed to him as a manager of HHL and the original share certificates were handed over to the Plaintiff. Of these 600 Equity Shares, 300 Equity Shares (the "**BOI Shares**") were in the name of Bank of India A/c BOI Mutual Fund ("**BOI**"), which has been wound up. The Plaintiff further stated that as a result of delays by HHL, the transfer endorsement on the share certificates of the 600 Equity Shares only took place in 2009. Pursuant to receipt of the transfer endorsement, the Plaintiff requested Karvy to provide details of all corporate benefits declared by our Company since 2000 and based on responses from Karvy, the Plaintiff made a request for dividend and bonus shares. For such purpose, the Plaintiff obtained no-objection certificates from BOI for transfer of the benefits in relation to the BOI Shares. Karvy also requested for a copy of the original transfer deed executed by BOI in favor of the Plaintiff and certain supporting documents to allow for transfer of bonus shares in relation to the BOI Shares. Pursuant to such request, the Plaintiff filed complaints before the SEBI and subsequently, filed this suit requesting for transfer of the bonus shares. Our Company filed a written statement on August 4, 2016 refuting the claims made by the Plaintiff, including the rights of the Plaintiff to bonus shares without proof of a transfer deed executed by BOI. The matter is currently pending.

Outstanding civil litigation by our Company

1. Our Company filed a regular first appeal before the Delhi High Court to set aside the order of the learned Additional District Judge, Delhi dated June 4, 2010 pursuant to which our Company was instructed to sub-license office space at the World Trade Centre, New Delhi to Mr. Vijay Kumar Saboo (the "**VK Saboo**"). On February 3, 1986, VK Saboo had applied to Delhi Automobile Private Limited ("**DAPL**") for a sub-license of office space at the World Trade Centre, New Delhi and paid an advance amount of ₹ 25,000 against the total consideration amount of ₹ 317,700. On January 13, 1987, our Company entered into an agreement with DAPL pursuant to which all the rights and liabilities in relation to the project were taken over by our Company. On May 31, 1995, after a period of nine years since the application, VK Saboo wrote a letter to our Company demanding that the office space be allotted to him. Our Company replied to VK Saboo on July 14, 1995 stating that since VK Saboo had not paid the remaining consideration amount, the office space was allotted to another applicant. Subsequently, VK Saboo filed a civil suit against DAPL and our Company seeking specific performance of contract for allotment of the office space and stating that the balance consideration was to be paid on demand before delivery of possession. Our Company refuted the claim on the ground that the issue had

already been settled with VK Saboo when the advance amount was returned on August 2, 1995. However, the Additional District Judge, Delhi passed an order on June 4, 2010 in favor of VK Saboo, instructing our Company to sub-license the office space to VK Saboo on payment of the remaining license fee. Accordingly, our Company has filed this appeal contending that the advance payment was merely an indication of intent and no formal documentation had been executed. The matter is currently pending.

Other Matters

1. The BSE, NSE and Delhi Stock Exchange issued notices (including show-cause notices) to our Company during the period that the Equity Shares of our Company were previously listed until June 2003. Such notices (including show-cause notices) were in relation to non-compliance with certain clauses of the then-existing listing agreements ("**Erstwhile Listing Agreement**"), including clauses in relation to (i) failure to provide prior notice for holding a board meeting within the prescribed time period, (ii) failure to provide a copy of the results of a board meeting, (iii) failure to submit the financial results immediately after a board meeting, (iv) failure to submit a report on corporate governance, (v) failure to provide the shareholding pattern within the prescribed time period, and (vi) non-disclosure of price sensitive information. Our Company responded to such notices and provided the relevant information and documents. Our Company also received a notice dated October 28, 2002 from the NSE for suspension of trading of the Equity Shares with effect from November 11, 2002 due to failure to respond to a notice dated April 10, 2002 and show cause notice dated May 29, 2002 issued by the NSE in relation to certain non-compliances by our Company with the Erstwhile Listing Agreement. Our Company responded to the notices on October 31, 2002 with the relevant information and requested for revocation of the suspension.

2. Our Company had submitted an application to the Delhi Stock Exchange, with a copy to the NSE and BSE, on March 27, 2003 in accordance with the SEBI Regularization Scheme, 2002, along with the prescribed fee, for regularization of prior non-compliances with certain filing requirements under the 1997 Takeover Code.

   Also see "*Risk Factors - Our Company has received notices in the past from the BSE, the NSE and the Delhi Stock Exchange for certain non-compliances with the requirements of the then-existing listing agreements. We had also filed for regularization of certain non-compliances under the 1997 Takeover Code.*" on page 49.

II. *Litigation involving our Subsidiaries and LSECT*

Outstanding criminal proceedings against our Subsidiaries and LSECT

1. Mr. Vijay Kumar Singla (the "**Complainant**") registered an FIR on March 21, 2014 at the Mani Majra Police Station in Chandigarh under Section 304A of the IPC against the management staff of The LaLiT Chandigarh, which is located on land leased by our Subsidiary, Kujjal Builders in Chandigarh, and Mr. Achal Kataria, the chief architect, in relation to the accidental death of Mr. Manni Singla (the "**Deceased**"), the son of the Complainant, when he fell into an uncovered exhaust shaft within the premises of The LaLiT Chandigarh while attending a wedding function. The Deceased was taken to a government hospital by the staff of The LaLiT Chandigarh where he was pronounced brought dead. Consequently, a charge sheet was filed against Mr. Achal Kataria on August 19, 2015. Aggrieved that the management of The LaLiT Chandigarh had not been named as an accused in the charge sheet, the Complainant filed an application on August 31, 2016 under Section 173(8) of the CrPC before the Judicial Magistrate First Class (the "**Judicial Magistrate**") requesting for further investigation to determine the role of the management in the death of the Deceased. The application for further investigation was granted by the Judicial Magistrate in its order dated January 11, 2017 and the station house officer was directed to file a revised investigation report by February 22, 2017. Pursuant to such order, the station house officer submitted a status report to the Judicial Magistrate 1st Class, Chandigarh on July 13, 2017. Subsequently, the Judicial Magistrate passed an order dated November 28, 2017 (the "**November Order**") directing that summons be issued under Section 190(1)(b) of the CrPC to the then directors of The LaLiT Chandigarh, namely Mr. Vijay Kumar Verma, Mr. Arvind Sachdev, Mr. Madhav Sikka and Mr. Rocky Kalra, to determine negligence of the management. The directors of The LaLiT Chandigarh filed a revision petition on January 20, 2018 before the Court of Sessions Judge, Chandigarh to set aside the November Order. Such revision petition was dismissed by the Court of Sessions Judge, Chandigarh pursuant to its order dated March 10, 2018. The proceedings before the Judicial Magistrate are currently pending. Further, Mr. Madhav Sikka and

Mr. Rocky Kalra filed a petition under Section 482 of the CrPC on April 16, 2018 before the High Court of Punjab and Haryana at Chandigarh for quashing of proceedings against the management of The LaLiT Chandigarh. The quashing proceedings are currently pending.

2. Ms. Nilam Rao registered an FIR on March 16, 2018 at the Government Railway Police Station in Chandigarh under Sections 306 and 34 of the IPC against certain staff members of The LaLiT Chandigarh, namely, Mr. Manish Kumar (Chief Engineer), Mr. Bheshaz Bedi (Head of Human Resources), Mr. Imit Arora (General Manager) and Mr. Satnam Singh (Security Officer) (collectively, the "**Staff Members**"), alleging that harassment by the Staff Members contributed to the suicide of Mr. Bidya Sagar, a technician at The LaLiT Chandigarh (the "**Deceased Employee**"). The Deceased Employee had also filed a complaint before the Labour Inspector, Circle I and III at Sector 30, Chandigarh against the Staff Members in this regard. Kujjal Builders responded to the complaint on February 27, 2018 and refuted the allegations made by the Deceased Employee. Kujjal Builders also received a notice from the Sub-Inspector of the Government Railway Police Station on March 19, 2018 directing Kujjal Builders to provide certain information and documents in relation to the Deceased Employee. Kujjal Builders responded to such request on March 20, 2018.

Outstanding criminal proceedings by our Subsidiaries and LSECT

Nil

Outstanding actions by statutory / regulatory authorities involving our Subsidiaries and LSECT

1. Kujjal Builders filed a writ petition on March 3, 2014 before the High Court of Punjab and Haryana against the Union Territory of Chandigarh, the Chief Administrator of the Union Territory of Chandigarh and the Estate Officer of the Union Territory of Chandigarh (the "**UT Estate Officer**") in relation to quashing of a penalty of ₹ 140.30 million imposed on Kujjal Builders for delay in completion of construction of The LaLiT Chandigarh. Kujjal Builders was leased land by the Government for construction of a five star hotel pursuant to a lease deed dated February 22, 2007 and the building plans were approved subject to the conditions that construction be completed by March 8, 2009 and that an approval be obtained from the Director, Central Ground Water Authority, Chandigarh for installation of a borewell. However, due to delays in approvals granted by the relevant authorities, Kujjal Builders completed construction of the structure in the year 2011 and applied to the UT Estate Officer for a partial completion certificate on December 8, 2011. The UT Estate Officer rejected the application for the certificate on the ground that there were faults in the construction. Kujjal Builders also applied for a completion certificate on November 9, 2012, March 14, 2013 and June 10, 2013 and each of these applications were rejected by the UT Estate Officer. In an order dated October 15, 2013, the UT Estate Officer directed Kujjal Builders to pay an extension fee of ₹ 187.50 million along with interest of ₹ 18.49 million due to delay in completion of the construction. Pursuant to an appeal filed by Kujjal Builders on October 17, 2013 against the order of the UT Estate Officer, the Chief Administrator of the Union Territory of Chandigarh reduced the penalty to ₹ 140.30 million by an order dated November 20, 2013 and directed the UT Estate Officer to issue partial completion certificate subject to Kujjal Builders depositing at least ₹ 45.00 million and the remaining amount was to be deposited within one year from the date of the partial completion certificate along with interest. Kujjal Builders was granted a partial completion certificate on December 31, 2013. Subsequently, Kujjal Builders filed this writ petition before the High Court of Punjab and Haryana against the imposition of the penalty. An interim stay was granted by the High Court of Punjab and Haryana on December 22, 2014 in favor of Kujjal Builders against deposit of the remaining amount. The UT Estate Officer granted Kujjal Builders the completion certificate on March 17, 2015 and such certificate was subject to certain conditions, including the outcome of this writ petition. The matter is currently pending.

Outstanding tax proceedings involving our Subsidiaries and LSECT

Jyoti Limited

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax		
(i) Income tax cases	11	191.87

(ii) Income tax notice	1	Nil
Total	12	191.87

Prime Cellular

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax		
Income tax notice	1	Nil
Total	1	Nil

AZIL

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax		
(i) Income tax notice	1	Nil
(ii) TDS notice	1	Nil
Sub-total (A)	2	Nil
Indirect Tax		
(i) Service tax case	1	0.23
Sub-total (B)	1	0.23
Total (A+B)	3	0.23

Kujjal Builders

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax		
Income tax notices	2	Nil
Sub-total (A)	2	Nil
Indirect Tax		
Property tax notice	1	5.91
Sub-total (B)	1	5.91
Total (A+B)	3	5.91

Outstanding civil litigation against our Subsidiaries and LSECT

1. Mr. Vijay Kumar Singla and Ms. Kiran Singla (the "**Plaintiffs**") filed a suit for damages of ₹ 5.00 million, along with interest of ₹ 51,164, before the Civil Judge (Senior Division), Union Territory, Chandigarh (the "**Civil Judge**") on February 3, 2017 against The LaLiT Chandigarh, its management and security guard, in relation to the death of the son of the Plaintiffs due to alleged negligence on the part of The LaLiT Chandigarh and its management. Mr. Vijay Kumar Singla had also filed a criminal complaint in relation to the death of his son, which is currently pending. For further details, see "*-Litigation involving our Subsidiaries and LSECT – Outstanding criminal proceedings against our Subsidiaries and LSECT*" on page 572. Kujjal Builders filed an application on July 14, 2017 under Order VII, Rule 11 of the Code of Civil Procedure, 1908 for rejection of the plaint on the ground that the suit was barred by law. A written statement was also filed by Kujjal Builders on September 4, 2017 refuting the allegations made by the Plaintiffs and stating that the hotel had complied with the prescribed safety norms in relation to the shaft and had taken necessary protective measures, including construction of a protective fence around the shaft. The matter is currently pending.

2. Ms. Taruni Gandhi (the "**Petitioner**") filed an application under Sections 14, 15(b) and 15(c) read with Sections 18(1) and 18(2) of the National Green Tribunal Act, 2010 before the National Green Tribunal, New Delhi against the Union of India, the National Board for Wildlife (the "**NBWL**"), other concerned authorities and constructions near the Sukhana Wildlife Sanctuary (the "**Sanctuary**"), for demolition of existing constructions within a 10 kilometre radius of the Sanctuary that have not received clearance from the NBWL. The Petitioner has alleged that such constructions in the ecological corridor links would be harmful to the preservation of biodiversity, which is required to be protected under the Environment Protection Act, 1986 and the Wildlife Protection Act, 1972. The Petitioner stated that no permission to construct or completion certificate should have been issued for construction in the area. Kujjal Builders filed a reply on August 24, 2017 refuting the claims made by the Petitioner, *inter alia*, on the grounds that the notification declaring the Sanctuary as an eco-sensitive zone, issued on January 18, 2017, only restricted new constructions and The LaLiT Chandigarh had already become operational since 2013. The matter is currently pending.

Outstanding civil litigation by our Subsidiaries and LSECT

1. AZIL filed a suit for eviction against Blue Print before the Kolkata High Court in relation to a shop leased to Blue Print at The LaLiT Great Eastern Kolkata. AZIL also claimed that a sum of ₹ 142.33 million was due from Blue Print on account of rent, mesne profits and loss of business. The building, which included the shop leased to Blue Print was in a state of disrepair and AZIL had applied and obtained necessary permissions from the KMC to repair the building by demolishing the existing structure and making partial alterations. Such repair was also required to enable AZIL to procure the necessary government approval. Despite several requests to Blue Print to vacate the shop, Blue Print refused to hand over vacant possession to AZIL and accordingly, AZIL had been unable to carry out repair works on the building. The matter is currently pending.

III. *Litigation involving our Directors*

Outstanding criminal proceedings against our Directors

Mr. Ramesh Suri

For details in relation to criminal proceedings against Mr. Ramesh Suri, see "- *Litigation involving our Company – Outstanding criminal proceedings against our Company*" on page 559.

Outstanding criminal proceedings by our Directors

Nil

Outstanding actions by statutory / regulatory authorities involving our Directors

Dr. Jyotsna Suri

1. For details in relation to actions by statutory / regulatory authorities involving Dr. Jyotsna Suri, see "- *Litigation involving our Company – Outstanding actions by statutory / regulatory authorities involving our Company*" on page 562.

2. The ED, Delhi Zonal Office issued an order dated February 12, 2018 under Section 37 of the FEMA, read with Section 133(6) of the Income Tax Act to Dr. Jyotsna Suri directing her to provide details and records in relation to her assets in India and abroad, foreign bank accounts, tax returns and the financial information of each of the entities with which she is associated. Dr. Suri responded on February 26, 2018 and provided the relevant information. Dr. Suri has not received any further communication from the ED in this regard.

Mr. Ramesh Suri

1. The ED, Delhi Zonal Office issued an order dated February 12, 2018 under Section 37 of the FEMA, read with Section 133(6) of the Income Tax Act to Mr. Ramesh Suri directing him to provide details and records in relation to his assets in India and abroad, foreign bank accounts, tax returns and the financial information of

each of the entities with which he is associated. Mr. Suri responded on February 24, 2018 and provided the relevant information. Mr. Suri has not received any further communication from the ED in this regard.

Outstanding tax proceedings involving our Directors

Dr. Jyotsna Suri

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax		
(i) Income tax cases	2	13.53
(ii) Income tax notice	1	Nil
(iii) Wealth tax	4	0.57
Total	7	14.10

Mr. Vivek Mehra

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax		
(i) Income tax case	1*	Nil
Total	1	Nil

**Mr. Vivek Mehra received a notice under Section 279(1) of the Income Tax Act directing him to show cause as to why prosecution should not be initiated against him under Sections 276C(1), 277, 278, 278B, read with Section 278E of the Income Tax Act, alleging that he, acting as a partner of PricewaterhouseCoopers, abetted a former client thereof in relation to evasion of taxes. The matter has been stayed by the Delhi High Court and the financial implication against Mr. Vivek Mehra is not ascertainable.*

Outstanding civil litigation against our Directors

Nil

Outstanding civil litigation by our Directors

Nil

Other Litigation

Dr. Mohmmad Yousuf Khan

1. Dr. Mohmmad Yousuf Khan is a director of Starcom Information Technology Limited ("**SITL**"). The SEBI issued a settlement notice for approved enforcement action dated January 5, 2018 alleging certain non-compliances by SITL of securities laws. Proceedings against SITL have been initiated by the SEBI under Section 23E of the SCRA. The SEBI granted SITL 15 days to file its application for settlement of proceedings. SITL filed a voluntary settlement application on February 2, 2018 in relation to its delay in complying with the minimum public shareholding requirement under Rules 19(2b) and 19A of the Securities Contract (Regulation) Rules, 1957, Clause 40A of the erstwhile listing agreement and Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. SITL has not received any further correspondence from the SEBI in this regard.

Action initiated by the SEBI against the entities operating in the securities market with which our Directors are associated

Mr. Dhruv Prakash

A. Mr. Dhruv Prakash is a director of SBI Mutual Fund Trustee Company Private Limited (the "**SBI Trustee**"), a trustee to SBI Mutual Fund ("**SBIMF**"), a fund registered with the SEBI and managed by SBI Funds

Management Private Limited ("**SBIFMPL**"), an asset management company. The following actions have been initiated by the SEBI against SBIMF and SBIFMPL:

a. *Inquiries or investigations conducted by the SEBI*

1. The SEBI initiated an investigation on the transactions made during the period April 1, 2002 to May 31, 2002 by SBIMF in the shares of Polaris Software Lab Limited, having suspected SBIMF of indulging in insider trading on account of a proposed merger of Orbi Tech Solutions with Polaris Software Lab Limited, i.e. 'unpublished price sensitive information' about Polaris under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (the "**Erstwhile Insider Trading Regulations**"). SBIMF denied the allegations of any violation of the Erstwhile Insider Trading Regulations or the SEBI Act. The SEBI issued a show cause notice on June 20, 2007 and SBIMF replied on June 30, 2008. SBIMF has not received any further communication from the SEBI in this regard.

2. The SEBI initiated an investigation into certain transactions in the shares of Padmini Technologies Limited ("**PTL**") during the period 2000-2001, which included an inquiry into the investments made by SBIMF in the shares of PTL. The CBI had also investigated various aspects of the transactions in the shares of PTL, which included investments by various schemes of SBIMF during the period. A case was subsequently filed in the Sessions Court at Mumbai in 2006 against some ex-employees of PTL. SBIFMPL, the SBI Trustee and SBIMF were not parties to this case.

   Further, a show cause notice dated January 29, 2010 (the "**2010 SCN**") was received from the SEBI in the matter and SBIMF replied to the 2010 SCN countering the allegations made by the SEBI. SBIMF also made an application to the SEBI to settle the matter through the consent process, on a no-fault basis, without accepting or denying guilt. The said consent proposal was rejected by the SEBI pursuant to its letter dated March 22, 2013. A fresh show cause notice dated May 28, 2013 (the "**2013 SCN**") was issued enclosing a copy of an enquiry report conducted by a designated authority, recommending a prohibition on SBIMF from launching any new mutual fund schemes for a period of 12 months. In accordance with the terms of the 2013 SCN in relation to availing of the consent process, SBIMF filed a consent application, which was returned by the SEBI on the ground that the consent application by SBIFMPL shall not be reconsidered by the SEBI.

   The SEBI notified the Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) (Amendment) Regulations, 2017 on February 27, 2017 (the "**SEBI Amendment Regulations**"), which amended the Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (the "**Settlement Regulations**"). The SEBI Amendment Regulations allowed for re-consideration of an application which had been previously rejected under the Settlement Regulations in exceptional circumstances and subject to certain conditions as may be recommended by the high-powered advisory committee. In this connection, SBIMFPL, for and on behalf of SBIMFPL, SBIMF and the SBI Trustee filed a consent application on March 14, 2017, without admission or denial of guilt, in full and final settlement of all proceedings in relation to the 2010 SCN and 2013 SCN. The matter is under review by the SEBI.

b. *Warning letters issued by the SEBI to the SBIMF and SBIFMPL in the financial year ended March 31, 2010 and thereafter*

1. The SEBI issued a letter dated April 24, 2009 in relation to certain violations of its circular on Parking of Funds in Short Term Deposits of Scheduled Commercial Banks by Mutual fund – Pending Deployment:

   i) breach of 10% limit of the net assets in short term deposit(s) with a scheduled commercial bank, State Bank of Patiala, in the investments made by the SBI Debt Fund Series – 90 Days – 29 (the Scheme) which amounted to 12.74% of the first net asset value (NAV) of such scheme which was inadvertently not reported in the bi-monthly compliance test report filed with the SEBI; and
   ii) exceptions of the circular reported in the various compliance test reports filed bi-monthly for the period ended July 31, 2007 to March 31, 2008 on account of the investment made prior to the issuance of the relevant circular.

The breach of the 10% limit was as a result of the investment being made prior to the computation of the first NAV and the amount placed exceeded the 10% limit because of an error in the estimation of the final corpus. After the incident, SBIMF had processes put in place to ensure investments are made in accordance with the amount credited into the bank account in case of any new fund offer, and SBIMF has also taken necessary steps to avoid such breach in future and to ensure that SEBI instructions are complied with while making investments in such short term deposits of the banks.

The reason for the exception was due to the investment being made prior to the issuance of the SEBI circular. The continuance of such short term deposits was purely done keeping in mind the interest of the investors. This was being reported to the SEBI at bi-monthly intervals through compliance test reports.

SBIFMPL has strengthened its compliance mechanism and SBIMF has stated that there is no violation of the circular as on date.

2. The SEBI issued a letter dated August 20, 2009 to SBIMF in relation to certain violations observed by the SEBI during its inspection for the period July 1, 2005 to June 30, 2007. SBIMF responded on October 9, 2009 stating that it had strengthened its compliance mechanism to avoid instances of non-compliance in future.

3. The SEBI issued a letter dated March 25, 2010 in relation to the following violations/exceptions reported in the compliance test reports submitted by SBIMFPL bi-monthly for the periods ended March 2009, May 2009, July 2009, September 2009 and November 2009: (i) non-updation of NAV on the website of the Association of Mutual Funds in India within the stipulated time frame, (ii) investment in secured non-convertible debentures in respect of the unclaimed redemption amount and SBI Magnum Sector Funds Umbrella – Contra, and (iii) investment in pass through certificates by redeemed schemes.

   For updation of NAV on the website of the Association of Mutual Funds in India, SBIMF responded that the position has considerably improved after the migration to a new software application. Further, in relation to the investments mentioned in (ii) and (iii) above, the various schemes of SBIMF (including redeemed schemes) had exposures in the commercial papers (money market instruments) of Unitech Limited. Unitech Limited has not been able to meet its redemption obligations to SBIMF. As a result of such difficulties, a restructuring exercise was undertaken and accordingly, the overdue commercial papers were converted into secured non-convertible debentures. Although the non-convertible debentures are not classified as money market instruments, they are akin to money market instruments as they have a tenure of six months. Further, the non-convertible debentures were secured against first exclusive pari-passu charge on immovable assets and personal guarantee(s) of the promoters and guarantees from subsidiaries, group companies and affiliates whose properties are proposed to be mortgaged. This was merely a conversion which was done as a credit enhancement measure and was not a fresh investment in the concerned schemes. The total outstanding amount along with interest was recovered by September 23, 2010 and SBIMF has stated that there is no violation as on date.

4. The SEBI issued a warning letter dated August 26, 2010 in relation to delay in listing of units of the SBI Debt Fund Series – 180 days – 11 pursuant to the SEBI Circular (No. SEBI/IMD/CIR No 18/198647/2010) dated March 15, 2010 that requires all schemes (except equity linked savings schemes) to be available for ongoing repurchase / sale / trading within five business days of allotment and SBIMF was advised to take due care in future and also apprise the board of directors of SBIFMPL and the SBI Trustee of such violation and the steps taken to strengthen the compliance mechanism. This violation was due to circumstances beyond the control of SBIFMPL as there was a delay in realization of some instruments due to an unanticipated bank strike in the north-east region as a result of which reconciled data could not be made available within the prescribed timelines. SBIMF has now strengthened the compliance mechanism to avoid such instances in the future.

5. The SEBI issued a letter dated May 12, 2011 to SBIMF in relation to certain violations observed by the SEBI during its inspection for the period July 01, 2007 to June 30, 2009. SBIMF responded on June 20, 2011 stating that it had strengthened its compliance mechanism to avoid such instances of non-compliance in the future.

6. The SEBI issued a letter dated March 5, 2012 to SBIMF in relation to violation of Regulation 52(6)(b) of the Securities and Exchange Board of India (Mutual Funds) Regulations 1996 (the “**Mutual Funds Regulations**”) in connection with the disclosure of total expense ratio in the SID for SBI Gold Exchange Traded Scheme

("**SBI GETS**"). SBIMF responded on dated March 12, 2012 informing the SEBI of the updation of the revised expense structure in the SID and KIM of SBI GETS and confirmed that the scheme had not charged any expenses beyond the regulatory limits. SBIMF also stated that it had strengthened the compliance mechanism to avoid such instances in the future.

7. The SEBI issued a letter dated January 16, 2014 in relation to certain violations observed by the SEBI during its inspection of Computer Age Management Services Private Limited ("**CAMS**"), the registrar and transfer agent for the period July 1, 2009 to August 31, 2011. SBIMF responded on May 19, 2014 to the SEBI stating that corrective action had been taken in relation to the observations advised by the SEBI.

8. The SEBI issued a letter dated March 26, 2014 observing that under various schemes offered by SBIMF, the same investors were repetitively holding more than 25% of the scheme's quarterly average net assets and advised SBIMF to comply with the circulars issued by the SEBI dated December 12, 2003 and June 14, 2005 relating to maximum holding by a single investor in a scheme in letter as well as in spirit. SBIMF responded on May 6, 2014 and stated that SBIFMPL had complied with the circulars and had a process in place to ensure compliances. SBIMF also stated that in view of the letter by the SEBI to comply with the circulars in spirit as well, SBIMF informed the SEBI that SBIMF is rebalancing the portfolio as envisaged in the circulars and is implementing additional checks to reduce the holding below 25% of the scheme's average net assets so that the circulars are complied with, both in letter and in spirit.

9. The SEBI issued a letter dated April 23, 2014 in relation to its circular dated April 16, 2007 on guidelines pertaining to parking of funds in short term deposits – pending deployment. The SEBI observed that one scheme offered by SBIMF had not complied with the circular. SBIMF responded on June 13, 2014 informing the SEBI that the relevant scheme, SBI Magnum InstaCash Fund (the "**SBI Scheme**"), was a liquid scheme offered by SBIMF and a passive breach of 10% single issuer limit in short term deposit held with YES Bank Limited had occurred due to decrease in the overall net assets of the SBI Scheme on account of redemption in the SBI Scheme on January 8, 2013. The exposure in short term deposit increased to 10.50% and the position was corrected on January 10, 2013. The above violation was also reported in the compliance test report for the bi-month period ended January 31, 2013 and half yearly trustee report filed with the SEBI (for the half year ended March 31, 2013) and SBIMFPL had the necessary systems in place to monitor compliances with the SEBI circular.

10. The SEBI issued a warning letter dated July 4, 2014 in relation to breach in the single issuer limit of 15% in SBI Debt Fund Series A - 23 (36 Months) resulting in violation of Clause 1 of the Seventh Schedule read with Regulation 44(1) of the Mutual Funds Regulations sand SBIMF was advised to take due care in future, improve compliance standards to avoid recurrence of such instances and to apprise the board of directors of the SBIFMPL and the SBI Trustee about the violation and the steps taken to strengthen the compliance mechanism. SBIMF responded on August 1, 2014 and informed the SEBI that the deviation occurred as a result of human error since the limits were being checked manually at the time of portfolio construction. A system based check was not available until the first NAV declaration date due to non-availability of NAV in the system. SBIMF has now put in place a system based check post allotment but prior to the first NAV declaration date. This has been enabled through the concept of a notional NAV in the system, on the basis of a report provided by CAMS, the registrar and transfer agents to SBIMF, on the third business day from the date of allotment and also considering expenses on estimation basis. By following this process, SBIMF will be in a position to monitor the breaches (if any) and take required corrective action prior to the first NAV declaration.

11. The SEBI issued a letter dated August 19, 2014 in relation to an anomaly in a disclosure in the two scheme information documents (SIDs) filed with the SEBI for launch of the SBI Dual Advantage Fund – Series IV for which the SEBI advised SBIMF to take care and improve compliance standards to avoid recurrences of such instances in future. The SEBI also advised to inform the board of directors of SBIFMPL and the trustees of SBIMF about the issues and the steps taken to strengthen compliance mechanism. SBIMF in its letter dated September 14, 2014 informed the SEBI that the variation between the two SIDs occurred due to human error and that internal processes had been further strengthened for preparation of SIDs so that such errors do not occur in future.

12. The SEBI issued a letter dated August 20, 2014 to SBIMF in relation to violations observed by the SEBI during its inspection for the period September 1, 2011 to January 31, 2013 conducted by M/s Uberoi Sood & Kapoor, Chartered Accountants. SBIMF was advised to take due care in future and also apprise the board of directors of SBIFMPL and the SBI Trustee of the violation and the steps taken to strengthen the compliance mechanism. SBIMF responded on January 13, 2015 informing the SEBI of the corrective actions taken on the observations as advised by the SEBI and various steps taken to strengthen the compliance mechanism.

13. The SEBI issued a letter dated September 26, 2014 to SBIMF in relation to violations observed by the SEBI during its inspection of Karvy Computershare Private Limited, the registrar to the schemes of erstwhile Daiwa Mutual Fund (which have now been taken over by SBIMF) for the period September 1, 2011 to January 31, 2013. SBIMF was advised to intimate the board of directors of SBIFMPL and the SBI Trustee of the violation and the steps taken to strengthen the compliance mechanism. SBIMF responded on November 7, 2014 informing the SEBI of the process in place at CAMS and that the corrective steps taken had been intimated to the board of directors of SBIFMPL and the SBI Trustee.

14. The SEBI issued a letter dated October 20, 2014 regarding non-compliance with its circulars dated December 12, 2003 and June 14, 2005 relating to maximum holding by a single investor in a scheme and that the SEBI, in its letter dated March 26, 2014, had observed the same breach and advised SBIMF to comply with the said circulars and had also noted non-compliance pertaining to the circular dated April 16, 2007 on parking of funds in short term deposits of scheduled commercial banks, which was reported in the compliance test report for the bi-month ended July 2015 to the SEBI. SBIMF responded on December 19, 2014 informing the SEBI of further steps taken to strengthen the compliance mechanism to avoid recurrence of such events. SBIMF also informed the board of directors of SBIFMPL and the SBI Trustee, as advised by the SEBI.

15. The SEBI issued a letter dated November 27, 2014 to SBIMF in relation to violations observed by the SEBI during its inspection of CAMS for the period September 1, 2011 to January 31, 2013 conducted by M/s Varma & Varma, Chartered Accountants. SBIMF was advised to take steps to strengthen the checks and controls and take corrective action and to also apprise the boards of directors of SBIFMPL and the SBI Trustee of the violation and the steps taken to strengthen the compliance mechanism. SBIMF responded on March 3, 2015 informing the SEBI of the corrective action taken on the observations as advised by the SEBI and the various steps taken to strengthen the compliance mechanism at CAMS.

16. The SEBI issued letters dated September 10, 2015 and October 5, 2015 in relation to its observations on the investor awareness programs (IAPs) conducted by SBIMF and various irregular practices adopted by SBIFMPL. The SEBI advised that due care was to be taken in future in relation to conducting of investor awareness programs (IAPs) and any such lapse in future by SBIFMPL would invite stringent action in accordance with applicable regulations. SBIMF responded on November 24, 2015 and informed the SEBI of the steps taken to strengthen the practices adopted by SBIFMPL for conducting financial awareness among investors and that due care would be taken to avoid instances in future and ensure that the objective of creating financial awareness can be achieved.

17. The SEBI issued a letter dated January 20, 2016 informing SBIMF of deficiency with respect to the compliance test report for bi-month period ended November 30, 2015 relating to the uploading of NAV on the website of the Association of Mutual Funds in India and on SBIMF's website within the prescribed time period thereby resulting in non-compliance with the SEBI circular dated March 29, 2006 (the "**March Circular**"). The SEBI advised SBIMF to strengthen the system so that such lapses do not occur in future. SBIMF responded on April 6, 2016 informing the SEBI that SBIFMPL already had an established process in place to ensure compliance with the March Circular for uploading the NAV of the schemes within the prescribed time. During the relevant period, NAVs were delayed mainly on account of system issue at SBI-SG Global Securities Services Private Limited, the fund accountant and late receipt of diversified target return (DTR) from CAMS and that this was the first instance encountered by the SBIFMPL in the last five years. SBIFMPL had also advised both the agencies to avoid occurrence of such events in future.

18. The SEBI issued a letter dated March 16, 2016 to SBIMF for non-compliance reported in the compliance test report for the bi-month period ended July 31, 2015 in relation to compliance with sub-regulation 7(a) of Regulation 25 of the Mutual Funds Regulations relating to the business done through associate broker

exceeding 5% of the aggregate purchase and sale of securities made by SBIMF in all its schemes in a block of three months. SBIMF responded on May 6, 2016 informing the SEBI that during the rolling three month period i.e., May 2015 to July 2015, business done with SBICAP Securities Limited, an associate broker had marginally exceeded 5% limit of aggregate purchase and sale of securities made by SBIMF in all its schemes due to debt deals executed during the period (5.14% against 5% as per regulation), which was reported as an exception in the compliance test report for the bi-month period July 31, 2015.

In this regard, SBIFMPL submitted that the current front office system is not capable of putting a hard limit in the system whereby the incremental business gets stopped when it crosses 5% on any block of three months in case of an associate broker. This limit was monitored manually and during the rolling three months period from May 1, 2015 to July 31, 2015, there was a marginal breach with SBICAP Securities Limited. The relevant official responsible for monitoring had been suitably counselled. SBIFMPL also submitted that this breach had happened for the first time and that the SEBI's advice to take due precaution and systemic checks was being incorporated in the new front office system being introduced to ensure stoppage of any such trade.

19. The SEBI issued a letter dated April 4, 2016 to SBIMF in relation to violations observed by the SEBI during its inspection for the period February 1, 2013 to March 31, 2014 conducted by M/s CNK & Associates LLP, Chartered Accountants. SBIMF was advised to take due care in future and also apprise the board of directors of SBIFMPL and the SBI Trustee of the violation and the steps taken to strengthen the compliance mechanism. SBIMF responded on July 22, 2016 informing the SEBI of the corrective action taken as well as the various steps taken to strengthen the compliance mechanism.

20. The SEBI issued a letter dated May 26, 2017 to SBIMF on non-compliance with its circular dated February 15, 2016 relating to group limit exposure in SBI Savings Fund which was reported to the SEBI by SBIMF in its compliance test report for the bi-month period ended March 31, 2017. The SEBI advised SBIMF to strengthen the systems to ensure that such lapses do not occur in future. SBIMF responded on June 22, 2017 stating that the deviation occurred on account of a manual error in exposure calculation as mentioned in the compliance test report submitted to the SEBI. The current system did not support this limit at that time and the same was being done outside the system in excel. The limit had now been incorporated in the existing front office module as an *ex-ante* check. Additionally, the check was also conducted offline through an excel-based macro. Further, the said limit would also be available in the new application, for which a parallel run was going on. SBIMF also informed the board of directors of SBIFMPL and the SBI Trustee of the steps being taken to strengthen the compliance mechanism.

21. The SEBI issued a letter dated November 20, 2017 to SBIMF on non-compliance with its circular dated May 8, 2017 relating to monetary limit for instant redemption facility in SBI Magnum InstaCash Fund which was reported to the SEBI by SBIMF in its compliance test report for the bi-month period ended July 31, 2017. The SEBI advised SBIMF to take due care in future and improve compliance standards to avoid recurrence of such instances, failing which action may be initiated in accordance with the provisions of applicable regulations and also advised SBIMF to inform the board of directors of SBIFMPL and the SBI Trustee of the warning and the steps taken to strengthen the compliance mechanism.

    SBIMF responded on January 29, 2018 informing the SEBI that while redemptions triggered prior to June 22, 2017 went through smoothly, on that date, an instant redemption of ₹ 200,000 was processed instead of ₹ 50,000 due to a technical error on the website. The limit of instant redemption up to ₹ 50,000 has been embedded for all transaction made through website and mobile apps. However, the particular transaction was initiated by a distributor and was approved by the investor using a one time password. While the system should have thrown an exception and displayed an error that the amount of redemption submitted is not valid for instant redemption and additionally, the redemption will be processed only as regular redemption in line with SEBI circular, the system had an error in this particular case and the redemption was processed without exception. SBIMF had since fixed all technical processes related to instant redemption on all its digital assets to ensure that such an incident does not occur in future. As an additional measure, a check at bank level has been introduced that will also ensure that no amount above ₹ 50,000 is processed through IMPS. This was also informed to the board of directors of SBIFMPL and the SBI Trustee along with the steps taken to strengthen the compliance mechanism.

22. The SEBI issued a letter dated December 11, 2017 to SBIMF on violations observed during its inspection of CAMS for the period February 1, 2013 to March 31, 2014 conducted by Walker Chandiok & Co. LLP. SBIMF was advised to implement certain directions related to the SEBI's observations and also inform the board of directors of SBIFMPL and the SBI Trustee about the violation and the steps taken to strengthen the compliance mechanism. SBIMF responded on January 30, 2018 informing the SEBI of the corrective action taken in relation to the observations and various steps taken to strengthen the compliance mechanism at CAMS.

23. The SEBI issued a letter dated May 31, 2018 to SBIMF on violations and deficiencies observed by the SEBI during its inspection for the period April 1, 2014 to March 31, 2016 conducted by M/s G. P. Agrawal & Co., Chartered Accountants. SBIMF was advised to take due care and be diligent in future to ensure strict compliance with the Mutual Funds Regulations and to also apprise the board of directors of SBIFMPL and the SBI Trustee of the violation and the steps taken to strengthen the compliance mechanism. SBIMF is in process of replying to the SEBI observations on the corrective actions taken in relation to the observations and various steps taken to strengthen the compliance mechanism.

Dr. Mohmmad Yousuf Khan

Dr. Mohmmad Yousuf Khan is a director of Essel MF Trustee Limited (formerly, Peerless Trust Management Co Limited) ("**Peerless Trustee**"), the trustee to Essel Mutual Fund (formerly, Peerless Mutual Fund) ("**PMF**"), a fund registered with the SEBI, and managed by Essel Finance AMC Limited (formerly, Peerless Funds Management Company Limited) ("**Peerless AMC**"). The following actions have been initiated by the SEBI against PMF, Peerless AMC and other related funds and schemes:

1. The SEBI issued a letter dated September 16, 2011 for non-compliance with the advertisement code specified in the Mutual Funds Regulations (the "**Advertisement Code**") in relation to the advertisement material issued during the new fund offer of Peerless Equity Fund. Subsequently, the advertisement material was revised in line with the Advertisement Code.

2. The SEBI issued a letter dated January 10, 2014 seeking an explanation on the asset under management (AUM) of a scheme, Peerless MF Child Plan (now, Essel 3 in 1 Fund), falling below ₹ 200.00 million, the minimum prescribed amount raised during the new fund offer. A clarification was given to the SEBI on steps proposed and the current asset under management is now above ₹ 200.00 million.

3. The SEBI issued a letter dated February 13, 2014 for non-compliance with the uniform cut-off timings for applicability of net asset value for schemes. Subsequently, no such exception to cut-off timing has been undertaken.

4. The SEBI issued a letter dated March 26, 2014 for passive breach of 20-25 norms for mutual funds issued by the SEBI in a few schemes of PMF. A clarification was provided that the breach was passive in nature and the norms were being adhered to.

5. The SEBI issued a letter dated December 5, 2014 for delay in submission and non-compliance with performance advertisement norms in published factsheet. The non-compliance was rectified and adhered to and there were no further delays in submission of factsheets.

6. The SEBI issued a letter dated June 10, 2015 for not explaining the reasons for non-appointment of an independent director for more than three months after resignation of an independent director. The board of directors of Peerless Trustee took note of such non-compliance and there was no such non-compliance thereafter.

IV. *Litigation involving our Promoters*

Outstanding criminal proceedings against our Promoters

Mr. Ramesh Suri

For details in relation to criminal proceedings against Mr. Ramesh Suri, see "- *Litigation involving our Company – Outstanding criminal proceedings against our Company*" on page 559.

Outstanding criminal proceedings by our Promoters

Nil

Outstanding actions by statutory / regulatory authorities involving our Promoters

Dr. Jyotsna Suri

For details in relation to actions by statutory / regulatory authorities involving Dr. Jyotsna Suri, see "- *Litigation involving our Company – Outstanding actions by statutory / regulatory authorities involving our Company*" on page 562 and "- *Litigation involving our Directors – Outstanding actions by statutory / regulatory authorities involving our Directors*" on page 575.

Mr. Ramesh Suri

For details in relation to actions by statutory / regulatory authorities involving Mr. Ramesh Suri, see "- *Litigation involving our Directors – Outstanding actions by statutory / regulatory authorities involving our Directors*" on page 575.

Outstanding tax proceedings involving our Promoters

Dr. Jyotsna Suri

For details in relation to the tax proceedings involving Dr. Jyotsna Suri, see "*Litigation involving our Directors* – Outstanding *tax proceedings involving our Directors*" on page 576.

Deeksha Holding Limited

Nature of Proceedings	**Number of Proceedings**	**Amount involved (in ₹ million)**
Direct Tax		
Income tax notice	1	Nil
Total	1	Nil

Outstanding civil litigation against our Promoters

1. Rosario Fernandes, Sitaram Naik Dessai and Ganaba Yeshwanta Naik Dessai filed cases in the civil court at Margao, Goa claiming interest and title on parts of the land owned by DHL on which The LaLiT Golf & Spa Resort Goa is located. Due to the demise of certain individuals who had originally disputed the title, their legal heirs were added to the list of parties in the matter and such list currently includes about 300 claimants. As a result of a large number of such individuals being residents of different parts of India and abroad, the pleader for such individuals has been unable to file his power of attorney to appear on their behalf. The matter is currently pending.

Outstanding civil litigation by our Promoters

1. DHL filed two special leave petitions before the Supreme Court of India against orders of the High Court of Goa in relation to a title dispute on the property owned by DHL at Talpona Hill in Goa. The Communidade of Poinguini (the "**Opposite Party**") had filed appeals before the High Court of Goa against judgments of the trial court in relation to the title of DHL and a third party in the property at Talpona Hill in Goa. The High Court of Goa passed an order stating that while DHL was in possession of the property, the trial courts had erred in deciding the title in favor of DHL and accordingly, remanded the matter to the district court. In its special leave petitions, DHL requested for quashing of the orders of the High Court of Goa that referred the title dispute

matter back to the district court for determination on merit and rejected the judgment of the trial courts that decided the title dispute in favor of DHL. The district court dismissed the case in favor of DHL as the Opposite Party failed to appear before the court. The two petitions are currently pending.

V. ***Litigation involving our Group Companies***

Outstanding criminal proceedings against our Group Companies

Cargo Motors Private Limited

1. Mr. Laljibhai Chauhan filed a complaint under Sections 406 and 420 of the IPC before the District Court of Ahmedabad against the Sales Manager of Cargo Motors Private Limited ("**CMPL**"). Mr. Chauhan had purchased a TATA 407 vehicle and due to defaults in making payments to a finance company, the vehicle was repossessed and sold in an auction. Consequently, Mr. Chauhan filed this complaint. The matter is currently pending.

2. Mr. Abdul Patel filed a complaint under Sections 406 and 418 of the IPC before the Civil Court of Baroda against the Sales Manager of CMPL in relation to the purchase of a TATA Mobile 207 vehicle. Mr. Patel contended that the price of the vehicle was ₹ 386,498 and not ₹ 390,798 and accordingly, Mr. Patel was only required to pay the prevailing amount at the time of delivery. The matter is currently pending.

3. Mr. D. P. Makwana filed a complaint before the District Court of Ahmedabad against CMPL in relation to non-compliance with the requirement of the Apprentice Act, 1961 that mandated a Human Resources Manager to appoint at least 11 apprentices. Mr. Makwana contended that the Human Resources Manager of CMPL had appointed only three apprentices and accordingly, a penalty of ₹ 71,520 should be imposed. The matter is currently pending.

Outstanding criminal proceedings by our Group Companies

Subros Limited

1. Subros Limited filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 against Power The Cooling Technologist in relation to dishonour of cheques issued to Subros Limited of an amount aggregating to approximately ₹ 3.82 million. The matter us currently pending.

Cargo Motors Private Limited

1. CMPL filed a complaint before the Metropolitan Court, Ahmedabad against Mr. Manish Butch, C/o. Morpichh Enterprise to recover the outstanding amount due from Morpichh Enterprise as a result of failure by Morpichh Enterprise to deliver crockery ordered by CMPL for its hotel, Cloud. For the purpose of refunding the outstanding amount, Morpichh Enterprise had issued a cheque of ₹ 285,000, which was returned by the relevant bank due to insufficiency of funds. The matter is currently pending.

Rohan Motors Limited

1. Rohan Motors Limited ("**RML**") filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 with the Additional Chief Judicial Magistrate against a customer, Mr. Brij Mohan Verma alleging dishonour of a cheque of ₹ 100,000 for the purchase of a motor vehicle from RML. The matter is currently pending.

2. RML filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 with the Dehradun District Court against a customer, Mr. B.P. Dabral alleging dishonour of a cheque of ₹ 150,000 for the purchase of a motor vehicle from RML. The matter is currently pending.

3. RML filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 before the District Court, Karkardooma, Delhi against a customer, Mr. Sunil Chikara alleging dishonour of a cheque of ₹ 120,000 issued for the purchase of a motor vehicle from RML. The matter is currently pending.

4. RML registered a FIR against Mr. Nirmal Singh, a former employee, alleging misappropriation of funds collected from customers, pursuant to which, criminal proceedings are currently pending before the District Court, Bulandshahr. Mr. Nirmal Singh has also filed a revision petition before the High Court of Judicature at Allahabad for quashing of the FIR. The matter is currently is pending.

5. RML registered an FIR against Mr. Sachin Pandey, a security personnel and Mr. Badri Prasad alleging theft by way of encashing a forged cheque in the name of the chairman of RML of ₹ 0.45 million under a false identity. Mr. Sachin Pandey was sentenced to four years imprisonment and Mr. Badri Prasad was released on bail. The matter is pending before the Sessions Court, Greater Noida.

6. RML filed a criminal case against seven employees, including Mr. Vipin Sharma (named as the main accused), alleging theft of vehicles worth ₹ 18.00 million pursuant to non-compliance with the procedures for approving delivery of vehicles, including depositing of the payment in RML's account. The matter is currently at evidence stage before the District Court, Surajpur, Greater Noida.

7. RML filed a criminal case before the District Court, Patiala House, Delhi against Mr. Neeraj Paharia, an employee alleging misappropriation of funds collected from customers at RML's premises in Chattarpur, Delhi. The matter is currently pending and the accused has been granted bail.

Outstanding actions by statutory / regulatory authorities involving our Group Companies

Cargo Motors (Rajasthan) Private Limited

1. The District Collector, Chittorgarh issued an order dated August 27, 2008 declaring the construction done by Cargo Motors (Rajasthan) Private Limited on agricultural land as illegal and directed that the constructed portions be removed. Cargo Motors (Rajasthan) Private Limited filed an appeal before the court of the Revenue Appellate Authority, Chittorgarh (the "**RAA**") against the order. The order of the District Collector, Chittorgarh was upheld. Consequently, Cargo Motors (Rajasthan) Private Limited filed an appeal before the Rajasthan Revenue Board, Ajmer and obtained a stay on the order of the RAA. The matter is currently pending.

2. The Tehsildar, Chittorgarh issued an order dated September 29, 2008 declaring certain land to be "Bila Nam", and directed that the title of the land be changed to "Bila Nam" in government records, such that ownership of the land would remain with the Government under Section 90A of the Rajasthan Land Revenue Act, 1956. Cargo Motors (Rajasthan) Private Limited filed an appeal against the order before the Collector but such appeal was disallowed. Cargo Motors (Rajasthan) Private Limited then challenged the order of the Collector at the RAA, which was also disallowed. RAA gave its decision, along with its decision in relation to the order of the District Collector, Chittorgarh. Cargo Motors (Rajasthan) Private Limited then filed an appeal before the Rajasthan Revenue Board, Ajmer and obtained a stay. The matter is currently pending.

3. As a rule under Section 177 of the Rajasthan Tenancy Act, 1955, the Tehsildar is required to obtain approval from the Sub-Divisional Magistrate for declaring any land as "Bila Nam". For such purpose, the Tehsildar filed an application with the Court of the Sub-Divisional Magistrate, which was opposed by Cargo Motors (Rajasthan) Private Limited, which was over ruled. Cargo Motors (Rajasthan) Private Limited then approached the RAA, where the petition was again rejected. Cargo Motors (Rajasthan) Private Limited then filed an appeal before the Rajasthan Revenue Board, Ajmer and obtained a stay. The matter is currently pending.

Outstanding tax proceedings involving our Group Companies

Deeksha Human Resource Initiatives Limited

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax		
Income tax notice	1	Nil
Total	1	Nil

Global Autotech Limited

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax		
Income tax cases	6	0.28
Sub-total (A)	6	0.28
Indirect Tax		
Sales tax cases	2	1.84
Sub-total (B)	2	1.84
Total (A+B)	8	2.12

Prima Telecom Limited

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Indirect Tax		
Service tax cases	4	5.48
Total	4	5.48

Subros Limited

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax		
Income tax cases	3	16.45
Sub-total (A)	3	16.45
Indirect Tax		
Service tax cases/notices	18	17.61
VAT cases/notices	7	15.10
Customs cases/notice	1	56.69
Sub-total (B)	26	89.40
Total (A+B)	29	105.85

Cargo Motors Private Limited

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Direct Tax		
Income tax cases	3	0.59
Total	3	0.59

Cargo Motors (Rajasthan) Private Limited

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Indirect Tax		
VAT case	1	105.70
Total	1	105.70

Premium Farm Fresh Produce Limited

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Indirect Tax		
Revenue case	1	2.70
Total	1	2.70

Fibcom India Limited

Nature of Proceedings	Number of Proceedings	Amount involved (in ₹ million)
Indirect Tax		
Service tax case	1	5.52
Total	1	5.52

Outstanding civil litigation against our Group Companies

Nil

Outstanding civil litigation by our Group Companies

Nil

VI. ***Litigation involving our Joint Venture***

Outstanding criminal proceedings against our Joint Venture

Nil

Outstanding criminal proceedings by our Joint Venture

Nil

Outstanding actions by statutory / regulatory authorities involving our Joint Venture

Nil

Outstanding tax proceedings involving our Joint Venture

Nil

Outstanding civil litigation against our Joint Venture

Nil

Outstanding civil litigation by our Joint Venture

Nil

VII. ***Outstanding Dues to Creditors***

As at March 31, 2018, we had 4,124 creditors. The aggregate amount outstanding to such creditors on a consolidated basis as at March 31, 2018 was ₹ 865.06 million.

In accordance with the SEBI ICDR Regulations, our Company, pursuant to a resolution of our Board dated June 22, 2018 considers all small scale undertakings and other creditors to whom the amount due by our Company exceeds ₹ 43.25 million, i.e. 5% of the total trade payables of our Company as at March 31, 2018 on a consolidated basis in accordance with the Restated Financial Information, as material creditors of our Company.

Based on the above, there is one material creditor of our Company as at March 31, 2018 and the amount outstanding in relation to such material creditor as at March 31, 2018 is ₹ 46.35 million.

Details of outstanding dues owed as at March 31, 2018 to small-scale undertakings and other creditors are set out below.

Creditors	**Amount due (in ₹ million)**
Small-scale and Medium Enterprises	-
Material creditors: Kumara Krupa Frontier Hotels Private Limited	46.35
Other creditors	818.71

For further details of the outstanding dues to creditors as at March 31, 2018, see the website of our Company at http://www.thelalit.com.

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, http://www.thelalit.com, would be doing so at their own risk.

VIII. ***Material developments since the last balance sheet***

Other than as disclosed in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 520, in the opinion of our Board, no circumstances have arisen since the date of our last balance sheet as disclosed in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our consolidated assets, or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Set out below is an indicative list of material approvals obtained by our Company, our Subsidiaries and LSECT for undertaking their respective businesses. In view of these approvals, our Company, our Subsidiaries and LSECT can undertake our respective business activities as currently conducted and disclosed in this Draft Red Herring Prospectus. Unless otherwise stated, these approvals, licenses or registrations are valid as at the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which we operate, see "*Regulations and Policies" on page 199.*

I. APPROVALS IN RELATION TO THE ISSUE

See "*Other Regulatory and Statutory Disclosures – Authority for the Issue*" on page 595 for the approvals and authorizations in relation to the Issue.

II. INCORPORATION DETAILS OF OUR COMPANY

1. Certificate of incorporation dated January 22, 1981 issued to our Company by the Registrar of Companies.

2. Certificate for commencement of business dated May 4, 1981 issued to our Company by the Registrar of Companies.

3. Corporate Identity Number: U74899DL1981PLC011274.

4. Importer-Exporter Code: 0588098809.

III. APPROVALS IN RELATION TO OUR BUSINESS

A. Material licenses and approvals obtained by our Company, our Subsidiaries and LSECT

1. In respect of our hotels that are operational, the material approvals and registrations obtained by our Company and our Subsidiaries include star classification from the Ministry of Tourism, Government of India, licenses under the Food Safety and Standards Act, 2006 and the Legal Metrology Act, 2009, approvals for operation of lifts, no-objections from fire prevention authorities, licenses from the local municipal corporations, such as, lodging house licenses and eating house licenses, registrations and no-objections from the local police authorities, discotheque licenses, swimming pool licenses, consent to operate from the relevant state pollution control boards, tourist trade registrations, licenses to store high speed diesel, public performance licenses, and liquor licenses to retail foreign and/or Indian liquor, where applicable. Our Company has also obtained approvals in relation to its outdoor catering services and food truck business, including licenses under the Food Safety and Standards Act, 2006.

2. Our Company and our Subsidiaries have obtained registrations under applicable shops and establishments laws in the relevant states in India where our hotels and/or other offices are located.

3. Our Company and our Subsidiaries have obtained registrations under various Indian tax laws, including provisional registration certificates for GST.

4. Our Company and our Subsidiaries have obtained registrations under applicable labor laws including, but not limited to, registrations under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' State Insurance Act, 1948 and the Contract Labour (Regulation & Abolition) Act, 1970.

5. In respect of our aircraft charter operations, the material approvals obtained by our Company include air operator permit for non-scheduled air transport services within India, certificate of registration and of airworthiness of the two aircrafts and certification as a continuing airworthiness management organization, each from the Directorate General of Civil Aviation and aero mobile station license from the Department of Telecommunications.

6. In respect of our hospitality school, the material approvals obtained by LSECT include affiliation from the National Council for Hotel Management and Catering Technology for the academic session 2018-2019.

7. In respect of our hotels that we construct, the material approvals to be obtained by our Company and our Subsidiaries at various stages of construction and until commencement of operations of such hotels, include certificates for land-use conversion, where applicable, no-objection certificates from various authorities, including the forest department, environmental clearances, building completion certificates and/or occupancy certificate, as applicable.

8. In certain cases, approvals in relation to our hotels have been obtained by third parties. For instance, in relation to The LaLiT Mangar, the occupation certificate and the no-objection certificate from the fire prevention authorities have been obtained by Kalakar Trust, the owner of the land on which the hotel is situated.

B. Material licenses and approvals for which applications have been filed by our Company and our Subsidiaries

Our Company and our Subsidiaries have applied for the following registrations or renewals which are pending as at the date of this Draft Red Herring Prospectus:

1. *The LaLiT Temple View Khajuraho and The LaLiT Traveller Khajuraho*

S.No.	Particulars	Date of Application	Authority
1.	Application made by our Company for renewal of the Shot Range Ultra High Frequency Hand Held Radio (USR) station license	July 3, 2017	Joint Wireless Advisor, Regional Licensing Office (Western Region), Mumbai

2. *The LaLiT Laxmi Vilas Palace Udaipur*

S.No.	Particulars	Date of Application	Authority
1.	Application made by our Company for change of name in the standing orders	October 6, 2017	Labour Commissioner, Jaipur, Rajasthan
2.	Application made by our Company for renewal of the hotel license and restaurant license	October 10, 2017	Municipal Corporation, Udaipur
3.	Application made by our Company for renewal of the license under the Food Safety and Standards Act, 2006	March 28, 2018	Food Safety and Standards Authority of India

3. *The LaLiT New Delhi*

S.No.	Particulars	Date of Application	Authority
1.	Application made by our Company for renewal of the fire certificate for Kitty Su	July 21, 2017	Director, Delhi Fire Services
2.	Application made by our Company for renewal of the discotheque license for Kitty Su	November 21, 2017	Joint Commissioner of Police, Licensing Branch, New Delhi
3.	Application made by our Company for renewal of the swimming pool license	November 21, 2017	Joint Commissioner of Police, Licensing Branch, New Delhi
4.	Application made by our Company for renewal of the swimming pool license	December 18, 2017	NDMC
5.	Application made by our Company for renewal of the license for Kitty Su (Restaurant)	February 14, 2018	NDMC
6.	Application made by our Company for renewal of the license for Kitty Su (Night	February 14, 2018	NDMC

	Club/Discotheque)		
7.	Application made by our Company for renewal of the lodging house license	February 14, 2018	NDMC
8.	Application made by our Company for renewal of the license for Rejuve, the Saloon	February 14, 2018	NDMC
9.	Application made by our Company for renewal of the license for Rejuve, the Spa	February 14, 2018	NDMC
10.	Application made by our Company for renewal of the eating house license for Kitty Su (Restaurant)	March 12, 2018	Joint Commissioner of Police, Licensing Branch, New Delhi
11.	Application made by our Company for renewal of the lodging house license	March 15, 2018	Joint Commissioner of Police, Licensing Branch, New Delhi
12.	Application made by our Company for renewal of the no objection certificate for holding entertainment events at Kitty Su	March 21, 2018	Assistant Commissioner, Entertainment Branch, Department of Trade and Taxes, New Delhi

4. *The LaLiT Mumbai*

S.No.	Particulars	Date of Application	Authority
1.	Application made by our Company for renewal of the consent to operate under the Air Act and the Water Act	December 23, 2016	Maharashtra Pollution Control Board
2.	Application made by our Company for renewal of the USR station license	September 28, 2017	Joint Wireless Adviser, Regional Licensing Office, Mumbai

5. *The LaLiT Jaipur*

S.No.	Particulars	Date of Application	Authority
1.	Application made by our Company for permission to abstract ground water for infrastructure use	May 30, 2017	Regional Director, Central Ground Water Board, Western Region
2.	Application made by our Company for renewal of the restaurant license and the lodging license	March 12, 2018	Municipal Corporation of Jaipur
3.	Application made by our Company for renewal of the registration under the Contract Labour (Regulation and Abolition) Act, 1970	April 17, 2018	Joint Labour Commissioner, Department of Labour, Government of Rajasthan, Jaipur

6. *The LaLiT Resort & Spa Bekal (Kerala)*

S.No.	Particulars	Date of Application	Authority
1.	Application(s) made by our Company for renewal of the USR station licenses	October 25, 2017	Wireless Planning and Co-ordination Wing, Department of Telecommunications, Regional Office, Chennai

7. *The LaLiT Mangar*

S.No.	Particulars	Date of Application	Authority
1.	Application made by our Company for a license for retail sale of liquor	June 8, 2017	Deputy Excise and Taxation Commissioner (Excise), Haryana
2.	Application made by our Company for star classification	August 3, 2017	Ministry of Tourism, Government of India

8. *The LaLiT Chandigarh*

S.No.	Particulars	Date of Application	Authority
1.	Application made by Kujjal Builders for	October 9, 2017	Assistant Labour Commissioner/Certifying Officer,

	approval of the draft standing orders		Chandigarh
2.	Application made by Kujjal Builders under guidelines for star classification dated January 19, 2018	April 27, 2018	Chairman, Hotel and Restaurant Approval and Classification Committee (HRACC)
3.	Application made by Kujjal Builders for renewal of the consent for hazardous waste management	May 31, 2018	Chandigarh Pollution Control Committee

9. *The LaLiT Ashok Bangalore*

S.No.	Particulars	Date of Application	Authority
1.	Application(s) made by our Company for a no-objection certificate in relation to installation of a storage facility for high speed diesel (HSD)	June 29, 2016	Commissioner of Police, Bangalore
2.	Application made by our Company for police permission in relation to discotheque performance	April 7, 2017	Commissioner of Police, Bangalore
3.	Application made by our Company for renewal of the fire certificate	May 8, 2017	Director General of Police, Karnataka Fire and Emergency Services
4.	Application made by our Company for renewal of the trade licenses	February 14, 2018	Brahut Bangalore Mahanagara Palike, Bangalore

10. *The LaLiT Golf and Spa Resort Goa*

S.No.	Particulars	Date of Application	Authority
1.	Application made by our Company for renewal of the restaurant license and the lodging license	March 15, 2018	Chief Officer/Chairperson, Canacona Municipal Council
2.	Application made by our Company for renewal of the trade license for the spa	March 15, 2018	Chief Officer/Chairperson, Canacona Municipal Council

11. *The LaLiT Grand Palace Srinagar*

S.No.	Particulars	Date of Application	Authority
1.	Application made by our Company for renewal of the license under the Food Safety and Standards Act, 2006	March 22, 2018	Food Safety and Standards Authority of India

12. *Other*

S.No.	Particulars	Date of Application	Authority
1.	Application made by our Company for extension of the date for completion of construction of the proposed hotel at Ahmedabad	June 18, 2015 and May 24, 2018	District Collector, Ahmedabad

C. Material licenses and approvals for which applications are yet to be filed by our Company and our Subsidiaries

Our Company and our Subsidiaries have not yet applied for the following registrations or renewals as at the date of this Draft Red Herring Prospectus:

1. *The LaLiT Laxmi Vilas Palace Udaipur*

S.No.	Particulars	Authority
1.	Application for re-classification under the "Heritage Grand" category	Department of Tourism, Ministry of Tourism, Government of India

2. *The LaLiT Jaipur*

S.No.	Particulars	Authority
1.	Star classification	Ministry of Tourism, Government of India

3. *The LaLiT Ashok Bangalore*

S.No.	Particulars	Authority
1.	Star classification	Ministry of Tourism, Government of India

4. *Other*

S.No.	Particulars	Authority
1.	Renewal of the consent to establish/operate for the proposed hotel in Ahmedabad under the Air Act and the Water Act	Gujarat Pollution Control Board
2.	Renewal of the commencement letter for the proposed hotel in Ahmedabad	Ahmedabad Municipal Corporation
3.	Renewal of the building height clearance for the proposed hotel in Ahmedabad	Airport Authority of India
4.	No-objection certificate for the proposed hotel in Ahmedabad	Police Commissioner
5.	Labour license for the proposed hotel in Ahmedabad	Labour Commissioner Office, Ahmedabad
6.	Environment clearance for the proposed hotel in Ahmedabad	State Level Environment Impact Assessment Authority, Gujarat

IV. INTELLECTUAL PROPERTY

A. Registrations obtained by our Company and our Subsidiaries

Trade marks

As at the date of this Draft Red Herring Prospectus, our Company has registered 127 trade marks in India, including "The LaLiT", "The LaLiT Traveller", "THE LALIT RESORT & SPA", "Rejuve" and "Kittysu", and our Subsidiary, AZIL, has one registered trademark in India for "The LaLiT Great Eastern Kolkata".

Our Company is also authorized to use the trade mark "AUM", registered by our Promoter, Deeksha Holding Limited, pursuant to a trademark license agreement dated April 10, 2010 and letter dated September 30, 2015.

Copyright

As at the date of this Draft Red Herring Prospectus, our Company has one registered copyright in India for the artistic work, "The LaLiT".

B. Applications filed by our Company and our Subsidiaries

Trade marks

As at the date of this Draft Red Herring Prospectus, our Company has filed 89 applications in India, and our Subsidiary, AZIL, has filed 8 applications in India for the registration of trade marks. Two of the applications filed by our Company and one application filed by AZIL for registration of trade marks have been objected to by third parties and such objection-related proceedings are currently pending.

V. REGULATORY APPROVALS OBTAINED FOR FOREIGN INVESTMENT IN OUR COMPANY

In the past, our Company has received approvals from the RBI in relation to issuance, allotment and export of equity shares of our Company to non-residents. Our Company has also received approvals from the Department of Economic Affairs (FT & Investment Division), Ministry of Finance and the RBI in relation to issuance of GDRs. For details regarding our equity and GDR issuances, see "*Capital Structure*" and "*History and Certain Corporate Matters*" on pages 101 and 204, respectively.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board has approved the Issue pursuant to the resolutions adopted at its meeting held on August 29, 2017 and our Shareholders have approved the Issue pursuant to the resolutions adopted at their meeting held on September 25, 2017. This Draft Red Herring Prospectus has been approved by our IPO Committee at its meeting held on June 28, 2018.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI or Other Governmental Authorities

Our Company, our Subsidiaries, LSECT, our Promoters, our Directors, members of our Promoter Group, our Group Companies and the persons in control of our corporate Promoter (namely, Deeksha Holding Limited) and of our Company have not been debarred from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, our Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

Other than Mr. Dhruv Prakash, who is a director of SBI Mutual Fund Trustee Company Private Limited and Dr. Mohmmad Yousuf Khan, who is a director of Essel MF Trustee Limited, none of our Directors are associated with the securities market. For further details in relation to actions taken by SEBI against the entities operating in the securities market with which these Directors are associated, see "*Outstanding Litigation and Material Developments Litigation involving our Directors – Action initiated by the SEBI against the entities operating in the securities market with which our Directors are associated*" on page 576.

Prohibition by the RBI

None of our Company, our Directors, our Promoters, relatives (as defined under the Companies Act, 2013) of our individual Promoters or our Group Companies has been identified as a Wilful Defaulter. There are no violations of securities laws committed by any of them in the past or that are pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations, as set forth below:

- Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets;

- Our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on a restated and consolidated basis during the three most profitable years out of the immediately preceding five years;

- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);

- The aggregate size of the proposed Issue and all previous issues made in the same Financial Year is not expected to exceed five times the pre-Issue net worth of our Company as per the audited balance sheet of the preceding Financial Year; and

- Our Company has not changed its name during the last year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, pre-tax operating profit and net worth derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last five Fiscal Years are set forth below:

(₹ *in million*)

Particulars	Fiscal									
	2018		2017		2016		2015		2014	
	Consolidated	**Standalone**	**Consolidated**	**Standalone**	**Consolidated**	**Standalone**	**Consolidated**	**Standalone**	**Consolidated**	**Standalone**
Net tangible assets, as restated	8,756.16	10,993.17	8,026.55	10,789.37	8,559.36	10,486.75	9,240.02	10,055.99	10,208.96	10,314.11
Monetary assets, as restated	346.15	301.88	710.51	672.28	212.27	129.51	718.10	646.74	726.86	568.69
Monetary assets as a percentage of the net tangible assets, each as restated	3.95%	2.75%	8.85%	6.23%	2.48%	1.23%	7.77%	6.43%	7.12%	5.51%
Pre-tax operating profit, as restated	1,228.99	1,300.40	997.55	1,188.08	673.24	885.00	232.94	428.59	225.05	301.26
Net worth, as restated	5,094.82	6,674.06	4,441.98	6,459.06	4,671.09	6,161.49	5,044.76	5,735.34	5,844.78	5,989.66

Source: Restated Financial Information.

Notes:

(i) 'Net tangible assets' is defined as all net assets excluding intangible assets as defined in Ind AS 38 notified under the Ind AS Rules and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(ii) 'Monetary assets' is the sum of cash and cash equivalents, other bank balances (net of book overdraft) and deposits with maturity more than 12 months. Book overdraft includes balances where cheques have been issued in excess of bank balance but those cheques have not been presented for clearance to the bank yet.

(iii) 'Pre-tax operating profit' is defined as profit before tax excluding restated other income but before exceptional items and finance cost.

(iv) 'Net worth' includes Equity Share capital and other equity and excludes revaluation reserve and capital reserve considered as part of other equity in Restated Consolidated Summary Financial Information.

The average pre-tax operating profit based on Fiscal Years 2018, 2017 and 2016, which are the three most profitable years out of the immediately preceding five Fiscal Years, was ₹ 1,124.49 million and ₹ 966.59 million on a standalone and consolidated basis, respectively.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which, the entire application monies shall be refunded in accordance with the timelines prescribed under applicable law. In case of any delay in refund within such timelines prescribed under applicable law, our Company shall be liable to pay interest on the application money in accordance with applicable law.

Our Company is in compliance with conditions specified in Regulation 4(2) of the SEBI ICDR Regulations to the extent applicable.

Disclaimer Clause of the SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. IT IS TO BE DISTINCTLY UNDERSTOOD

THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA. THE SECURITIES AND EXCHANGE BOARD OF INDIA DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, HDFC BANK LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND YES SECURITIES (INDIA) LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING HDFC BANK LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND YES SECURITIES (INDIA) LIMITED, HAVE FURNISHED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA, A DUE DILIGENCE CERTIFICATE DATED JUNE 28, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

   (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

   (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE**

REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS;

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOTED FOR COMPLIANCE</u>;**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI, TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS- <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – <u>NOT APPLICABLE</u>;**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY, AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – <u>COMPLIED WITH</u>;**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - <u>ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013, AS AMENDED – NOTED FOR COMPLIANCE;</u>**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE WILL BE ISSUED IN DEMATERIALIZED FORM ONLY;**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    (b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME;**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE ISSUE – COMPLIED WITH AND NOTED FOR COMPLIANCE;**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. – COMPLIED WITH;**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY – COMPLIED WITH;**

16. **WE ENCLOSE A STATEMENT ON PRICE INFORMATION OF 'PAST ISSUES HANDLED BY THE MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER THE FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR – COMPLIED WITH;**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY K M G S & ASSOCIATES, CHARTERED ACCOUNTANTS, FIRM REGISTRATION NO. 04730N, BY WAY OF A CERTIFICATE DATED JUNE 28, 2018;**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(A) OR (B) (AS THE CASE MAY BE) OF THE SEBI ICDR REGULATIONS TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS (IF APPLICABLE) – NOT APPLICABLE.**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company or any person that authorizes the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of

Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Issue. The SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 32 of the Companies Act, 2013.

Price information of past issues handled by the BRLMs

1. <u>HDFC Bank</u>

Price information of past public issues (during the current financial year and the two financial years immediately preceding the current financial year):

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] – 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180th calendar day from listing
1.	H.G. Infra Engineering	4,620	270	March 9, 2018	270.00	+22.96% [+1.49%]	+8.35% [+4.48%]	-
2.	HDFC Standard Life Insurance	86,950.07	290	November 17, 2017	310.00	+30.16%[+1.02%]	+48.93% [+2.11%]	+74.66% [+5.04%]
3.	AU Small Finance Bank Limited	19,125.14	358	July 10, 2017	525.00	+58.76%[+2.12%]	+65.20% [+2.23%]	+95.38% [+8.06%]
4.	Shankara Building Products Limited	3,450.01	460	April 5, 2017	555.05	+51.04% [+1.02%]	+80.91%[+3.78%]	+214.86% [+6.41%]
5.	Avenue Supermarts Limited	18,700.00	299	March 21, 2017	600.00	+145.08% [-0.20%]	+166.35%[+5.88%]	+264.38%[+11.31%]
6.	RBL Bank Limited	12,129.67	225	August 31, 2016	274.20	+27.07% [-2.22%]	+56.98% [-7.50%]	+107.91% [+1.26%]

Source: www.nseindia.com for price information and prospectus for issue details

1. *Opening price information as disclosed on the website of NSE*
2. *Change in closing price over the issue/offer price as disclosed on NSE*
3. *Change in closing price over the closing price as on the listing date for benchmark index i.e. NIFTY 50*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately after the trading holiday have been considered*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days*

Summary statement of price information of past public issues (during the current financial year and the two financial years preceding the current financial year):

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. Of IPOs trading at discount - 30th calendar day from listing			No. Of IPOs trading at premium - 30th calendar day from listing			No. Of IPOs trading at discount - 180th calendar day from listing			No. Of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. Of IPOs trading at discount - 30th calendar day from listing			No. Of IPOs trading at premium - 30th calendar day from listing			No. Of IPOs trading at discount - 180th calendar day from listing			No. Of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%	Over 50%	Between 25-50 %	Less than 25%
2018 - 19*	NIL	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2017 - 18	4	114,145.22	-	-	-	2	1	1	-	-	-	3	-	-
2016 - 2017	2	30,829.67	-	-	-	1	1	-	-	-	-	2	-	-

**The information is as on the date of this Draft Red Herring Prospectus*

2. <u>Edelweiss</u>

Price information of past public issues (during the current financial year and the two financial years immediately preceding the current financial year):

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/-% change in the closing price, (=/-% change in closing benchmark) – 30th calendar days from listing	+/-% change in the closing price, (=/-% change in closing benchmark) – 90th calendar days from listing	+/-% change in the closing price, (=/-% change in closing benchmark) – 180th calendar days from listing
1.	ICICI Securities Limited	34,801.16	520.00	April 4, 2018	435.00	-27.93% [5.44%]	Not Applicable	Not Applicable
2.	Galaxy Surfactants Limited	9,370.88	1480.00	February 8, 2018	1,525.00	1.14% [-3.31%]	-0.85% [1.33%]	Not Applicable
3.	Amber Enterprises India Limited	6,000.00	859.00^^^	January 30, 2018	1,175.00	27.15% [-5.04%]	32.56% [-2.81%]	Not Applicable
4.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	3.50% [3.00%]	6.27% [-2.83%]	-5.20% [4.13%]
5.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-3.57% [3.95%]	-11.51% [0.75%]	-28.51 [4.93%]
6.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	30.16% [1.02%]	48.93% [2.11%]	74.66% [5.04%]
7.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	3.61% [-3.19%]	8.12% [2.05%]	-4.21% [1.59%]
8.	Prataap Snacks Limited	4,815.98	938.00^^	October 5, 2017	1,270.00	25.12% [5.70%]	31.82% [5.60%]	40.99% [3.27%]
9.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	3.62% [6.25%]	18.97% [8.17%]	15.36% [4.06%]
10.	Cochin Shipyard Limited	14,429.30	432.00^	August 11, 2017	440.15	30.14% [3.04%]	30.96% [6.10%]	20.01% [8.11%]

Source: www.nseindia.com

^^^ Amber Enterprises India Limited - Employee Discount of ₹ 85 per Equity Share to the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion. All calculations are based on the Offer Price of ₹ 859 per equity share

^^Prataap Snacks Limited - Employee Discount of ₹ 90 per Equity Share to the Issue Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion. All calculations are based on the issue price of ₹ 938 per equity share

^ Cochin Shipyard Limited - Discount of ₹ 21 per equity share was offered to retail bidders & eligible employees. All calculations are based on the offer price of ₹ 432 per equity share

<u>Notes:</u>

1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*

4. *The Nifty 50 index is considered as the Benchmark Index*
5. *Not Applicable. – Period not completed*
6. *Disclosure in Table-1 restricted to 10 issues.*

Summary statement of price information of past public issues (during the current financial year and the two financial years preceding the current financial year):

Financial Year	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount – 30th calendar days from listing			Nos. of IPOs trading at premium – 30th calendar days from listing			Nos. of IPOs trading at discount – 180th calendar days from listing			Nos. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-19*	1	34,801.16	-	1	-	-	-	-	-	-	-	-	-	-
2017-18	11	218,549.76	-	-	1	1	5	4	-	1	2	3	1	2
2016 - 17	6	123,361.22	-	-	1	1	3	1	-	-	-	3	2	1

* *The information is as on the date of this Draft Red Herring Prospectus*

Notes:
1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
3. *The Nifty 50 index is considered as the Benchmark Index.*

For the financial year 2018-19 – 1 issue has been completed.
For the financial year 2017-18 – 11 issues have been completed. All the 11 issues have completed 90 days and only 9 issues have completed 180 days yet.

3. YES Securities

Price information of past public issues (during the current financial year and the two financial years immediately preceding the current financial year):

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/-% change in the closing price, (=/-% change in closing benchmark) – 30th calendar days from listing	+/-% change in the closing price, (=/-% change in closing benchmark) – 90th calendar days from listing	+/-% change in the closing price, (=/-% change in closing benchmark) – 180th calendar days from listing
1.	Lemon Tree Hotels Limited	10,386.85	56.00	April 9, 2018	61.60	+30.18% - change in closing price; +3.49% - change in closing benchmark	-	-
2.	Bharat Dynamics Limited	9,609.44	428.00	March 23, 2018	370.00	-4.65% - change in closing price; +5.87% - change in closing benchmark	-10.69% - change in closing price; +7.43% - change in closing benchmark	-
3.	Aster DM Healthcare Limited	9,801.37	190.00	February 26, 2018	183.00	-10.63% - change in closing price; -4.43% - change in closing benchmark	-5.39% - change in closing price; +1.00% - change in closing benchmark	-
4.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.09% - change in closing price; +3.85% - change in closing benchmark	+6.27% - change in closing price; -2.83% - change in closing benchmark	-1.29% - change in closing price; +3.96% - change in closing benchmark
5.	The New India Assurance	96,000.00	800.00	November 13, 2017	750.00	-29.83% - change in closing price; -0.31% - change	-7.81% - change in closing price; +3.08% - change	-11.69% - change in closing price; +5.69% - change

	Company Limited					in closing benchmark	in closing benchmark	in closing benchmark
6.	Reliance Nippon Life Asset Management Company Limited	15,422.40	252.00	November 06, 2017	295.90	+1.21% - change in closing price; -3.90% - change in closing benchmark	+8.12% - change in closing price; +2.05% - change in closing benchmark	-1.65% - change in closing price; +2.52% - change in closing benchmark
7.	Dixon Technologies (India) Limited	5,992.79	1,766	September 18, 2017	2,725.00	+50.78% - change in closing price; +0.57% - change in closing benchmark	+98.26% - change in closing price; +2.32% - change in closing benchmark	+92.73% - change in closing price; -0.58% - change in closing benchmark
8.	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-1.88% - change in closing price; +1.89% - change in closing benchmark	+3.14% - change in closing price; +4.92% - change in closing benchmark	+45.54% - change in closing price; +6.90% - change in closing benchmark
9.	GTPL Hathway Limited	4,848.00	170.00	July 4, 2017	170.00	-13.32% - change in closing price; +4.16% - change in closing benchmark	-18.88% - change in closing price; +2.56% - change in closing benchmark	-3.68% - change in closing price; +8.55% - change in closing benchmark
10.	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.92% - change in closing price; +5.84% - change in closing benchmark	+128.62% - change in closing price; +2.61% - change in closing benchmark	+139.03% - change in closing price; +10.19% - change in closing benchmark

Notes:

1. *Benchmark Index taken as CNX NIFTY.*
2. *Price on NSE is considered for all of the above calculations.*
3. *% change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index on the day of the listing date.*
4. *The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day has been considered for the computation.*

Summary statement of price information of past public issues (during the current financial year and the two financial years immediately preceding the current financial year):

Financial Year	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount – 30th calendar days from listing			Nos. of IPOs trading at premium – 30th calendar days from listing			Nos. of IPOs trading at discount – 180th calendar days from listing			Nos. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	1	10,386.85	-	-	-	1	-	-	-	-	-	-	-	-
2017-2018	9	161,206.66	-	1	4	2	-	2	-	-	4	2	1	-
2016-2017	2	15,125.00	-	-	1	1	-	-	-	-	-	1	-	1

Notes:

1. *Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date.*
2. *The information for the financial year is based on issue listed during such financial year.*

Track record of past issues handled by BRLMs

For details regarding the track record of the BRLMs, as specified in circular (CIR/MIRSD/1/2012) dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as set forth in the table below:

S. No.	Name of BRLM	Website
1.	HDFC Bank Limited	www.hdfcbank.com
2.	Edelweiss Financial Services Limited	www.edelweissfin.com

3.	YES Securities (India) Limited	www.yesinvest.in

Caution - Disclaimer from our Company, our Promoters, our Directors and the BRLMs

Our Company, our Directors, our Promoters and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.thelalit.com, or any other website of our Company or any website of any of the members of our Promoter Group, Subsidiaries, LSECT, Joint Venture or Group Companies or any affiliates of our Company, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information, to the extent required in relation to the Issue, shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company and the BRLMs for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

None of our Company, our Directors or any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Group Companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers or suppliers to our Company and our Group Companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, bodies corporate and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission), state industrial development corporations, permitted national investment funds, Systemically Important NBFCs or trusts under applicable trust law and who are authorized under their constitution to hold and invest in equity shares, permitted insurance companies registered with the IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army, navy and air force of the Union of India, and insurance funds set up and managed by the Department of Posts, India) and to Eligible FPIs, Eligible NRIs and other eligible foreign investors including registered multinational and bilateral development financial institutions. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to shares issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus comes is required to inform himself or herself or itself about, and to observe, any such restrictions. Any dispute arising out of the Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be issued, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any issue hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiaries, LSECT, Joint Venture, our Promoters, members of our Promoter Group or our Group Companies since the date hereof or that the information contained herein is correct as at any time subsequent to this date.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States, in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) in the United States, to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A, in reliance on Section 4(a)(2) of the U.S. Securities Act and other available exemptions under the U.S. Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to registration with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to registration with the RoC.

Filing

The BRLMs have made an online filing of this Draft Red Herring Prospectus through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI.

A copy of the Red Herring Prospectus, along with the documents required to be registered under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with the RoC at the office of the Registrar of Companies, National Capital Territory of Delhi and Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law. If such moneys are not repaid within the prescribed time, then our Company and every Director of our Company who is an officer in default shall be liable to repay such moneys with interest, as prescribed under applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date or such other time period as may be specified under applicable law. If our Company does not Allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from the Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period in accordance with applicable law.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Head Legal and Compliance Officer, our Chief Financial Officer, the Domestic Legal Counsel to our Company, the Domestic Legal Counsel to the Underwriters, the International Legal Counsel to the Underwriters, the Bankers to our Company, the lenders to our Company and (b) the BRLMs, the Registrar to the Issue, the Syndicate Members, the Escrow Collection Bank(s), the Refund Bank(s), the Public Issue Account, the Monitoring Agency to act in their respective capacities, have been obtained/will be obtained prior to registration of the Red Herring Prospectus with the RoC and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents that have been obtained have not been withdrawn as at the date of this Draft Red Herring Prospectus.

Experts

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

Our Company has received written consent from the Statutory Auditors namely, Walker Chandiok & Co LLP, Chartered Accountants, to include its name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the examination reports of the Statutory Auditors on the Restated Consolidated Financial Information and Restated Standalone Financial Information, each dated June 22, 2018 and the statement of tax benefits dated June 28, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consent from HCDC Designs, architects registered with the Council of Architecture, to include its name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of its certificate dated June 27, 2018 in relation to verification of conference and banqueting space, spa area and commercial space at certain hotels operated by our Company and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Issue Expenses

The expenses of the Issue include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar and depository fees and listing fees. For further details, see "*Objects of the Issue*" on page 121.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be as per the Syndicate Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from the date of the Red Herring Prospectus until the Bid/Issue Closing Date. For further details, see "*Objects of the Issue*" on page 121.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see "*Objects of the Issue*" on page 121.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as stated in the Registrar Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment Advice by registered post/speed post/under certificate of posting.

For details of Issue expenses, see "*Objects of the Issue*" on page 121.

Commission or brokerage on Previous Issues

Our Company paid ₹ 2.78 million towards issue expenses (including commission and brokerage) in connection with the public issue of our Equity Shares through a prospectus dated June 8, 1984. Our Company also paid ₹ 0.14 million towards issue expenses (including commission and brokerage) in connection with a rights issue to our Shareholders and a preferential issue to the employees of our Company (including Indian working Directors/workers) through a letter of offer dated March 18, 1991. Other than as stated above, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in previous public or rights issues since the inception of our Company.

Particulars regarding Public or Rights Issues by our Company during the last Five Years

Our Company has not made any public or rights issues during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Our Company has not issued any Equity Shares for consideration otherwise than for cash, other than as set out in *"Capital Structure"* on page 101.

Capital issues during the previous three years by our Company, listed Group Companies and listed Subsidiaries of our Company

Our Company has not made any public or rights issue during the three years immediately preceding the date of this Draft Red Herring Prospectus. None of our Subsidiaries are listed on any stock exchange. Except for Subros Limited, none of our Group Companies are listed on any stock exchange. Subros Limited has not made any public or rights issue during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Details of public or rights issues by our Company in the last 10 years

Our Company has not undertaken any public or rights issues in the last 10 years.

Performance vis-à-vis objects – Details of public/ rights issues by listed Group Companies and Subsidiaries in the last 10 years

Except for Subros Limited, none of our Group Companies are listed on any stock exchange. Subros Limited has not undertaken any public or rights issue in the last 10 years.

Outstanding Debentures or Bonds or Preference Shares or other instruments

Our Company does not have any outstanding debentures or bonds or preference shares or other instruments as at the date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as at the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company subsequent to the voluntary delisting of the Equity Shares of our Company in June 2003, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the letters of Allotment, dematerialized credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All Issue-related grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of submission of Bid cum Application Form and the name and address of the Designated Intermediary with whom the Bid cum Application Form was submitted.

Further, Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of circular (No. SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months from the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, and for any delay beyond which, the concerned SCSB would have to pay interest at the rate of 15% per annum

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our investors can contact the Company Secretary and Head Legal and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode .

Anchor Investors are required to address all grievances in relation to the Issue to the BRLMs.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders Relationship Committee comprising Mr. Ramesh Suri (Chairman), Dr. Jyotsna Suri and Ms. Divya Suri Singh as members. For details, see "*Our Management – Committees of the Board – Stakeholders Relationship Committee*" on page 233.

Our Company has also appointed Mr. Himanshu Pandey, our Company Secretary and Head Legal, as our Compliance Officer for the Issue. For details, see "*General Information*" on page 93.

The number of investor complaints received and the number of complaints disposed-off by our Company during the three Fiscal Years immediately preceding the date of filing this Draft Red Herring Prospectus are as follows:

Period	Complaints received	Complaints disposed-off
For the Fiscal Year 2019*	14	14
For the Fiscal Year 2018	46	46
For the Fiscal Year 2017	23	23
For the Fiscal Year 2016	16	16

** As at June 28, 2018*

There is no investor complaint pending as at the date of this Draft Red Herring Prospectus. For details in relation to litigation initiated by one of our shareholders, see "*Outstanding Litigation and Material Developments*" on page 559.

Disposal of Investor Grievances by Listed Group Companies

The board of directors of Subros Limited has constituted a Stakeholder Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013 to look into the redressal of shareholder/investor complaints. The company secretary of Subros Limited is the compliance officer for the purpose of redressal of shareholder/investor complaints. Subros Limited normally takes seven working days for redressal of investor grievances. As at the date of filing this Draft Red Herring Prospectus, there was one pending investor complaint with respect to Subros Limited.

The number of investor complaints received and the number of complaints disposed-off by Subros Limited during the three Fiscal Years immediately preceding the date of filing this Draft Red Herring Prospectus are as follows:

Period	Complaints received	Complaints disposed-off
For the Fiscal Year 2019*	1	0
For the Fiscal Year 2018	7	7
For the Fiscal Year 2017	2	2
For the Fiscal Year 2016	1	1

** As on June 28, 2018.*

Changes in Statutory Auditors

Except for the appointment of Walker Chandiok & Co LLP, Chartered Accountants, on August 23, 2017 in place of S.R. Batliboi & Co. LLP, Chartered Accountants on account of completion of their term as the auditors of our Company, there has been no change in the auditors of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Capitalization of Reserves or Profits

Our Company has not capitalized its reserves or profits at any time during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not re-valued its assets in the five years immediately preceding the date of filing this Draft Red Herring Prospectus.

SECTION VII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or any other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by any governmental and/or regulatory authority while granting its approval for the Issue.

Issue Expenses

For details in relation to Issue expenses, see "*Objects of the Issue*" and "*Other Regulatory and Statutory Disclosures*" on pages 121 and 595, respectively.

Ranking of the Equity Shares

The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Companies Act, our Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" on page 661.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, our Memorandum of Association and our Articles of Association and provisions of the SEBI Listing Regulations. For further details in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 260 and 661, respectively.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs and advertised in [●] editions of the English national daily newspaper [●] and [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi where our Registered and Corporate Office is located), each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

Rights of our Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any rules and regulations prescribed by the RBI; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of the Articles of Association*" on page 661.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form. The trading of the Equity Shares shall only be in the dematerialized segment of the Stock Exchanges. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated April 21, 2006 among our Company, NSDL and the Registrar to the Issue; and
- Tripartite Agreement dated April 10, 2006 among our Company, CDSL and the Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For details of basis of allotment, see "*Issue Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment*" on page 651.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities in New Delhi, India.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other

jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participants.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right to not proceed with the Issue, in whole or part thereof, after the Bid/Issue Opening Date but before the Allotment. In the event that our Company, in consultation with the BRLMs, decides not to proceed with the Issue, our Company shall issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue. In such event, the BRLMs through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an issue or offer of the Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI.

Bid/Issue Programme

Bid/Issue opens on	[●][1]
Bid/Issue closes on	[●][2]

[1] *Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.*

[2] *Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the*

Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company or the BRLMs.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States, in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) in the United States, to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A), in reliance on Section 4(a)(2) of the U.S. Securities Act and other available exemptions under the U.S. Securities Act.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10:00 a.m. and 5:00 p.m. (Indian Standard Time ("**IST**"))
Bid/Issue Closing Date	
Submission and Revision in Bids	Only between 10:00 a.m. and 3:00 p.m. IST

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

(i) 4:00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and

(ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and in any case no later than 1:00 PM IST on the Bid/Issue Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). Our Company or any member of the Syndicate are not liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Draft Red Herring Prospectus is IST.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the other Designated Intermediaries.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue; and (ii) minimum allotment as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue Equity Share capital of our Company, the minimum Promoters' contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 101, the contractually agreed lock-in applicable to Mr. Jayant Nanda and except as provided in our Articles of Association, there are no restrictions on transfer of Equity Shares. For details in relation to the contractually agreed lock-in applicable to Mr. Jayant Nanda, see "*Risk Factors - Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter Group or other major shareholders may adversely affect the trading price of the Equity Shares*" on page 59. Further, there are no restrictions on the transmission of Equity Shares and on their consolidation/splitting, except as provided in our Articles of Association. For details, see "*Main Provisions of the Articles of Association*" on page 661.

ISSUE STRUCTURE

The Issue is an initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 12,000 million. The Issue shall constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

The Issue is being made through the Book Building Process.

Particulars	**QIBs**[(1)]	**Non-Institutional Investors**	**Retail Individual Investors**
Number of Equity Shares available for Allotment/ allocation*[(2)]	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Investors	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Issue Size available for Allotment/ allocation	Not more than 50% of the Issue shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (other than the Anchor Investor Portion).	Not less than 15% of the Issue or Issue less allocation to QIB Bidders and Retail Individual Investors	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non-Institutional Investors
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors.	Proportionate	Allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated proportionately. For details, see "*Issue Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment – Allotment to RIIs*" on page 651
Mode of Bidding	ASBA only[(3)]	ASBA only	ASBA only
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter, such that the Bid Amount does not exceed ₹ 200,000
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Mode of Allotment	Compulsorily in dematerialized form		

Particulars	QIBs(1)	Non-Institutional Investors	Retail Individual Investors
Who can apply(4)	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs other than Category III FPIs, VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporations, insurance company registered with the IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million (subject to applicable law), National Investment Fund set up by the Government of India, insurance funds set up and managed by the army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of *karta*), companies, bodies corporate, societies and trusts, Category III FPIs	Resident Indian individuals, Eligible NRIs and HUFs (in the name of *karta*)
Terms of Payment	In case of ASBA Bidders, the full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders that is specified in the ASBA Form at the time of submission of the ASBA Form.(5) In the case of Anchor Investors, full Bid Amount shall be payable at the time of submission of their Bids.		

**Assuming full subscription in the Issue*

(1) *Our Company may, in consultation with the BRLMs allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see* "*Issue Procedure*" *on page* 617.

(2) *Subject to valid Bids being received at or above the Issue Price. The Issue is being made in accordance with Rule 19(2)(b) of the SCRR and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.*

(3) *Anchor Investors are not permitted to use the ASBA process.*

(4) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. For details of terms of payment applicable to Anchor Investors, see* "*Issue Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment*" *on page* 651.

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. For further details, see "*Issue Procedure*" on page 617.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by the SEBI, as updated to reflect enactments and regulations to the extent applicable to a public issue, including circulars (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, notified by the SEBI (the "General Information Document"), included below under "Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process in terms of Rule 19(2)(b) of the SCRR and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be allocated to QIBs on a proportionate basis, provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price such that, subject to availability of Equity Shares, each Retail Individual Investor shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be Allotted to all Retail Individual Investors on a proportionate basis.

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and the Registered and Corporate Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorization to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account specified has sufficient credit balance equivalent to the full Bid Amount as required to be blocked by the SCBS at the time of submitting the Bid.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs at least one day prior to the Anchor Investor Bid/Issue Period.

The prescribed color of the Bid cum Application Form for the various categories is as follows:

Category	**Color of Bid cum Application***
Resident Indians and Eligible NRIs applying on a non-repatriation basis**	White
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis**	Blue
Anchor Investors***	White

** Excluding electronic Bid cum Application Form*
*** An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date*
**** Anchor Investor Application Forms will be made available only at the offices of the BRLMs*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the Designated Branches of the SCSBs, where the Bidder has the ASBA bank account, details of which shall be provided by the Bidder in its ASBA Form, and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s).

Participation by our Promoters, the Promoter Group, the BRLMs, the Syndicate Members and persons related to the Promoters/Promoter Group/the BRLMs

The BRLMs and the Syndicate Members shall not be allowed to subscribe to the Equity Shares in the Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), our Promoters, members of our Promoter Group or any persons related to our Promoters or members of our Promoter Group can apply in the Issue under the Anchor Investor Portion.

Who can Bid

In addition to the category of Bidders set forth under "- *Part B – General Information Document for Investing in Public Issues – Section 3: Category of Investors Eligible to Participate in an Issue*" on page 629, any other person eligible to Bid in the Issue under applicable laws, rules, regulations, guidelines and policies are also eligible to invest in Equity Shares.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason therefor.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in color). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in color).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI is required to be below 10% of the total paid-up Equity Share capital of our Company on a fully-diluted basis and the total holdings of all FPIs put together is not permitted to exceed 24% of the paid-up Equity Share capital of our Company on a fully-diluted basis. The aggregate limit of 24% may be increased up to the sectoral cap/statutory ceiling by way of a resolution passed by the board of directors of a company followed by a special resolution passed by the shareholders of a company and subject to prior intimation to the RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs is required to be included. The FEMA Regulations also provide that in case the total holding of an FPI in an Indian company increases to 10% or more of the total paid-up equity capital on a fully-diluted basis, the total investment made by the FPI shall be re-classified as FDI subject to the conditions as specified by the SEBI and the RBI and compliance by the investee company and the investor with the reporting requirements prescribed under the FEMA Regulations. The existing individual and aggregate investment limits for an FPI in our Company is less than 10% and not exceeding 24% of the total paid-up equity share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the RBI and the SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPIs and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) such offshore derivative instruments shall not be issued to or transferred to persons who are resident Indians or NRIs or to entities that are beneficially owned by resident Indians or NRIs.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI-registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, *inter alia*, prescribe the investment restrictions on VCFs, FVCIs and AIFs registered with the SEBI. The holding by any individual VCF in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All Non-Resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, as amended, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason therefor, subject to applicable law.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason therefor, subject to applicable law. The investment limit for banking companies in non-financial services companies is as per the Banking Regulation Act, 1949, as amended, and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with the RBI, certified copies of the following documents must be attached to the Bid cum Application Form: (i) the certificate of registration issued by the RBI; (ii) the last audited financial statements on a standalone basis; (iii) a net worth certificate from the statutory auditors of the Systemically Important NBFC; and (iv) such other approval as may be required by the approval Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason therefor.

Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason therefor, subject to applicable law.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason therefor, subject to applicable law.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney, including by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor, subject to applicable law.

Our Company, in consultation with the BRLMs in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and the Prospectus.

General Instructions

Do's:

A. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals

B. Ensure that you have Bid within the Price Band;

C. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

D. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

E. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

F. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

G. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

H. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

I. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

J. Ensure that you request for and receive a stamped Acknowledgment Slip from the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

K. Ensure that you submit the revised Bids to the same Designated Intermediary through whom the original Bid was placed, and obtain a revised Acknowledgment Slip;

L. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, and (iii) persons/entities that are otherwise exempted from the requirement of holding or specifying PAN in this regard under applicable law, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

M. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

N. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electonic bidding system of the Stock Exchanges.

O. Ensure that in case of Bids under power of attorney by limited companies, corporates, trusts, etc., the relevant documents are submitted;

P. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

Q. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and

R. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

S. Ensure that the Demographic Details are updated, true and correct in all respects;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

A. Do not Bid for lower than the minimum Bid size;

B. Do not Bid/revise the Bid Amount to less than the Floor Price or higher than the Cap Price;

C. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Investors);

D. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

E. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

F. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only; do not submit the Bid cum Application Forms to any non-SCSB bank or a branch that is not a Designated Branch of our Company;

G. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

H. Do not submit the Bid for an amount more than funds available in your ASBA account;

I. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

J. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms;

K. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;

L. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

M. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

N. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

O. Do not submit more than five Bid cum Application Forms per ASBA account.

P. Anchor Investors should not bid through the ASBA process; and

Q. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries (except for Bids that would not be treated as multiple Bids).

R. Do not submit your Bid after 1:00 p.m. on the Bid/Issue Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company, in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favor of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company, the Syndicate, the Bankers to the Issue and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of the English national daily newspaper [●]; and (ii) [●] editions of the Hindi national daily newspaper [●] (Hindi being the regional language of New Delhi, where our Registered and Corporate Office is situated), each with wide circulation. In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company and the Underwriters intend to enter into an Underwriting Agreement after the finalization of the Issue Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"**Any person who:**

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1.00 million or 1.0% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud (i) involves an amount which is less than ₹ 1.00 million or 1.00% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 2.00 million or both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;

- it shall not have any recourse to the proceeds of the Issue until final listing and trading approvals have been received from the Stock Exchanges;

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- intimation of the credit of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and

- other than Equity Shares issued pursuant to exercise of options granted under the ESOP 2017, no further issue of the Equity Shares shall be made till the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Utilization of Issue Proceeds

Our Board certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

Part B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an offer for sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include offer for sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Offers – Fixed Price Offers and Book Built Offers

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

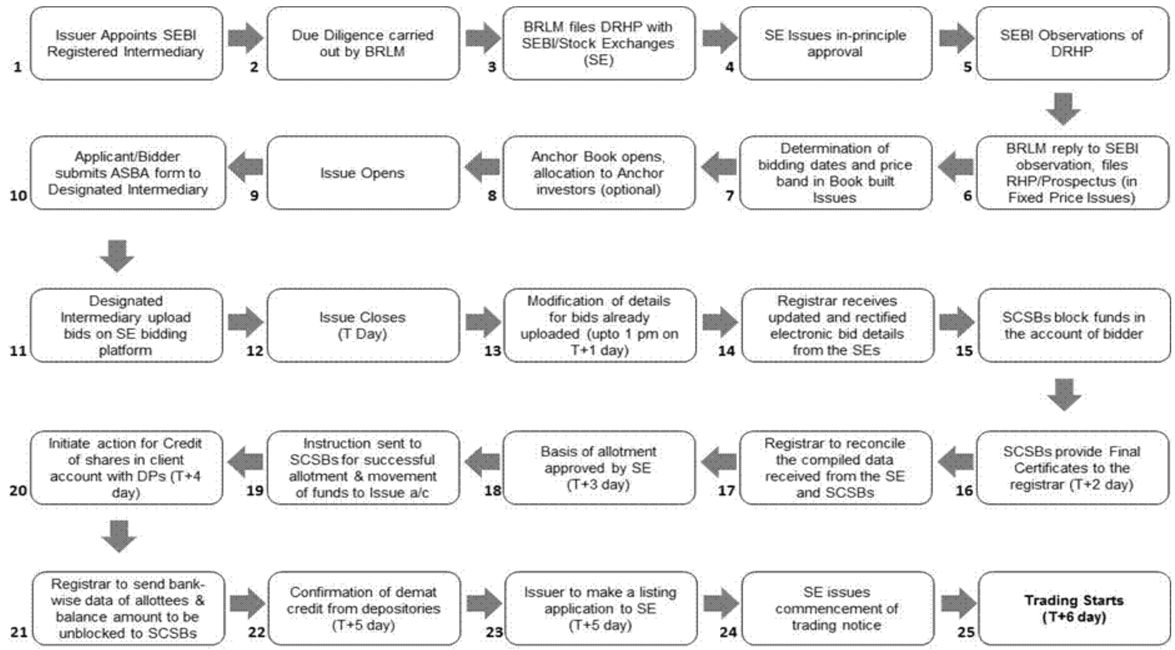
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than 10 Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  i. Step 7: Determination of Issue Date and Price
  ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares;
- Scientific and/or industrial research organizations authorized in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and

- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders/Applicants should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of the Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the BRLMs, the Designated Intermediaries at the Bidding Centers and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders/Applicants may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Bid cum Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category, if any	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below. The samples of the Bid cum Application Form for resident Bidders/Applicants and the Bid cum Application Form for non-resident Bidders/Applicants are reproduced below:

Bid cum Application Form – For Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM | **XYZ LIMITED - INITIAL PUBLIC ISSUE - R** Address : ________ Contact Details: ________ CIN No ________ | **FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS**

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ________

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address ________

Email ________

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✔ tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

5. CATEGORY

- Retail Individual Bidder
- Non-Institutional Bidder
- QIB

6. INVESTOR STATUS

- Individual(s) - IND
- Hindu Undivided Family* - HUF
- Bodies Corporate - CO
- Banks & Financial Institutions - FI
- Mutual Funds - MF
- Non-Resident Indians - NRI (Non-Repatriation basis)
- National Investment Fund - NIF
- Insurance Funds - IF
- Insurance Companies - IC
- Venture Capital Funds - VCF
- Alternative Investment Funds - AIF
- Others (Please specify) - OTH

*HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) ________ (₹ in words) ________

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorise the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ________
Bank & Branch ________

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Bid cum Application Form – For Non – Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

Address : .... Contact Details: .... CIN No ....

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

5. CATEGORY

- Retail Individual Bidder
- Non-Institutional Bidder
- QIB

6. INVESTOR STATUS

- NRI Non-Resident Indian(s) (Repatriation basis)
- FII FII or Sub-account not a Corporate/Foreign Individual
- FIISA FII Sub-account Corporate/Individual
- FVCI Foreign Venture Capital Investor
- FPI Foreign Portfolio Investors
- OTH Others (Please Specify)______

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1.00 million or 1.0% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud (i) involves an amount which is less than ₹ 1.00 million or 1.00% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 2.00 million or both.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective CDP.

4.1.2 FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT

(a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form should be exactly the same as the PAN of the person(s) in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, <u>**otherwise, the Bid cum Application Form is liable to be rejected.**</u>

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.

(d) Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five

Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders/Applicants may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders/Applicants may Bid at Floor Price or any price above the Floor Price (For further details Bidders/Applicants may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders/Applicants may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder/Applicant may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder/Applicant does not exceed ₹ 200,000 and does not exceed ₹ 500,000 in case of Employees.

(b) In case the Bid Amount exceeds ₹ 200,000 (₹ 500,000 for Employees) due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any), then such Bid may be rejected if it is at the Cut-off Price.

(c) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 100 million. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the

Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder/Applicant including QIB Bidder/Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder/Applicant in the Bid cum Application Form may be treated as optional bids from the Bidder/Applicant and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders/Applicants may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder/Applicant should submit only one Bid cum Application Form. Bidder/Applicant shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders/Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders/Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder/Applicant and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders/Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i Bids by Reserved Categories (if any) Bidding in their respective Reservation Portion (if any) as well as bids made by them in the Net Issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS/APPLICANTS**

(a) The categories of Bidders/Applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders/Applicants may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicant are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicant should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorization provided in the ASBA Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder/Applicant. In case of Bidders/Applicant specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders/Applicant who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.

(c) All Bidders/Applicants (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques or demand drafts, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by RTGS, direct credit, NACH or NEFT.

(c) The Escrow Collection Bank(s) shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders/Applicants:**

(a) Bidders/Applicants may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders/Applicants must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders/Applicants should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders/Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders/Applicants should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Brokers at the Broker Centers, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders/Applicants bidding through a Designated Intermediary (other than an SCSB) should note that ASBA Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit ASBA Forms.

(h) Bidders/Applicants bidding directly through the SCSBs should ensure that the ASBA is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

(o) **Additional payment instructions for Eligible NRIs**

Eligible NRIs Bidding on non-repatriation basis must use the Bid cum Application Form for residents (white in color) and make payment through the NRO Account. Eligible NRIs Bidding on a repatriation basis must use the Bid cum Application Form meant for Non-Residents (blue in color). In the case of Bids by Eligible NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.3 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders/Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(c) The Bidders/Applicants entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than ₹ 0.2 million, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorization/undertaking box in the ASBA Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

(d) Bidders/Applicants must note that Bid cum Application Form without signature of Bidder and/or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGMENT AND FUTURE COMMUNICATION**

(a) Bidders/Applicants should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids/Applications made in the Issue may be addressed as under:

i. in case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, refund intimations, the Bidders should contact the Registrar to the Issue;

ii. in case of Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch;

iii. in case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member;

iv. in case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker;

v. in case of Bids submitted to the RTA, the Bidders should contact the relevant RTA;

vi. in case of Bids submitted to the CDP, the Bidders should contact the relevant CDP; and

vii. for any other complaints in relation to the Issue, the Bidders may contact the Company Secretary and Compliance Officer or the BRLMs.

(c) The following details (as applicable) should be quoted while making any queries:

i. full name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for and amount paid on application;

ii. name and address of the Designated Intermediary, where the Bid was submitted;

iii. in case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked; and

iv. in case of Bids by Anchor Investors, details of direct credit and name of the issuing bank.

(d) Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

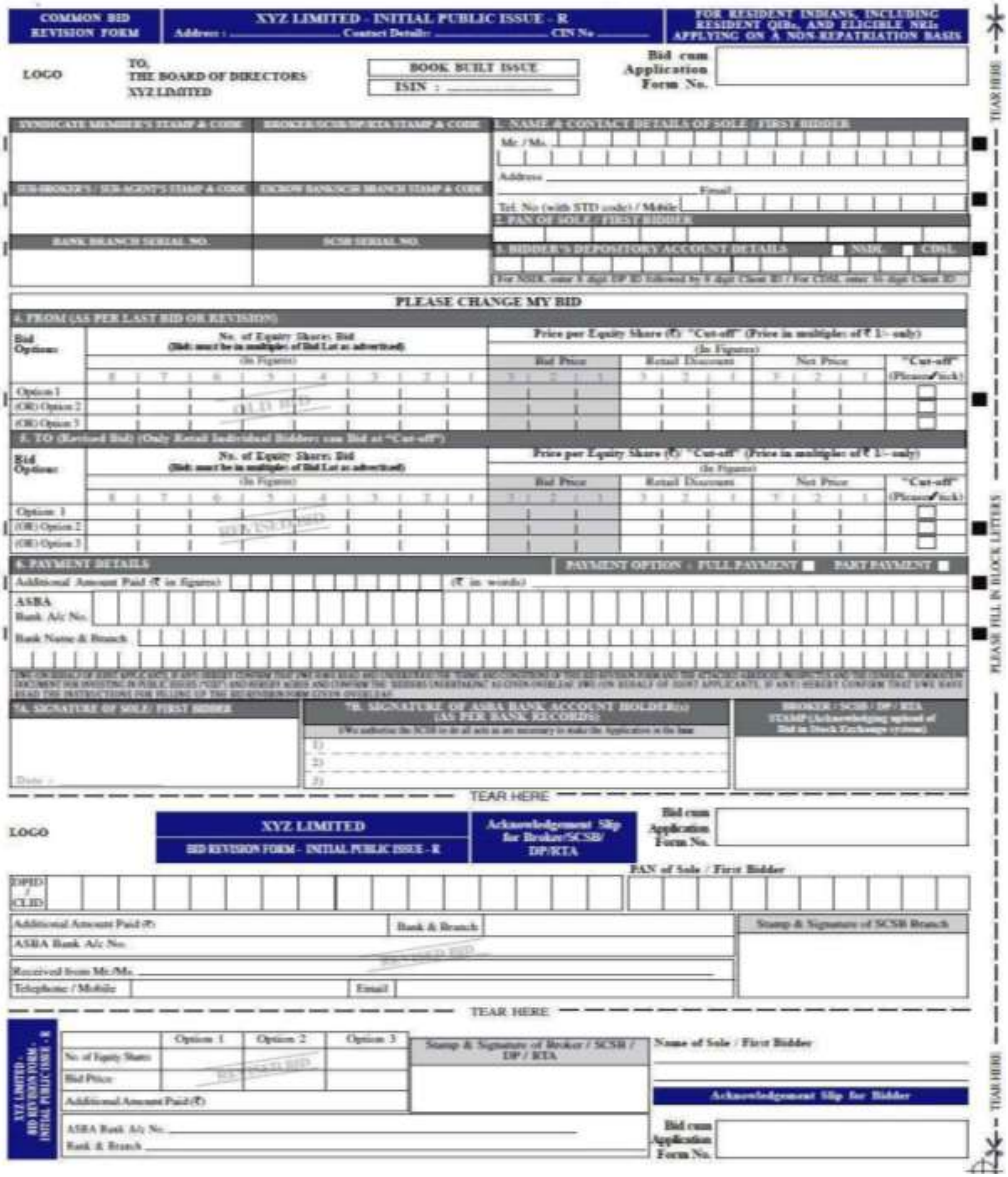
(a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIIs may revise their bids or withdraw their Bids till the Bid/Issue Closing Date. QIBs and NIIs cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE

BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE

ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO.

SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options

No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)

Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

Bid Price

Retail Discount

Net Price

"Cut-off" (Please ✓ tick)

Option 1

(OR) Option 2

(OR) Option 3

OLD BID

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

REVISED BID

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures)

(₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

7A. SIGNATURE OF SOLE/ FIRST BIDDER

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

Date :

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Additional Amount Paid (₹)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Option 1

Option 2

Option 3

No. of Equity Shares

Bid Price

Additional Amount Paid (₹)

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

(a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000 in case of Bids by RIIs and Retail Individual Shareholders and does not exceed ₹ 500,000 in case of Bids by Employees. In case the Bid Amount exceeds ₹ 200,000 for RIIs and Retail Individual Shareholders or exceeds ₹ 500,000 for Employees, due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000 for RIIs and Retail Individual Shareholders or exceeds ₹ 500,000 for Employees, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion (if any), who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalized.

4.2.3 FIELD 6: PAYMENT DETAILS

(a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000 (₹ 500,000 for Employees), the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after finalisation of Basis of Allotment.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING BID CUM APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000 and application by Employees must be for such number of shares so as to ensure that application amount payable does not exceed ₹ 500,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Bid cum Application Form. Submission of a second Bid cum Application Form to either the same or other SCSB and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories (if any) in their respective reservation portion (if any) as well as that made by them in the Net Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RIIs and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue.

(b) Application Amount cannot be paid in cash, cheque or demand draft, through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraph 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.2.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM

4.4.1 **Bidders may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centers or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location (b) To the Designated Branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalized after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding Centers during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of Basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum Application Forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders/Applicants, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, entities forming part of the Promoter Group, NIIs & RIIs can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, *inter alia*, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account supported by guardian as per Demographic Details provided by Depositories);

(b) Bids by OCBs;

(c) In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;

(e) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) PAN not mentioned in the Bid cum Application Form, except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;

(k) Bids at Cut-off Price by NIIs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;

(m) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Submission of more than five ASBA Forms as through a single ASBA Account;

(o) Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(p) Multiple Bids as defined in this GID and the RHP/Prospectus;

(q) Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

(r) In case of Anchor investors, Bids where sufficient funds are not available in the Anchor Investor Escrow Account as per the final certificate from the Escrow Collection Banks;

(s) Where no confirmation is received from SCSB for blocking of funds;

(t) Bids by Bidders/Applicants (other than Anchor Investors) not submitted through ASBA process;

(u) Bids submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(v) Bids not uploaded on the terminals of the Stock Exchanges; and

(w) Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder may refer to the RHP/Prospectus.

(b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under-subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion (if any) to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) A Bid by an Employee in the employee Reservation portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the employee Reservation portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Employee not exceeding ₹ 500,000. For further details on allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(e) **Illustration of the Book Building and Price Discovery Process**

Bidders/Applicants should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders/Applicants can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders/Applicants, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid quantity	Bid amount (₹)	Cumulative quantity	Subscription
500	24	500	16.67%

Bid quantity	Bid amount (₹)	Cumulative quantity	Subscription
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalize the issue price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(f) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder/Applicant with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder/Applicant is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders/Applicants is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder/Applicant, decide whether a Bidder/Applicant be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder/Applicant be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Bid cum Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit a Bid cum Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Bid cum Application Form only ("ASBA Account"). The Bid cum Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Bid cum Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities). However, in case the Issue is in the nature of offer for sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTORS (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the BRLMs, subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 100 million;

- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and

- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Issue Price is higher than the Anchor Investor Issue Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalize the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders/Applicants may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders/Applicants in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders/Applicants may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder/Applicant in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder/Applicant, the Allotment may be made as follows: the successful Bidders/Applicants out of the total Bidders/Applicants for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder/Applicant may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalized by the Issuer;

(e) If the proportionate Allotment to a Bidder/Applicant is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded to the lower whole number. Allotment to all Bidders/Applicants in such categories may be arrived at after such rounding; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders/Applicants in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders/Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders/Applicants applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders/Applicants applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

Pursuant to confirmation of such corporate action, the Registrar will dispatch the Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalized.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 0.5 million but which may extend to ₹ 5 million and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 0.3 million, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of offer for sale only, then minimum subscription may not be applicable. In case of under-subscription in the issue involving a fresh issue and the offer for sale, the Equity Shares in the fresh issue will be issued prior to the sale of equity shares in the offer for sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders/Applicants, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders or transmit refund by way of electronic mode for all amounts payable to unsuccessful Anchor Investors and also any excess amount paid on bidding.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders'/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NACH—**National Automated Clearing House is a consolidated system of electronic clearing system. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor

Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where **clearing houses are managed by the RBI, may have the option to receive refunds, if any,** through RTGS; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum, if the Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
ASBA Bidder/Applicant	All Bidders/Applicants except Anchor Investors

Term	Description
Banker(s) to the Issue/Escrow Collection Bank(s)/Collecting Banker	Banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	Basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder/Applicants pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicants upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Closing Date
Bid/Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Period
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centers	Broker centers notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalized and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalized by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidders'/Applicants' address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 as updated from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders/Applicants can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which our Board may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the offer for sale
Designated Intermediaries	Members of the Syndicate, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders/Applicants, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders/Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favor the Anchor Investors may transfer money through NEFT, direct credit, NACH or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalized and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public issue of Equity Shares of the Issuer including the offer for sale if applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders/Applicants other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Managers
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Locations	Bidding centers where the syndicate shall accept ASBA Forms from Bidders/Applicants
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion (if any)
Non-Institutional Investors or NIIs	All Bidders/Applicants, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form

Term	Description
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	Date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/Registrar	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion (if any)
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009 (if any)
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders/Applicants in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 as updated from time to time
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Bidding centers where the Syndicate shall accept Bid cum Application Forms
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement among the Issuer, and the Underwriters to be entered into on or after the Pricing Date

Term	Description
Working Day	All days other than the second and fourth Saturdays of each month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, when referring to (a) announcement of Price Band; and (b) Bid/Issue Period, the term shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

1. Unless the context otherwise requires, words or expressions contained in interpretation of these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which the Articles become binding on the Company.

   "Act" means the Companies Act, 2013, or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable, including the Rules.

   "Articles" or "Articles of Association" shall mean these articles of the Company as originally framed or as altered from time to time and registered with the Ministry of Corporate Affairs/Registrar of Companies from time to time.

   "Company" means Bharat Hotels Limited.

   "Directors" means the Directors for the time being of the Company.

   "Board of Directors" or "the Board" means the Board of Directors for the time being of the Company.

   "Managing Director" means the Managing Director for the time being of the Company.

   "Office" means the Registered Office for the time being of the Company.

   "Register" means the Register of Members to be kept pursuant to Section 88 of the Act.

   "Registrar" means the Registrar of Companies, Delhi & Haryana.

   "Rules" means the applicable rules for the time being in force as prescribed under the relevant sections of the Act.

   "Seal" means the Common Seal of the Company.

   "Number" and "Gender" words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.

   Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

2. The regulations contained in Table "F" in Schedule I of the Act shall not apply to the Company, except in so far as any such regulations are repeated, contained or expressly made applicable in these Articles or they are embodied in the following Articles which shall be the regulations for the management of the Company and the members thereof.

3. The Company shall be entitled to take steps for the dematerialization of its securities and offer its fresh shares in a dematerialized form in accordance with applicable law and subject to the Depositories Act, 1996, as amended and the rules thereunder.

4. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

5. The Board of Directors or the Company as the case may be, may in accordance with the Act and the Rules, issue further shares to –

a) Persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at the date by sending a letter of offer subject to the following conditions:

i. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer, within which the offer, if not accepted, will be deemed to have been declined.

ii. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favor of any other person and the notice referred to in Article 5(a)(i) hereof shall contain a statement of this right.

Provided that the Board may decline, without assigning any reason, to allot any shares to any person in whose favor any member may renounce the shares offered to him.

iii. After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice was given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Company and the members of the Company.

b) Employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under law.

c) Any persons, if such offer is authorized by a special resolution (whether or not those persons include the persons referred to in Article 5(a) or (b) hereof) either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to such conditions as may be prescribed in the Act and the Rules.

d) The notice referred to in Article 5(a)(i) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders of the Company at least three days before the opening of the issue.

Nothing in Article 5(a)(ii) shall be deemed to:

a) Extend the time within which such offer should be accepted; or

b) Authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favor the renunciation was first made has declined to accept the shares comprised in such renunciation.

Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company.

Provided that the terms of issue of such debentures or loans containing such an option have been approved prior to the issue of debentures or raising of loans by way of a special resolution passed by the Company in a general meeting.

The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, other applicable provisions of the Act and the Rules.

6. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to the compliance with the provision of Sections 53 and 54 of the Act) and at such time as they may, from time to time, think fit and with the sanction of the Company in a general meeting, give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in a general meeting.

7. Subject to the provisions of Section 40 of the Act, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or securities of the Company, but so that the commission shall not exceed the maximum rates laid down in the Act and the Rules made in that regard. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

8. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder in respect of such share or the legal representative of a deceased registered holder.

9. Where two or more persons are registered as joint holders (not more than four) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles

(a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.

(b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

(c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

(d) The person whose name stands first in the Register as one of the joint-holders of any share shall be deemed the sole holder of such shares in respect of dividends or bonus or service of notice and all or any other matter connected with the Company.

(e) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he is solely entitled thereto. If more than one of such joint holders is present at any meeting either personally or by proxy or by attorney, then the joint holder who is present and whose name stands first or higher (as the case may be) in the Register in respect of such shares shall alone be entitled to vote in respect thereof.

(f) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Article 8, be deemed joint-holders.

(g) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names.

9A. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at a general meeting, appointment of Directors and otherwise debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the general meeting by a special resolution.

9B. Subject to the provisions of the Act, the Board may, at their discretion, raise or borrow or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, debentures or by any mortgage or by any charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

10. (a) The Company may issue sweat equity shares at a discount only in the manner provided in Section 54 of the Act.

(b) In accordance with Section 54 of the Act and the Rules and any other applicable law, the Company may issue sweat equity shares of a class of shares already issued subject to the following conditions:

(i) such issue is authorized by a special resolution of the Company in a general meeting;

(ii) such resolution specifies the number of shares, the current market price, the consideration, if any, and the class or classes of directors or employees to whom such shares are to be issued; and

(iii) as at the date of such issue, not less than one year has elapsed since the date on which the Company was entitled to commence business.

(c) The Company may also issue shares to its employees, including its Directors, under an employee stock option scheme or any other scheme, if authorized by a special resolution of the Company in a general meeting, subject to the provisions of the Act and the Rules and other applicable law.

(d) The rights, limitation, restrictions and provisions that are, for the time being, applicable to the equity shares of the Company shall be applicable to any sweat equity shares issued pursuant to this Article 10 and Section 54 of the Act. The holders of such sweat equity shares shall rank *pari passu* with other equity shareholders.

CERTIFICATE

11. (a) The certificates of title to shares and duplicates thereof shall be issued under the Seal which shall be affixed in the presence of:

(i) two directors of the Company authorized by the Board; or

(ii) by a Director and the company secretary or any other person as authorized by the Board.

(b) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board so approves (upon paying such fee as the Board may, from time to time, determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof provide otherwise, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares, as the case may be. Every certificate of shares shall be under the Seal and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.

(c) The Company shall not charge any fee for -

(i) registration of transfer or transmission of shares and debentures;

(ii) sub-division and consolidation of shares and debenture certificate, sub-division of letters of allotment;

(iii) split, consolidation, renewal and genuine transfer receipts into denominations corresponding to the market units of trading;

(iv) sub-division of renounceable letters of right; or

(v) registration of any power of attorney, probate, letter of administration, succession certificate, certificate of death or marriage or other similar documents.

(d) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding ₹2/- for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Board shall comply with the Act and the Rules, the rules or regulations of any stock exchange or the rules made under the Securities Contracts (Regulations) Act, 1956 or any other act, or rules applicable in this behalf;

The provisions of this Article 11 shall *mutatis mutandis* apply to debentures of the Company.

12. Where a new share certificate has been issued in pursuance of Article 11, particulars of every such certificate shall also be entered in a register of duplicate certificates indicating against the name of the person to whom the certificate is issued, the number and date of issue of the certificate in lieu of which the new certificate is issued.

13. No call shall exceed one-fourth of the nominal amount of a share, or be made payable within one month after the last preceding call was payable. Not less than one month’s notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

14. The Board may, if it thinks fit, subject to provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the account so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the member paying such sum in advance and the Board agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

A member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

The provisions of this Article 14 shall *mutatis mutandis* apply to the calls on debentures of the Company.

15. If, by the terms of issue of any share or otherwise, any amount is made payable at any fixed time or by installments at fixed times, whether on account of the amount the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

16. On the trial or hearing of any action or suit brought by the Company against any member or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register as a member, or one of the members in respect of the share for which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

17. A call may be revoked or postponed at the discretion of the Board.

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "**Due Date**"), the person from whom the sum is due shall pay interest thereon from the Due Date to the time of actual payment at such rate as may be fixed by the Board.

(b) The Board shall be at liberty to waive payment of any such interest wholly or in part.

20. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

21. No Member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

22. Neither a judgment nor a decree in favor of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

FORFEITURE AND LIEN

23. If any member fails to pay any call or installment on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

24. The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid.

The notice shall also state that in the event of non-payment at or before the time, and at the place appointed, the shares in respect of which such call was made or installment is payable, will be liable to be forfeited.

25. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

26. When any share shall have been so forfeited, notice of such forfeiture shall be given to the member in whose name such share stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

27. A share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as it thinks fit.

28. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

29. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding, remain liable to pay, and shall pay, to the Company, all monies which, at the date of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at 12 per cent per annum and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, or shall waive payment in whole or in part, but shall not be under any obligation to do so.

30. A duly verified declaration in writing that the declarant is a Director or manager or secretary of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

31. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses declared from time to time in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The Board may at any time declare any shares/debentures, wholly or in part, to be exempt from the provisions of this Article.

32. For the purpose of enforcing such lien, the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment or the money called or payable at a fixed time in respect of such share for thirty days after the date of such notice.

33. The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

34. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer for the share sold and cause the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

35. Where any share has been sold by the Board pursuant to these Articles and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share, distinguish it in such manner as it may think fit from the certificate not so delivered. Where in any such case the certificate in respect of the share forfeited and/or sold is not delivered, and a new certificate for such share has been issued, the original certificate shall be treated as cancelled and no claim or title based on such certificate shall be binding on the Company.

TRANSFER OF SHARES

36. (a) The instrument of transfer of any shares and other securities in the Company shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996, as amended shall apply.

(b) There shall be a common form of transfer in accordance with the Act and the Rules.

(c) The securities transfer form shall be duly executed by or on behalf of both the transferor and transferee.

(d) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register in respect thereof.

37. Subject to the provisions of Sections 58 and 59 of the Act, the Rules, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a member in the Company or debentures of the Company. The Company shall, within 30 days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has a lien on the shares.

38. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.

39. The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

40. No transfer shall be made to a minor or a person of unsound mind.

TRANSMISSION OF SHARES

41. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

42. (a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

(i) to be registered himself as holder of the share; or

(ii) to make such transfer of the share as the deceased or insolvent member could have made.

(b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

(c) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

43. (a) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

44. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

45. The Company shall incur no liability or responsibility whatsoever as a consequence of it registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or may have received a notice prohibiting registration of such transfer and may have entered such notice or referred such notice thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company. The

Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.

46. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

47. If any Member fails to pay the whole or any part of any call or installment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or installment or any part thereof and other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person, if any, entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.

INCREASE AND REDUCTION OF CAPITAL

48. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. Subject to the provisions of the Act, the shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as a general meeting creating the same shall direct and if no direction be given, as the Board shall determine.

49. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares, ranking *pari passu* therewith.

50. The Company may, from time to time by special resolution, reduce its share capital or any capital redemption reserve account or share premium account in any manner and in accordance with the provisions of the Act and the Rules.

ALTERATION OF CAPITAL

51. Subject to the provisions of the Act, the Company by an ordinary resolution in a general meeting may -

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; so, however, that in the sub division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, provided that any such cancellation shall not deemed to be any reduction of capital under the Act.

52. Subject to the provisions of the Act and pursuant to a special resolution by the Company in a general meeting, the Board shall have the power to issue/re-issue preference shares of one or more classes which are liable to be redeemed or converted to equity shares, on such terms and conditions and in such manner as may be specified in the resolution authorizing such issue.

53. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

BORROWING POWERS

54. (a) Subject to the provisions of the Act, the Board may exercise all the powers of the Company to borrow money up to any extent and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligations of the Company or any third party.

(b) The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by circulation) by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company, (both present and future) including its uncalled capital for the time being.

(c) Any debentures, debenture stock, bond and other securities may be issued at a discount, premium or otherwise and may be assignable free from any equities between the Company and the person to whom the same may be issued on the condition that they shall be convertible into shares of any authorized denomination and with privileges, and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at a general meeting, appointment of Directors or otherwise. Provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company by way of a special resolution in a general meeting.

55. The Company may receive deposits for such terms and bearing interest at such rates as the Board may decide from time to time. The deposits may be received from any person or persons including the Directors and the members of the Company subject to the provisions of the Act and the Rules.

56. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments, and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board may from time to time by resolution determine.

57. The Directors or any of them may guarantee or obtain the guarantee or security from any person or entity for the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Board with power to them to indemnify the guarantors from or against liability personally liable for the under the guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property, or assets or otherwise. If the Directors or any of them or any other person shall become liable for payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

GENERAL MEETING

58. All general meetings other than the annual general meeting shall be called extraordinary general meetings.

59. The Board may, whenever it thinks fit, call an extraordinary general meeting and it shall do so upon a requisition from such number of members who hold, at the date of the receipt of the requisition, not less than one-tenth of such of the paid up capital of the Company as at the date carried the right of voting in regard to the matter to be considered at the meeting and in the case of such requisition the following provisions shall apply:

(a) The requisition shall state the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the office.

(b) Where two or more distinct matters are specified in the requisition, the requisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the member or members hereinbefore specified.

(c) If the Board does not, within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of these matters on a day not later than forty-five days from the date of deposit, the requisitionists may themselves call the meeting within a period of three months from the date of requisition.

(d) Any meeting called under this Article by the requisitionists shall be called in the same manner as nearly as possible as that in which meetings are to be called by the Board.

(e) Where two or more persons hold any shares jointly a requisition or notice calling a meeting signed by one or some only of them shall for the purposes of this Article have the same force and effect as if it had been signed by all of them.

(f) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company out of any sum due or becoming due from the Company by way of fees or other remuneration for their services to such of the Directors as are in default.

60. The Company shall comply with provisions of Section 111 of the Act as to giving notice of resolution and circulating statements on the requisition of members.

61. (a) Save as provided in the Act not less than twenty one days notice shall be given of every general meeting of the Company in such manner as may be prescribed.

(b) Notice of every general meeting of the Company shall be given to every member of the Company, every Director of the Company, to the auditors of the Company and to any persons entitled to a share in consequence of the death or insolvency of a member in any manner hereinafter authorized for the giving of notices to such persons.

(c) The accidental omission to give any such notice to or the non-receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

PROCEEDINGS AT GENERAL MEETING

62. The ordinary business of an annual general meeting shall be to receive and consider the profit and loss account, the balance sheet and the reports of the Directors and of the auditors, to elect Directors in the place of those retiring by rotation, to appoint auditors and fix their remuneration and to declare dividends. All other business transacted at an annual general meeting and all business transacted at any other general meeting shall be deemed special business.

63. No business shall be transacted at any general meeting of the Company unless a quorum of members is present at the time when the meeting proceeds to business. The quorum of a general meeting shall be as provided in the Act.

64. The chairman of the Board shall be entitled to take the chair at every general meeting. If there be no such chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the members present shall choose another Director as chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall, on a show of hands or on a poll if properly demanded, elect one of them being a member entitled to vote to be chairman of the meeting.

65. If within half-an-hour from the time appointed for the meeting a quorum be not present, the meeting if convened upon such requisition as aforesaid, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may by notice appoint and if at such adjourned meeting a quorum be not present those members who are present shall be the quorum and may transact the business for which the meeting was called.

66. Subject to any rights or restriction for the time being attached to any class or classes of shares, every question submitted to a meeting shall be decided:

(a) on show of hands, every member present in person shall have one vote;

(b) on a poll, the voting rights of member(s) shall be in proportion to his share in the paid-up equity share capital of the Company. In the case of an equality of votes, both on a show of hands and on a poll, the chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.

67. (a) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a chairman of the meeting and in any other case in accordance with the provisions of the Act and these Articles and, subject as aforesaid either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.

(b) The demand of a poll may be withdrawn at any time.

(c) Where a poll is to be taken the chairman of the meeting shall such number of persons, as he deems necessary, to scrutinize the poll process and votes given on the poll and to report to him thereon in the manner as may be prescribed.

68. (a) The chairman of a general meeting may *suo motu* adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(b) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.

VOTES OF MEMBERS

69. Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands, every member present in person, shall have one vote;

(b) On a poll, the voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company; and

(c) On e-voting, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company; i.e., one fully paid up share – one vote.

70. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under Article 42 to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or *non compos mentis*, he may vote whether on a show of hands or at a poll by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.

71. Where there are members registered jointly in respect of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such members be present at any meeting either personally or by proxy, that one of the said members so present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of the Article be deemed to be members registered jointly in respect thereof.

72. On a poll, votes may be given either personally or by proxy, or, in the case of a body corporate by a representative duly authorized as aforesaid.

73. An instrument appointing a proxy shall be in the form as prescribed in the Act and the Rules.

74. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

75. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the Office before the vote is given; provided nevertheless that the chairman of any meeting shall be entitled to require such evidence, as he may in his discretion think fit, of the due execution of an instrument of proxy and that the same had not been revoked.

76. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls of other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

77. (a) Any objection as to the admission or rejection of a vote, either, on a show of hands, or, on a poll made in due time, shall be referred to the Chairman of the meeting who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.

(b) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

DIRECTORS

78. Unless otherwise determined by the Company in a general meeting, the number of the Directors of the Company shall not be less than three and shall not be more than fifteen.

79. Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to be determined by retirement by rotation.

80. At the date of the adoption of these Articles, the following persons were the Directors of the Company:

1) Dr. Jyotsna Suri
2) Mr. Ramesh Suri
3) Ms. Divya Suri Singh
4) Ms. Deeksha Suri
5) Mr. Keshav Suri
6) Dr. Mohmmad Yousuf Khan
7) Mr. Dhruv Prakash
8) Mr. Vivek Mehra
9) Mr. Ranjan Mathai

81. The fees payable to a Director for attending meetings of the Board and/or committee meetings shall be such sum as may be fixed by the Board of Directors not exceeding such sums as may be prescribed under the provisions the Act, for each meeting of the Board or a committee thereof and adjournments thereto attended by him.

82. In addition to the remuneration payable to the Directors under Article 81 hereof, the Directors may be paid all travelling, hotel and other expenses properly and actually incurred by them in attending and returning from meetings of the Board of Directors or any committee thereof or in connection with the business of the Company.

83. If any Director who performs extra services or makes any special exertions for any of the purposes of the Company or gives special attention to the business of the Company or as a member of a committee of the Board then, subject to the provisions of the Act, the Board may remunerate the Director either by a fixed sum or by a percentage of profit otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

ROTATION OF DIRECTORS

84. (a) At each annual general meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three then the number of nearest of one-third shall retire from office. An additional director appointed by the Board shall not be liable to retire by rotation within the meaning of this Article.

(b) A Managing Director and/or whole time Director shall not, while he continues to hold that office, be subject to retirement by rotation, unless his term of appointment specifically provides that he would be liable to retire by rotation. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director or whole time Director, as the case may be.

(c) The independent directors shall not be counted for the total number of directors liable to retire by rotation.

85. The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

86. Save as permitted by Section 162 of the Act, every resolution of a general meeting for the appointment of a Director shall relate to one named individual only.

87. The Company at an annual general meeting at which a Director retires by rotation in the manner aforesaid may fill up the vacated office by appointing the retiring Director or some other person thereto.

If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if the day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:-

(a) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the vote and lost;

(b) the retiring Director has by notice in writing addressed to the Company or the Board expressed his unwillingness to be re-appointed;

(c) he is not qualified or has been disqualified for appointment;

(d) a resolution, whether special or ordinary, is required for his appointment for re-appointment in virtue of any provisions of the Act; or

(e) the provisions of section 162 of the Act shall be applicable to this case.

88. The Company may, subject to the provisions of the Act, by ordinary resolution of which special notice has been given, remove any Director before the expiration of his period of office and may by ordinary resolution of which special notice has been given, appoint another person in his stead, if the Director so removed was appointed by the Company in a general meeting or by the Board under Article 86. The person so appointed shall hold office until the date up to which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not filled by the meeting at which he is removed the Board may at any time thereafter fill such vacancy under the provision of Article 89.

89. If the office of any Director appointed by the Company in a general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board, at a meeting of the Board. The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

90. No person not being a retiring Director shall be eligible for appointment to the office of Director at any general meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as may be prescribed under the Act. The Company shall inform its members of the candidature of a person for the office of Director in such manner as may be prescribed.

ALTERNATE DIRECTORS

91. The Board may appoint any person to act as alternate director for a Director during the latter's absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. An alternate director shall not hold office for a period longer than that permissible to the original director in whose place he has been appointed and shall vacate the office if and when such original director returns to India.

APPOINTMENT AND DURATION OF OFFICE OF ADDITIONAL DIRECTOR

92. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

93. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

APPOINTMENT OF NOMINEE DIRECTOR

94. Notwithstanding anything to the contrary in these Articles, so long as any moneys remain owing by the Company to any public financial institution(s) and/or bank(s) owned or controlled by the Central Government or by the Reserve Bank of India out of any loan granted by the said institutions to the Company, the said institutions, shall have a right from time to time to appoint one person as their nominee director on the Board of the Company and to remove from such office any person so appointed and to appoint any other person in his place; the said nominee director shall not be required to hold any qualification shares in the Company. Subject to aforesaid, the said nominee director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

PROCEEDINGS OF DIRECTORS

95. The Board shall meet together at least once in every 3 months and not more than 120 days shall intervene between two consecutive meetings of the Board, for the purpose of its business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit. Notice of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India, in writing. Unless otherwise determined from time to time and at any time by the consent of all Directors for the time being in India, meetings of the Board shall take place at the office.

96. A Director may at any time and the Managing Director, or the secretary shall, upon the request of a Director, convene a meeting of the Board.

97. The Board or any committee of Board may elect a chairman and a vice-chairman of their meetings, and determine the period for which they are respectively to hold office; but if no such chairman or vice-chairman is elected or if at any meeting of the Board the chairman or vice-chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be chairman of such meeting.

98. The quorum for a meeting of the Board of Directors shall be two or one third of its total strength, whichever is higher, subject to the provisions of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the chairman of the Board shall appoint.

99. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions by or under these Articles for the time being vested in or exercisable by the Board.

100. Subject to the provisions of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and, in case of an equality of votes, the chairman shall have a second or casting vote.

101. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

102. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under Article 101.

103. Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

104. Save as otherwise provided in the Act, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the committee of the Board, as the case may be, and has been approved by a majority of such of them as are entitled to vote on the resolution.

MINUTES

105. (a) The Board shall cause minutes of the proceeding of every general meeting of any class of members or creditors, every resolution passed by postal ballot and every meeting of the Board or of every committee of the Board, to be entered thereof in books kept for the purposes with their pages consecutively numbered, prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

(b) The minutes shall contain particulars of:

(i) the name of the Directors present at each general meeting, meeting of the Board and of any Committee of the Board and in the case of each resolution passed at the meeting, the names of the Directors, if and dissenting from or not concurring with the resolution;

(ii) all orders made by the Board and committees of the Board;

(iii) all appointments of Directors and other officers of the Company; and

(iv) all proceedings of each general meeting of the Company and of meetings of the Board and committees of the Board.

(c) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

Provided that there shall not be included in any such minutes, any matter, which the chairman of the meeting, in his absolute discretion, is of opinion:-

(i) is, or could reasonably be regarded as, defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interest of the Company.

(d) Any such minutes of any meeting of the Board or of any committee of the Board or of the Company in a general meeting, if kept in the manner provided in Article 105(a) above, shall be evidence of the proceedings recorded in such minutes. The minutes books of a general meeting of the Company shall be kept at the Office and shall be open to inspection by members on business days between the hours of 11.30 o'clock in the forenoon and 1.30 o'clock in the afternoon.

POWERS OF DIRECTORS

106. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do;

Provided that the Board shall not exercise any power or do any Act or thing which is directed or required, whether by the Act or any other statute or by the memorandum of association of the Company or by these Articles or otherwise, to be exercised or done by the Company in a general meeting

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the memorandum of association of the Company or in these Articles or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in a general meeting, but no regulation made by the Company in a general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

KEY MANAGERIAL PERSONNEL

107. Subject to the provisions of the Act, a Managing Director, whole-time director, chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board as key managerial personnel for such term, at such remuneration and upon such conditions as it may think fit; and any Managing Director, whole-time director, chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

108. Subject to the provisions of the Act and other applicable laws, an individual who is Managing Director or chief executive officer or whole-time director of the Company may be appointed or re-appointed as chairman of the Company at the same time.

109. A Director may be appointed as Managing Director, whole-time director, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

110. The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given of the Board or committee of the Board authorized by the Board in that behalf and save as provided in these Articles, one Director and the secretary of the Company, if any, or some other person appointed by the Board for the purpose shall sign every instrument to which the Seal is affixed.

Provided nevertheless, that any instrument bearing the Seal and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

CAPITALISATION OF RESERVES

111. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.

112. Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the reserves or any Capital Redemption Reserve

Account, or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such members in paying up in full any unissued shares of the Company which shall be distributed accordingly, or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalized sum, provided that any sum standing to the credit of a share premium account or a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

113. A general meeting may resolve that any surplus money arising from the realization of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

114. For the purpose of giving effect to any resolution under Articles 112 and 113 and Article 124 hereof the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalized fund as may seem expedient to the Board. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

115. (a) Subject to the provisions of the Act and applicable laws, the Company by ordinary resolution in a general meeting may, upon the recommendation of the Board, resolve:-

(i) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in Article 115(2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 115(3) below, either in or towards:

(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(ii) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(iii) partly in the way specified in Article 115(2)(a) and partly in that specified in Article 115(2)(b).

(c) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(d) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

116. (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall-

(i) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have power to-

(i) make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and

(ii) authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on such members.

117. Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto, the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the equity shares of the Company but so that a partly paid up shares shall only entitle to the member in respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls, such capital shall rank for dividends and confer right to participate in profits.

118. The Company in a general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of the Act, fix the time for payment.

119. No larger dividend shall be declared than is recommended by the Board, but the Company in a general meeting may declare a smaller dividend.

120. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as reserve.

121. The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.

122. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

123. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register, or to such person and to such address as the holder or joint holders may in writing direct.

124. The Board may retain dividends payable upon shares in respect of which any person is entitled to become a member under Articles 42 to 44 until such person shall become a member in respect of such shares.

125. No dividend shall be paid in respect of any share except to the member registered in respect of such share or to his order or to his bankers but nothing containing in this Article shall be deemed to require the bankers of a member to make a separate application to the Company for the payment of the dividend.

126. Several persons who are members registered jointly, the first holder shall be entitled to receive the dividend and in respect of any share anyone of them may give effectual receipts for all dividends, bonuses and other payments irrespective of such share.

127. Notice of any dividend, whether interim or otherwise, shall be given to the persons entitled to share therein in the manner hereinafter provided.

128. No dividend shall bear interest against the Company

129. The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

130. (a) If the Company has declared dividend which has not been paid within 30 days from the date of declaration, the Company shall, within seven days from the date of expiry of such period of 30 days, transfer the total amount of dividend, which remained so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "Unpaid Dividend Account".

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund established under Section 125(1) of the Act i.e., the "Investor Education and Protection Fund".

(c) No unpaid or unclaimed dividend shall be forfeited by the Board before the claim becomes barred by law.

BOOKS AND DOCUMENTS

131. The Board shall cause to be kept in accordance with Section 128 of the Act proper books of accounts.

132. The books of accounts shall be kept at the Office or at such other place in India as the Board may decide and when the Board so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place. The books of account shall be open to inspection by the Director during business hours provided that the books of account shall also be open to inspection by the Registrar or by any officer of Government authorized by the Central Government in this behalf.

133. No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorized by the Board.

WINDING UP

134. Subject to the applicable provisions of the Act and the Rules made thereunder:-

(a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

135. (a) Subject to the provisions of the Act, every Director, Managing Director, whole-time director, chief financial officer, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, chief financial officer, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, chief financial officer, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(b) Subject as aforesaid, every Director, Managing Director, chief financial officer, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favor or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by a court or tribunal.

(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

136. Subject to the provisions of the Act, no Director or other officer of the Company shall be liable for the acts, omissions, neglects, defaults of any other Director or officer or for joining in any omissions or other act for conformity, or for any loss or expenses suffered by the Company through insufficiency of title to any property acquired by the order of the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act or any person, company or corporation, with whom any moneys, securities or effects of the Company shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatever shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty, willful neglect or default.

GENERAL POWER

137. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

MISCELLANEOUS

138. A document (which expression for this purpose shall be deemed to include and shall include any summons, notices, requisition, order, judgment or any other document in relation to or in the winding up of the Company) may be served or sent by the Company to any member either personally, electronically either through email or any other mode prescribed as electronic mode or by sending it by post to him to his registered address or (if he has no registered address in India) to the address if any within India supplied by him to the Company for the giving of notice to him or by any other prescribed mode mentioned under the Act.

139. Documents or notices of every general meeting shall be served or given in same manner hereinbefore authorized on or to-

(a) every member,

(b) every person entitled to a share in consequence of the death or insolvency of a member,

(c) the auditor or auditors for the time being of the Company,

(d) the Directors of the Company, or

(e) any other person eligible as per the provisions of the Act and the Rules.

140. If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him, a document advertised in a newspaper circulating in the neighborhood of the Office shall be deemed to be fully served on him on the day on which the advertisement appears.

141. Subject to the provisions of the Act, any document required to be served or sent by the Company to the members, or any of them, and not expressly provided for by these presents, shall be deemed to be duly served or sent, if advertised once in a newspaper published in English language and another published in a vernacular language in the state of NCT of Delhi.

142. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every document in respect of such share which, previously to his name and address being entered on the Register, shall be duly served on or sent to the person from whom he derives his title to such share.

143. The signature to any notice to be given by the Company may be written or typed or printed.

144. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint-holder named first in the Register in respect of shares. Several executors or administrators of a deceased sole shareholder shall be deemed to be jointly entitled for the purpose of this Article.

145. Subject to the provisions of these Articles and the Act, no member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company’s premises or properties of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company’s trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or of any matter whatsoever, which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

146. On any sale of the undertaking of the Company, the Director or liquidators on a winding up may, if authorized by a special resolution, accept fully paid or partly paid up shares, debentures of securities of any other company, whether incorporated in India or not, either then existing or to be formed, for the purpose in whole or in part of the property, undertaking or the business of the Company. The liquidators (in a winding up) may distribute such shares or securities, or any other property of the Company amongst the contributories without realization or vest the same in trustees for them and may if authorized by special resolution provide for the distribution or appropriation of the case, shares or other securities, benefits or property otherwise than in accordance with the strict legal rights of the contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve, and the contributories shall be bound to accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation thereto, save such statutory rights (if any) under the Act as are incapable of being varied or excluded by these presents.

147. (a) If any dispute, controversy or claim between the parties arises out of or in connection with or relating to the enforcement, performance of the terms and conditions of the Articles, such dispute shall be referred to binding arbitration and determined in accordance with the Arbitration & Conciliation Act, 1996, as amended. Any arbitral award shall be final and binding on the parties and the parties waive irrevocably any rights to any form or appeal, review or recourse to any stage or other judicial authority in so far as such waiver may validly be made. The venue for arbitration shall be New Delhi and language for of proceedings shall be English.

(b) The parties to dispute recognizing the necessity of conclusion of arbitral proceedings expeditiously agree:

(i) to carry out in fully, promptly and without delay such procedural orders or directions as may be made by the arbitral tribunal from time to time;

(ii) to carry out in full, promptly and without delay such interim measures of protection as may be ordered by the arbitral tribunal;

(iii) to co-operate with each other and with arbitral tribunal in conduct of any arbitral proceeding with view to enabling the arbitral tribunal to conclude the proceeding so far as practicable within a period of 2 months from the date upon which recourse to arbitration was initiated by the service of a notice of arbitration;

(iv) that questions relating to procedure may be decided by the presiding arbitrator as he or she deems fit and that the presiding arbitrator is authorized accordingly;

(v) that the arbitral tribunal may determine in their discretion that:-

a. no oral hearing is held unless it considers any such hearing to be either necessary or appropriate; and

b. any arbitral proceedings be conducted in whole or in part upon the basis of documents and other materials

(vi) that the arbitral tribunal shall have the power to award costs to the parties.

148. Any dispute, controversy or claim between the parties arising out of or in connection with or relating to the enforcement, performance of the terms and conditions of Articles shall be construed in accordance with laws of India excluding its conflict of law provisions. The jurisdiction for any dispute arising under these Articles shall be only at New Delhi in India.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Issue

1. Issue Agreement dated June 28, 2018 entered into among our Company and the BRLMs.

2. Registrar Agreement dated June 27, 2018 entered into among our Company and the Registrar to the Issue.

3. Escrow Agreement dated [●] entered into among our Company, the Registrar to the Issue, the BRLMs, and the Bankers to the Issue.

4. Syndicate Agreement dated [●] entered into among our Company, the BRLMs and the Syndicate Members.

5. Underwriting Agreement dated [●] entered into among our Company and the Underwriters.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certificate of incorporation dated January 22, 1981.

3. Certificate of commencement of business dated May 4, 1981.

4. Resolutions of our Board dated August 29, 2017 in relation to the Issue and other related matters.

5. Resolutions of our Shareholders dated September 25, 2017 in relation to the Issue and other related matters.

6. Resolution of the IPO Committee dated June 28, 2018 approving this Draft Red Herring Prospectus.

7. Shareholders agreement dated November 30, 2005 with the Governor of West Bengal in respect of AZIL.

8. Joint venture agreement dated January 18, 2007 by and among Prime Cellular Limited, Kujjal Builders Private Limited and Eila Builders & Developers Limited, as amended pursuant to an agreement dated June 1, 2017 among our Company, Prime Cellular Limited, Kujjal Builders Private Limited and Eila Builders & Developers Limited.

9. Joint venture agreement dated February 15, 2007 by and among Prima Buildwell, Lost City Developments LLC and Premium Holdings Limited.

10. Management consultancy services agreement and licensing agreement dated December 6, 2017 with St. Olave's Limited in respect of The LaLiT London hotel.

11. Copy of the audited consolidated and standalone financial statements as at and for the Fiscal Year ended March 31, 2018 and copies of the annual reports of our Company as at and for the Fiscal Years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.

12. The examination reports of our Statutory Auditors, each dated June 22, 2018, on the Restated Financial Information included in this Draft Red Herring Prospectus.

13. The statement of tax benefits dated June 28, 2018 from our Statutory Auditors.

14. Consents of our Directors, the BRLMs, the Domestic Legal Counsel to our Company, the Domestic Legal Counsel to the Underwriters, the International Legal Counsel to the Underwriters, the Registrar to the Issue, the Monitoring Agency, the Bankers/lenders to our Company, our Company Secretary and Head Legal and Compliance Officer, our Chief Financial Officer, the Syndicate Members and the Bankers to the Issue in their respective capacities.

15. Consent of the Statutory Auditors, to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the examination reports dated June 22, 2018 of the Statutory Auditors on the Restated Financial Information, and the statement of tax benefits dated June 28, 2018.

16. Certificates dated June 27, 2018 of HCDC Designs in relation to verification of conference and banqueting space, spa area and commercial space at certain hotels operated by the Company.

17. Consent dated June 25, 2018 from CRISIL in relation to their report titled "*Assessment of hospitality sector in India*" dated June 2018.

18. Certificate dated June 28, 2018 from our Statutory Auditors, regarding the utilization of loan facilities for the purposes for which they were sanctioned.

19. Resolutions dated July 21, 2017 of our Board and resolutions dated August 23, 2017 of our Shareholders in relation to the terms and conditions of re-appointment of Dr. Jyotsna Suri as the Chairperson and Managing Director of our Company.

20. Resolutions dated July 21, 2017 of our Board and resolutions dated August 23, 2017 of our Shareholders in relation to the terms and conditions of re-appointment of Ms. Divya Suri Singh, Ms. Deeksha Suri and Mr. Keshav Suri as Executive Directors of our Company.

21. Due Diligence Certificate dated June 28, 2018 addressed to the SEBI from the BRLMs.

22. Observation letter number [●] dated [●] addressed to the BRLMs from the SEBI.

23. In-principle listing approvals dated [●] and [●] issued by the BSE and the NSE, respectively.

24. Tripartite Agreement dated April 21, 2006 among our Company, NSDL and the Registrar to the Issue.

25. Tripartite Agreement dated April 10, 2006 among our Company, CDSL and the Registrar to the Issue.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government of India or the regulations or guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and that no statement or undertaking made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or the rules or regulations made or the guidelines issued thereunder, as the case may be. We further certify that all the disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

____	**Dr. Jyotsna Suri** *Chairperson and Managing Director*
____	**Ms. Divya Suri Singh** *Executive Director*
____	**Ms. Deeksha Suri** *Executive Director*
____	**Mr. Keshav Suri** *Executive Director*
____	**Mr. Ramesh Suri** *Non-Executive Director*
____	**Dr. Mohmmad Yousuf Khan** *Independent Director*
____	**Mr. Vivek Mehra** *Independent Director*
____	**Mr. Dhruv Prakash** *Independent Director*
____	**Mr. Ranjan Mathai** *Independent Director*
____	**Ms. Shovana Narayan** *Independent Director*

SIGNED BY THE CHIEF FINANCIAL OFFICER

____	**Ms. Urmila Khurana** *Chief Financial Officer*

Date: June 28, 2018

Place: New Delhi